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Enterprising Nation

RENEWING AUSTRALIA'S MANAGERS TO MEET
THE CHALLENGES OF THE ASIA-PACIFIC CENTURY



EXECUTIVE SUMMARY

REPORT OF THE INDUSTRY TASK FORCE ON
LEADERSHIP AND MANAGEMENT SKILLS

APRIL 1995

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Enterprising Nation

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the Challenges of the Asia-Pacific Century**

Executive Summary

**Report of the Industry Task Force on
Leadership and Management Skills**

April 1995

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INDUSTRY TASK FORCE
ON LEADERSHIP AND MANAGEMENT SKILLS

13th February 1995

The Hon. Simon Crean MP,
Minister for Employment, Education
and Training,
Parliament House,
Canberra ACT 2600

Dear Minister,

I am pleased to submit to you this report of the Industry Task Force on Leadership and Management Skills. This report was commissioned by Cabinet in 1991 with the Task Force being established by the Government in 1992.

Following almost three years of consultations, research, study missions and analysis the Task Force has prepared a report which provides the most comprehensive insight ever into the way Australia prepares its managers for work and leadership. It also presents policy recommendations and options based on Task Force findings.

The improvement in the performance of Australia's managers is an important complement to the Government's wide ranging micro-economic reform, export enhancement and workforce training initiatives. Better educated and trained managers will increase the speed by which these initiatives secure significant economic benefit through work place restructuring, improved business processes and increases in the productivity of Australia's human and capital resources.

Special attention has been afforded to the need for an 'enterprise culture', small business, globalisation, diversity, life long learning and enterprise and education institution best practice.

The general philosophy of the Task Force has been to find pathways to lasting change and improvement through seeking enterprise and individual-driven solutions to the problems and challenges facing Australia's business leaders, managers, educators, trainers and government policy makers. This will require some 'seed funding' by Government.



Permanency of reform and constructive change will depend on recognition that excellent leaders and managers require well structured, systematic education and continual development so that they can add maximum value to the national economy through their performance within their enterprises.

The Task Force's report has been based on a comprehensive set of research projects and consultations. The twenty-seven reports will be of great value to policy makers, enterprise managers, academics and trainers.

As well as submitting this report to you, the Task Force has also met its terms of reference by raising awareness of the importance of management education, training and development in the Australian community. It has sponsored numerous industry and national seminars and conferences on its work; liaised closely with the media to promote the importance of management education and training; and prepared a number of discussion papers on its deliberations and policy options. It has seen these activities as a most important part of the change agenda.

In the course of our work the Task Force has received invaluable assistance and support from our Secretariat and research staff. Without their commitment and endeavour the worth of our report would have been greatly diminished. They have been a pleasure to work with.

I also wish to thank my colleagues for their enthusiasm and efforts without which our work could not have been achieved.

For me this job has been enjoyable and rewarding and I am pleased to have had the opportunity to contribute.

Yours sincerely,

A handwritten signature in cursive script that reads "David S. Karpin". The signature is written in dark ink and is positioned above the printed name.

David S. Karpin

Executive Summary

Table of Contents

Introduction	vii
Origin of the Task Force	vii
Terms of Reference	vii
Membership of the Task Force	ix
Operation of the Task Force	x
Report and associated material	xv
Acknowledgements	xv
Structure of the full report	xv
Executive Summary	1
A new paradigm of management	2
Good managers are the key to a more competitive economy and higher performing enterprises	4
Job creation depends on better management skills	6
Meeting the challenges of the Asia–Pacific century	6
Lever for change: five key challenges for Australia	10
Challenge one: developing a positive enterprise culture through education	14
Challenge two: upgrading the capability of the vocational education and training system	19
Challenge three: capitalising on the talents of diversity	26
Challenge four: achieving best practice management development	31
Challenge five: reforming management education	40
Implementation mechanisms	53
Appendices	57
<i>Appendix One: Task Force Recommendations</i>	59
<i>Appendix Two: Australian Council for Management Development</i>	83
Glossary	89

Executive Summary

**The complete report of the Industry Task Force
on Leadership and Management Skills
is published as a separate volume.**

Introduction

Origin of the Task Force

There have been a number of reports over recent years on the ability of Australian managers to respond effectively to the new challenges of the domestic and global business environment.

In its 1988 report, *Industry Training in Australia: The Need for Change*, the Employment and Skills Formation Council (ESFC) argued the need to strengthen the skills of Australia's managers and recommended an overseas mission to examine best practice in management development. The ESFC and the Department of Employment, Education and Training (DEET) subsequently sponsored *The Australian Mission on Management Skills* which visited a number of European countries, the United States and Japan in November-December 1990. The Mission's Report was tabled in Parliament in June 1991. The Mission made a number of recommendations for improving management skills.

The National Board of Employment, Education and Training (NBEET) also commissioned a study of management education, training and development among larger, private sector enterprises. The study was undertaken by Professor David Midgley of the Australian Graduate School of Management. This was the *Interim Report on the Benchmark Study of Management Development in Australian Private Enterprise* published by NBEET in September 1990.

As a consequence of these reports and other deliberations, and on advice from the then Minister for Employment, Education and Training, the Hon John Dawkins, the former Prime Minister, the Hon Bob Hawke, announced the development of a management skills strategy for Australia as part of the March 1991 Economic Statement. Arising out of this strategy, the Industry Task Force on Leadership and Management Skills was established. The former Minister for Employment, Education and Training, the Hon Kim Beazley, MP commissioned the Task Force in mid-1992. The current Minister, the Hon Simon Crean, MP, received this final report of the Task Force in February 1995.

Terms of Reference

The Task Force's charter was to advise on measures to strengthen management development and business leadership within Australian enterprises. It was asked to identify effective management practices in a range of areas, to raise awareness of the need for improved leadership and management skills and to foster enterprise commitment to management development. The full Terms of Reference are found at Exhibit 1.1.

Exhibit 1.1 Terms of Reference

1. **Examine and provide information to business and government on world-wide enterprise trends and best practice in the development of managers, including supervisors or firstline managers.**
2. **Promote and encourage awareness of the importance of leadership and management skills to enterprise productivity, innovation and international competitiveness, and recommend measures for fostering enterprise commitment to the continual development of managers.**
3. **Examine and report on the management training and advisory needs of small and medium sized businesses and advise on strategies to meet those needs.**
4. **Initiate and oversee a review of higher education award and non-award management programs, the inclusion of management content in other programs at graduate and undergraduate levels and the administration, resourcing and delivery of management programs in higher education.**
- 5 (a). **Identify and advise on measures to improve management and supervisory curriculum and delivery by TAFE and other training providers.**
- 5 (b). **Identify and advise on measures to strengthen curriculum and to improve the provision of relevant training in small business skills by TAFE and other training providers.**
- 5 (c). **Advise on the implications of such measures to improve the quality and effectiveness of leadership and management skills in Australia.**
6. **Provide advice on other measures to improve the quality and effectiveness of leadership and management skills in Australia.**

The Task Force brief included consultation with:

- the National Board of Employment, Education and Training and its Councils;
- the Department of Industry, Technology and Commerce;
- employers;
- unions;
- public and private management education and training providers;
- industry and professional bodies;
- Commonwealth agencies;
- States and Territories; and
- State training and business advisory bodies.

The brief also specifically required the Task Force to commission research to address information and data deficiencies and to identify world best practice in the development of leadership and management skills as a basis for further policy advice.

Membership of the Task Force

There are twelve Task Force members, drawn from major corporations, small business, higher education, the human resource, consulting and advisory sectors. The Chairman of the Task Force is David Karpin, Group Executive – Economic Resources for CRA Ltd. A complete list of membership appears at Exhibit 1.2.

Exhibit 1.2 Task Force members

Member	Position	Expertise
David Karpin (Chair)	Group Executive, Economic Resources, CRA Limited (formerly Managing Director, Argyle Diamond Mines Pty Ltd)	Corporate management, strategic and financial management, economics, commerce, accounting
John Vines (Deputy Chair)	Executive Director, Association of Professional Engineers, Scientists and Managers, Australia	Engineering, economics, science and technology policy, management education, industrial relations
Dr John Bailey	Director, Clark Hummerston Bailey Pty Ltd	Senior management development, international business development, engineering commerce education, management
Barbara Cail	Director, Rala Information Services Pty Ltd	Environment management, small business development, women in business
Geoffrey De Lacy	Executive Search Consultant, John Peebles Associates Pty Ltd (formerly Division Human Resource Manager, Coca Cola South Pacific Pty Ltd)	Human resource management, strategic management, public administration, industrial relations, management development, international human resource management
Colin Griss	Director, Barton College of TAFE (formerly Moorabbin TAFE)	TAFE programs and services in management and business, public administration
Peter Ivanoff	Director, Best Practice Management Development Centre, Monash Mt Eliza Business School	Strategic human resource management, management development at enterprise level, best practice management development

(continued)

Exhibit 1.2 Task Force members – continued

Member	Position	Expertise
Margaret Jackson	Chairman, Transport Accident Commission	Economics, business administration, accounting
Barbara McLure	Business Banking Manager, Westpac Banking Corporation (formerly Regional Manager, Northern and Western Metropolitan Region, Small Business Victoria)	Small business development, TAFE business and management studies, human resource management
Ern Prentice	Manager, Human Resource Management, General Motors- Holden's Automotive Ltd	Human resource management, public administration, business education, training management
Professor Danny Samson	Leslie Froggatt Professor of Manufacturing Management, Melbourne Business School, University of Melbourne	Manufacturing and operations management, quality management and management/executive education
Tim Sims	Managing Partner, Bain International (formerly Managing Partner, The LEK Partnership)	International strategic management, public administration

Originally Lesley Hodsdon of the State Rail Authority of NSW was a member of the Task Force but regrettably resigned as a result of her transfer to a role with a British company based in London.

Across its 12 members, the Task Force had a considerable breadth and depth of expertise and experience available for its deliberations. This expertise and experience also spans a number of industry sectors and professions.

Operation of the Task Force

In approaching its brief, the Task Force made a number of decisions on focusing its review, for resource and efficiency reasons.

It has concentrated on private sector rather than public sector management as per its Terms of Reference (although the Task Force believes that many of the findings and recommendations are applicable to both sectors).

In the higher education area, it has focused mainly on postgraduate courses as the primary professional courses in the management area, with some attention to executive courses and undergraduate matters.

In vocational education and training, the Task Force has focused on the ability of TAFE staff to deliver excellent management skills training to managers of small enterprises,

frontline managers and its standing as a competent and credible management developer in the community.

The Task Force has understood its role to be primarily one of identifying and recommending policy directions and expansions. It has also considered and outlined implementation steps for consideration. Where implementation is not detailed, it is left to the Commonwealth to determine appropriate mechanisms.

In general, the Task Force has chosen to focus on a small number of recommendations which reflect the major directions of its findings, rather than a large number of highly detailed outcomes. For example, in the TAFE area, a range of specific comments could be made on the need for more business oriented and student centered curriculum and delivery by TAFE. However, a generic recommendation aimed at improving management and professional skills of TAFE teachers and general responsiveness of institutions was considered an effective path by which, if successfully implemented, specific quality issues of curriculum and delivery would in the longer term be dealt with.

Given its brief, the Task Force has seen economic improvement and efficiency as its major applied foci, and arguments are couched primarily in these terms. However, as evident from the chapter logos used throughout this report, economic improvement cannot be separated from social development, nor efficiency from equity. Increased employment, effective diversity management and cultural change are about people and community. Team skills, communication and employee development are about better working lives and satisfaction for individuals. The Task Force has focussed directly on a more competitive economy and more efficient enterprises. But these economic goals are about wealth creation for Australia in its broadest terms, and an improved standard of living for Australians. At heart, they are about the long term social agenda of our nation.

The Task Force operated as one body but also comprised four Sub-Committees which analysed specific issues and areas of interest.

These were:

- the Small Business Sub-Committee (SBSC) chaired by John Bailey;
- the Management Skills in Australian Industry Sub-Committee (MSAI) chaired by John Vines;
- the Higher Education Sub-Committee (HESC) chaired by David Karpin; and
- the Diversity Sub-Committee (DSC) chaired by David Karpin.

The Sub-Committees met with representatives and practitioners within their respective sectors as part of an extensive program of consultations with enterprises, industry groups, peak associations, individuals and relevant organisations and institutions. Many consultations with international persons and organisations took place. The Task Force also organised and developed its own consultative forums, including conferences and seminars. Consultations were based on a series of issues papers which were developed at various stages of Task Force deliberations to guide discussion and test the reaction of interested groups. The Task Force was assisted by the Task Force Secretariat in both the organisation of its activities and policy analysis .

Exhibit 1.3 Statistics on consultations

	Australia	Overseas Countries
Professional bodies, associations	56	25
Private Enterprises	60	18
Private providers	24	8
Universities	40	8
TAFE	17	-
Federal Government	32	19
State Government	21	-
Unions	3	-
Ministers	6	-

Members of the Task Force also made individual presentations to a wide variety of forums to communicate findings and seek feedback on directions.

The findings and recommendations of the Task Force have also been underpinned by an extensive formal research program, designed and managed by the Task Force's Research Director, Dr David Midgley of Midgley & Co with the assistance of Ms Susan Mozell of the same company.

The Research Program comprises 27 research projects covering all areas of the Task Force's charter. Projects have extended from analysis of management skills needed for international operations to the challenges of management in the twenty-first century. In addition, there has been research on particular issues of interest arising separately from the formal program. The research reports are to be published as a supporting volume to the Task Force report.

Exhibit 1.4 Research Reports

Project	Project Title	Organisation	Lead consultants
1.	Work-based learning for managers	Telechy Consulting	Guy Gattegno
2.	Stock-take of management development practices in medium and large companies	Reark Research	Jane Rothman & Martin Stewart-Weekes
3.	Career transitions: the transition from specialist to manager	Callan Consulting	Dr Victor Callan
4.	Management competencies: a survey of their usage and value in Australian organisations	Midgley & Company	Paul Nesbit & Dr David Midgley
5.	Small business: a review of training needs	Coopers & Lybrand	Dr Scott Holmes & Gary Butler

(continued)

Exhibit 1.4 Research Reports – continued

Project	Project Title	Organisation	Lead consultants
6.	Small business: a review of training evaluation and effectiveness	Coopers & Lybrand	Dr Scott Holmes & Gary Butler
7.	Community attitudes to small business	Midgley & Company	Susan Mozell & Dr David Midgley
8.	Objective profiles of business schools	Ashenden & Milligan (the Good Universities Guide)	Dean Ashenden & Sandra Milligan
9.	Management training and higher education: an economic perspective	Australian National University	Dr Mark Harrison
10.	Trends in numbers of management students and managers, 1970s-1990s	Monash University	Dr Philip McCloud
11.	Experienced insights: opinions of Australian managers, ideals, strengths and weaknesses	Barraclough & Company	Tim Wawn & Josefa Green
12.	Customers' views of Australian management: Asian-Pacific viewpoints	IRIC, Curtin University	Dr Lawson Savery & Dr Peter
13.	Evaluation of the effectiveness of management development	Competitive Impact	Grahame Firth, Bruce Scott & Scott Ruhfus
14.	Students' attitudes towards management as a career	Reark Research	Jane Rothman & Martin Stewart-Weekes
15.	Evaluating business schools: review of alternative methods	Australian Graduate School of Management	Dr John Roberts
16.	A pilot rating system for business schools	AFMD & Reark Research	Richard Howson & Dr Paul Gaskin
17.	The effectiveness of small business training programs	Coopers & Lybrand	Janet Campbell
18.	Evaluation of network approaches to small business training and development	Coopers & Lybrand	Jodie Lennon
19.	International models of management development: lessons for Australia	Rand Corporation	Dr David Finegold & Susan Schecter
20.	Regional centres of excellence: links between Australian business schools and the Asia-Pacific region	AFMD	Richard Howson

(continued)

Exhibit 1.4 Research Reports – continued

Project	Project Title	Organisation	Lead consultants
21.	Leadership theory, trends and training: a summary review of leadership research	Australian Graduate School of Management	Jane Craig & Dr Philip Yetton
22.	The Australian manager of the twenty-first century	Boston Consulting Group	Colin Carter, Jon Nicholson & Mary Barlow
23.	Embryonic industries: Leadership and management needs	University of Western Sydney	Dr Stewart Clegg, Jane Marceau, Larry Dwyer, John Gray, Sharon Kemp and Eddie O'Mara
24.	Skills for international operations: a uniquely Australian perspective	CORDS	Dr Philip Yetton & Jane Craig

The Task Force also commissioned an independent research report entitled *Change and the First Line Manager* from the Australian Institute of Management and the Monash Mt Eliza Business School and a paper entitled *Managing Diversity* from Dr Clare Burton and Ms Carolyn Ryall with the assistance of Ms Christine Tod. These reports will be published alongside those from the Research Program in the supporting volume.

The Research Program has been complemented by a report on an international study tour by the Management Skills in Australian Industry (MSAI) Sub-Committee titled *The Report of the Study Tour on International Best Practice in Leadership and Management Development*. The study tour visited Germany, Ireland, the United Kingdom, the United States of America, Canada, Japan, Korea and Singapore. It gathered information on management development overseas and provided valuable insights to the Task Force on international best practice and its relevance to developing managers and business leaders in Australia. This report will also be published in the supporting volume.

The Chairman of the Small Business Sub-Committee also compiled a report on best practice in small business management development in Europe, North America and Asia.

In formulating its recommendations, the Task Force and its Sub-Committees have held numerous meetings and three major strategic retreats.

Report and associated material

The report to the Hon Simon Crean MP has been written to communicate the major findings and recommendations of the Task Force. A supporting volume summarises the Research Program of the Task Force undertaken by its Research Director, as well as findings from the overseas study tour of the Management Skills Sub-Committee. Many

of the references in this volume are drawn from the Research Director's report and references are listed in the bibliography at the end of the volume. The Task Force will also publish six sets of management curricula for management schools and industry trainers in important areas for management development. These areas are *Leadership, Creating the Learning Enterprise, Cross-Cultural Management, International Human-Resource Management, Women in Management and Managing Innovation*.

Acknowledgements

A number of people have assisted the Task Force in the development of this Report:

Task Force Secretariat. Therese Charles (Director), Elizabeth Blanco, Russell Hunt, Kathy Iverach, Stephen Kendal and Maxine Sells.

Editorial. David Midgley (Report Writer), Wayne Burns, Damian Lucas, Nicole Moore and Margot Tohn.

Adviser to David Karpin. Dana Hlavacek.

Structure of the full report

The full report, which is published as a separate volume, is divided into four major sections. Chapter one briefly outlines the changing nature of global competition and the consequences this has for the practice of management. Chapter Two also sets out the Task Force's model of management reform for Australia. This model provides the framework for much of the rest of the report.

Section II establishes the case for reforming Australian management. In this section Chapter Three builds the case for management skills underpinning economic growth and workplace reform. It also compares the skills of Australian managers with those of other nations. Chapter Four illustrates the linkages between leadership and management skills, economic growth and full employment. Chapter Five ends the section by discussing the five challenges the Task Force has identified as facing Australia and its managers. These five challenges are:

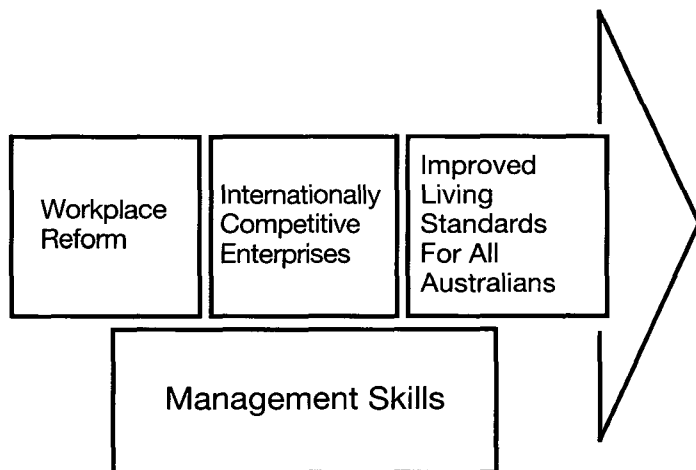
- to develop a positive enterprise culture through education;
- to upgrade the capabilities of the vocational training and education sector;
- to capitalise on the talents of diversity;
- to achieve best practice management development; and
- to reform management education.

Section III sets out detailed arguments as to why the Task Force's recommendations are both important and appropriate. Chapter Six sets the scene for the recommendations by articulating the Task Force's vision for Australia and showing how the major recommendations can help us achieve this vision by answering the five challenges. *The Task Force regards answering these challenges as providing the key levers for renewing Australian management and management skills*. Chapter Six also demonstrates the value of investing in

Introduction

leadership and management skills. Chapters Seven through Eleven address each of the challenges in greater detail and put forward specific recommendations which answer those challenges. Finally, Chapter Twelve describes the organisational vehicle the Task Force recommends to implement its recommendations and to ensure that Australian management skills are continuously improved in the future.

In the report we use two symbols to assist the reader in understanding how the broad thrust of the Task Force’s thinking relates to the specific material at hand. The first symbol illustrates the economic and employment argument for improved management skills. Improved management skills *underpin* workplace reform, internationally competitive enterprises and improved living standards for all Australians.



The second symbol serves to remind the reader of the areas the Task Force has identified as key levers to improve management skills. It is used to identify the lever to which the specific material relates.

Better management skills			
Upgrade the capability of TAFE and business support	Harness the talents of diversity	Achieve best practice management development	Reform management education
Develop a positive enterprise culture through education and training			

We turn now to the findings of the Industry Task Force on Leadership and Management Skills.

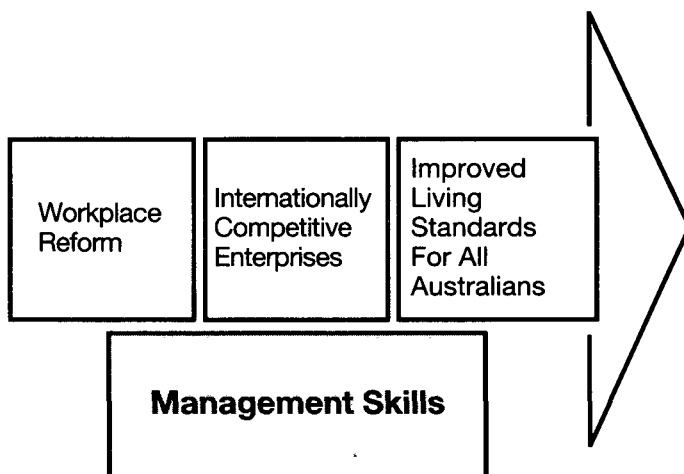
Definitions

A manager is an individual who achieves enterprise goals through the work of others.

At the senior executive level, a leader is a good steward of the enterprise's future.

At all other levels, a leader is an individual who achieves enterprise goals through the work of others without relying on her or his position or power.

Executive summary



A new paradigm of management

Good managers are the key to a more competitive economy and higher performing enterprises

Job creation depends on better management skills

Meeting the challenges of the Asia-Pacific century

Lever for change : five key challenges for Australia

Challenge one: developing a positive enterprise culture through education and training

Challenge two: upgrading vocational education and training and business support

Challenge three: capitalising on the talents of diversity

Challenge four: achieving best practice management development

Challenge five: reforming management education

Implementation mechanisms

A new paradigm of management

Scholars of management and leading chief executives agree that the shape of world markets and the nature of the enterprises that compete in them are being remade by three forces (Rand 1995). Increasing globalisation, widespread technological innovation and pressure on business to customise products and services have created an international business environment that would be unrecognisable to the manager of fifteen years ago. As the business environment changes, so do the skills and characteristics required of those employees who are best positioned to interpret and influence future changes; namely managers.

All enterprises are experiencing change as we move towards the twenty-first century. Most developments mark a move away from a structural model of organisations towards one that emphasises more behavioural and interpersonal aspects of strategy, especially in the case of larger organisations. A new type of small-to-medium sized enterprise has developed, which has proved to be more agile and creative than many large companies. These new enterprises compete by using flexibility, speed and innovation, and their managers require excellent technical expertise as well as all-round management ability. Task Force research and consultations demonstrate that in response to these shifts, the whole paradigm of management has already dramatically changed, bringing with it a new set of organisational requirements.

'Old' and 'new' paradigms of management

New Paradigm	Old Paradigm
organisation learning	organisation discipline
virtuous circles	vicious circles
flexible organisations	inflexible organisations
management leaders	management administrators
open communication	distorted communication
markets	hierarchies
product development driven by core competencies	product development driven by strategic business units
strategic learning capacities are widespread	strategic learning occurs at the apex of the organisation
assumption that most employees are trustworthy	assumption that most employees are untrustworthy
most employees are empowered	most employees are disempowered
local knowledge of all employees is critical to success and creativity creates its own prerogative	local knowledge of all employees must be disciplined by managerial prerogative

Task Force Research: University of Western Sydney 1995.

All of these shifts will change the role of managers markedly in the future. The Boston Consulting Group suggested to the Task Force that, at senior levels, the typical manager of the twenty-first century will need to become the 'Leader/Enabler', as follows:

The emerging senior manager profile

1970	Today	2010
The Autocrat	The Communicator	The Leader/Enabler
<ul style="list-style-type: none"> • Male. 	<ul style="list-style-type: none"> • Male. 	<ul style="list-style-type: none"> • Male or female.
<ul style="list-style-type: none"> • Anglo-Celt, British or Australian citizenship. 	<ul style="list-style-type: none"> • Anglo-Celt, Australian citizenship. 	<ul style="list-style-type: none"> • Wide range of ethnicities, citizenships.
<ul style="list-style-type: none"> • Started as message boy, rose through ranks. All management training on-the-job. 	<ul style="list-style-type: none"> • Graduate, possibly postgraduate qualification. Career in corporate centre. Product of internal management development program. 	<ul style="list-style-type: none"> • Graduate, probably MBA or AMP as well. Wide ranging career, many placements. Product of major development program including placements.
<ul style="list-style-type: none"> • Very local focus, possibly one Australian state. Has travelled once, to England. 	<ul style="list-style-type: none"> • Expanding focus, travels regularly to Asia, United States of America, Europe. 	<ul style="list-style-type: none"> • Global focus, travels regularly. Has lived in two or more countries.
<ul style="list-style-type: none"> • Established competitors, cartels. 	<ul style="list-style-type: none"> • Recently deregulated marketplace, rapidly changing competitors. 	<ul style="list-style-type: none"> • Manages in both regulated and deregulated economies.
<ul style="list-style-type: none"> • Paternal view of workforce. 	<ul style="list-style-type: none"> • Sees workforce as stakeholder in business, working hard on communication and information sharing. 	<ul style="list-style-type: none"> • Manages workforces in several countries. Shares information and delegates heavily.
<ul style="list-style-type: none"> • Stable environment. Relatively low stress, home to see kids most nights, long term position. 	<ul style="list-style-type: none"> • Turbulent environment. High stress, long hours, fears burnout. 	<ul style="list-style-type: none"> • Environment typified by rapid change. Limited term appointment, high pressure, results driven.

Task Force Research: Boston Consulting Group 1995.

Moreover, if the senior manager of 2010 is to have such a profile, then the seeds of change and the imperatives of the new paradigm have to be inculcated in the generation of managers who are undertaking postgraduate education and/or holding junior management positions in 1995. Many of these managers will reach senior levels by 2010 and their knowledge and skills will determine the competitiveness of the enterprises they work for in that year.

Enterprises, training providers and educational institutions around the world have begun implementing a wide range of innovations which aim to develop managers with the new skills. Investigating management development in Australia, however, has led the Task Force to a disturbing conclusion.

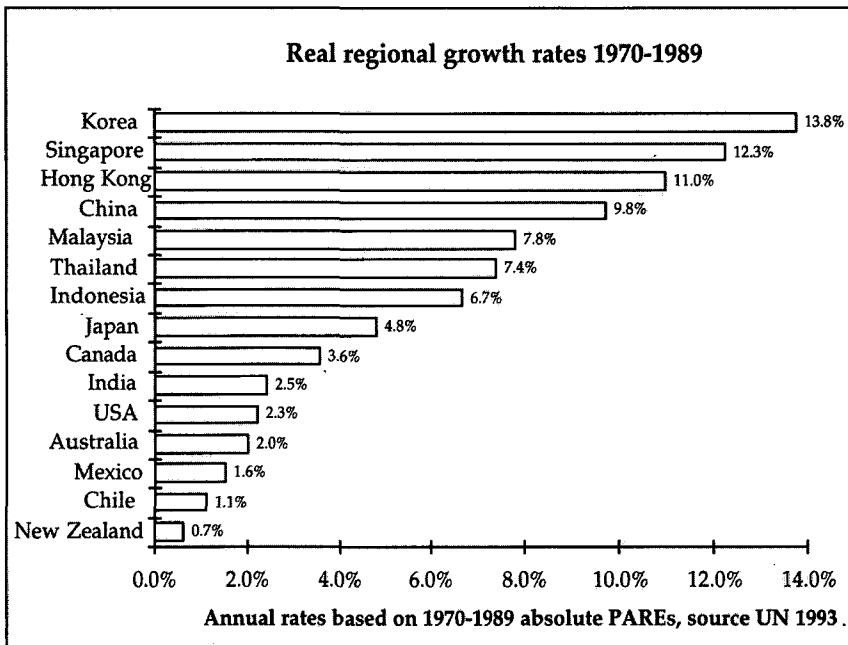
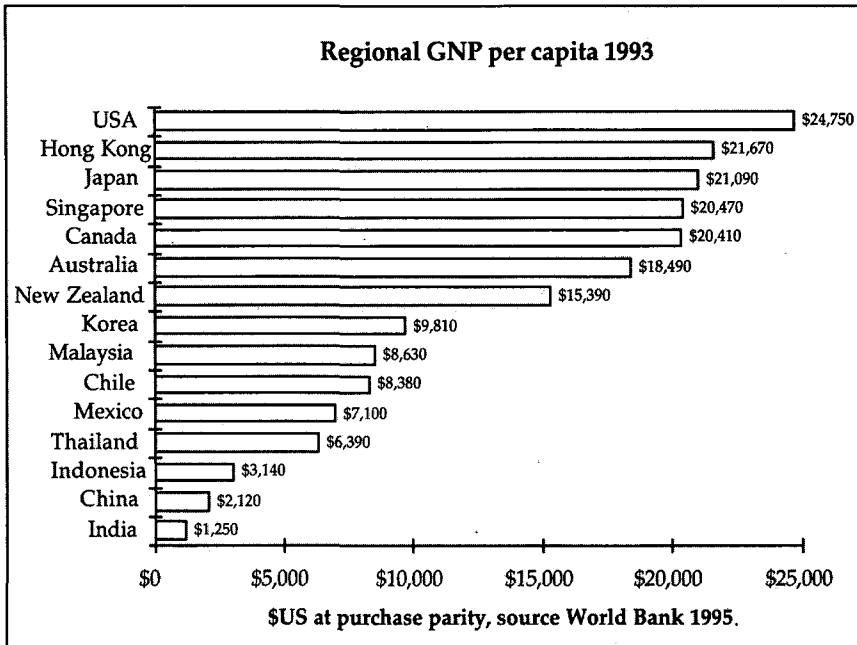
It appears incontrovertible that Australian enterprises, training providers and educational institutions are not moving quickly enough to address the new paradigm of management. Many of their counterparts overseas, and especially the leaders in various fields of industry and education, are changing more rapidly and more extensively, and will be better prepared for the next century.

Good managers are the key to a more competitive economy and higher performing enterprises

Although Australians still have a relatively high standard of living, commentators and policy makers have become increasingly concerned that the nation's economy is not growing as fast as those of many of our neighbours. As a result, Australia is sliding down the league table of economic performance, most recently being overtaken by Singapore and Hong Kong.

Economic growth derives from a number of sources including: rising employment; improved productivity; increased exports; import substitution; and overseas investments. Since 1983, the Federal Government has opened up the economy to the world by reducing tariffs and deregulating the financial sector and has paid considerable attention to reforming workplace practices. However, while some sectors of Australia's economy have improved their performance in recent years, in general both productivity and international trade remain areas of concern. Many areas of the economy are not yet globally competitive, nor have their enterprise work practices and management skills attained world best standards.

Sustainable competitiveness, both internationally and in defence of our domestic economy, depends at the bottom line on customers choosing the products and services created by Australian enterprises. Australian enterprises can deliver world competitive products and services, but only through the enhanced productivity of their people and technology and through their ability to innovate creatively and quickly.



Enhanced productivity and innovative capacity in any enterprise depend on two groups of people – employees and managers. Attention and effort applied to improving the skills and productivity of the Australian workforce over the last decade have begun to impact on the performance of the Australian economy. Yet managers – whose skills can determine enterprise and economic performance – have received scant attention from analysts and policy-makers. If we have already seen significant gains from workplace reform, it could well be that management reform will drive our competitiveness in the future.

The OECD recently stated that:

“In the past, ‘business’ may not have attracted the best talent. Indeed, a world-class management culture may have been slow to develop in Australia, due to the slow opening up of the economy to world competition. Hence, while the move to decentralised bargaining provides new opportunities to raise work-place productivity, much still depends on management’s human resources and bargaining skills to exploit these opportunities.”

OECD 1994.

Job creation depends on better management skills

The adaptive capacity of the economy depends on managers. Seizing opportunities offered in the changing global economy is a formidable challenge because accompanying shifts in skills and labour demands are difficult to predict. The economy must be able to continually adapt to meet these demands. The adaptive capacity of our economy therefore depends on the flexibility of our managers and on adequate investment in management development, which is critical in shaping Australian managers’ responsiveness to change.

The ability of managers to manage enterprises flexibly and to achieve world best practice standards impacts directly on unemployment because it affects the ability of the macro economy to absorb economic shocks and adjust employment levels accordingly.

Without appropriately skilled managers who can adapt themselves and their organisations to change, it will continue to be difficult for Australian enterprises to maintain their competitiveness. Nor is the current restructuring of global industry likely to be a temporary phenomenon. More likely, future waves of technological innovation and new competitive challenges will require our enterprises to recreate themselves on a more or less continuous basis. To do so, they will need multi-skilled managers with great capacity to learn and relearn both their own roles and the bases of their enterprises’ competitive advantages.

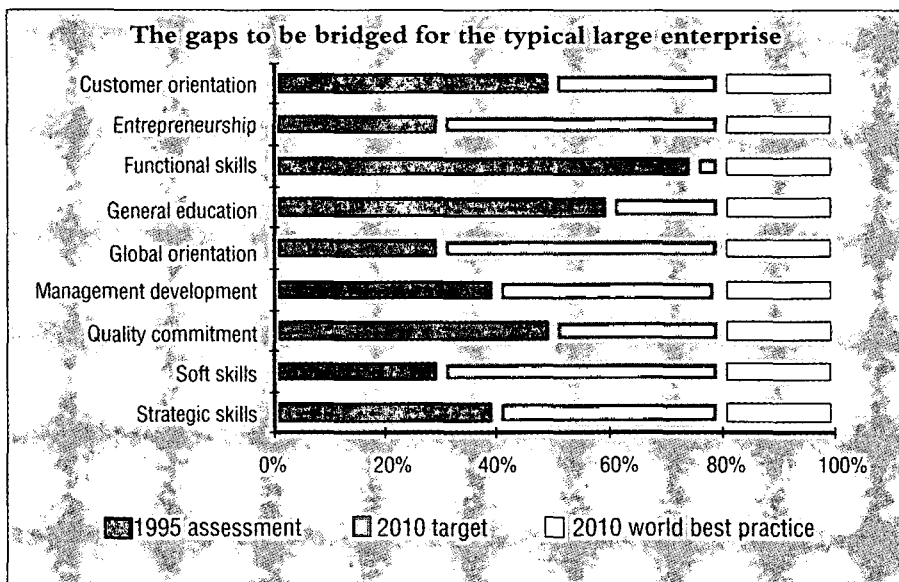
Meeting the challenges of the Asia-Pacific century

Australian management must improve significantly in the next decade if enterprises expect to even meet today’s world best practice standards. There are a few enterprises meeting these standards, and the best Australian managers are equal to the best in the world. However, the evidence of Task Force consultations and research clearly indicates

that the majority of Australia's managers do not have the education or skill levels of those of the major trading nations, nor are most of our educational and training institutions providing world class services.

The following exhibits symbolically illustrate the gaps between the current and desired position on each of the major dimensions the Task Force considers relevant to the economic future of Australia. The three exhibits are for each of the three major sectors of interest, namely large enterprises, small to medium enterprises and education and training providers.

The target is set at 80 percent of world best practice in the year 2010 for the typical manager, enterprise and education and training provider. Lest this seem unambitious, it should be remembered that, in the Task Force's opinion, most Australian managers, enterprises, educators and training providers are currently a long way from world best practice. It should also be noted that world best practice is not a static measure. Indeed many of our competitors are currently placing more emphasis on improving management skills than ever before. Hence, 80 percent is an ambitious target, but one which is necessary if Australia is to build a more competitive and dynamic economy.



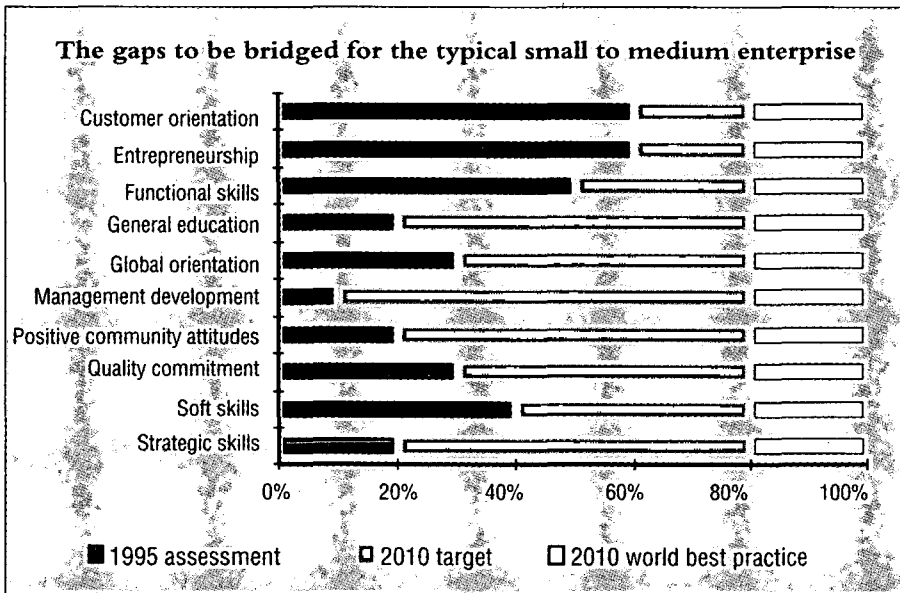
Task Force Research Director's assessment.

The functional skills of managers in large enterprises are well developed and their general education levels adequate. Many large Australian enterprises have also made significant improvements to their customer orientation and commitment to quality in recent times. The significant gaps are in the areas of entrepreneurship, global orientation, soft skills, strategic skills and management development. Australian managers in large enterprises need to be more pro-active in creating opportunities and more outwardly focused in their thinking. This global orientation is not only necessary for those who wish to build an international business, but also in assisting all managers to recognise how world best practice

Executive Summary

can help their organisations defend local markets and increase productivity. Australian managers also need to improve their teamwork skills, including co-operating with a more diverse workforce and being more prepared to take responsibility for team outcomes.

While the nature of large enterprises tends to familiarise managers with strategic planning concepts, in the main Australian enterprises and their managers have too short-term a focus. Furthermore, while the levels of management development in many large Australian enterprises are probably adequate by international standards, much of this development lacks a strategic focus. Hence, although this is not the largest gap, it may be the most difficult to bridge – involving as it does a profound change in top management thinking.



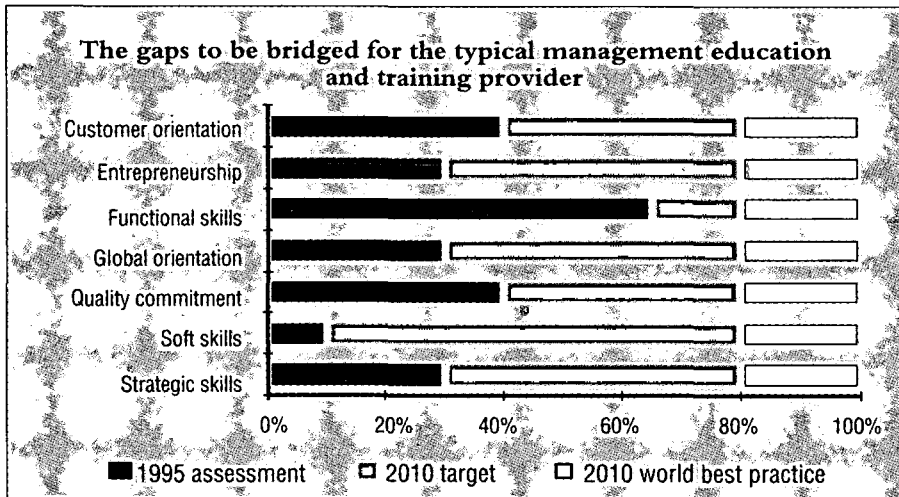
Task Force Research Director's assessment.

For small to medium enterprises, bridging the gap to world best practice will be an even more challenging exercise. The nature of small businesses tends to make their managers more entrepreneurial and customer oriented than those of their larger counterparts, and also to engender functional and soft or people skills.

However, in the other areas there are significant gaps to be bridged and major constraints of size to be overcome by leveraging mechanisms. In the main, small to medium enterprise managers are not tertiary qualified and do not undertake management development to any significant extent. While there are many who are globally oriented, the vast majority are not. The small scale of these enterprises also makes a commitment to quality, and the development of longer-term strategic skills, difficult.

One dimension in the exhibit – positive community attitudes – is not directly related to managers. Nonetheless it is there because, without a supportive community, the flow of talented individuals into this sector will be restricted and, without a vibrant small to

medium enterprise sector, the employment opportunities for many Australians will also be curtailed. Indeed, this issue is broader than simply encouraging individuals to create small businesses. Many more of our citizens, be they employees or managers working for small or large organisations, need to be 'enterprising' in the broadest sense of the word, not only in business but also in social and community organisations and in terms of their own personal lives in a changing world.



Task Force Research Director's assessment.

There are equally large gaps to be bridged by Australia's providers of management education, training and development. Like large enterprises, this sector has succeeded at providing functional skills. However, an over-emphasis on the more analytical areas of business has precluded the development of integrative ('strategic') skills and also the soft or people skills necessary to succeed in modern business. Indeed, student surveys indicate that the individualistic and grade competitive ethos of many tertiary institutions acts as a barrier to building better teamwork skills (Reark 1995b). While some providers have begun to pay adequate attention to entrepreneurship and a global orientation, many have not.

In terms of the responsiveness of providers to their clients, while there have been improvements, the customer orientation of many providers still lags world best practice in both education and enterprise sectors. Equally, while the recent Federal Government initiatives on the quality of education have raised the profile of continuous improvement, many universities are still to implement effective processes and the vocational education and training sector is as yet relatively untouched by these concerns.

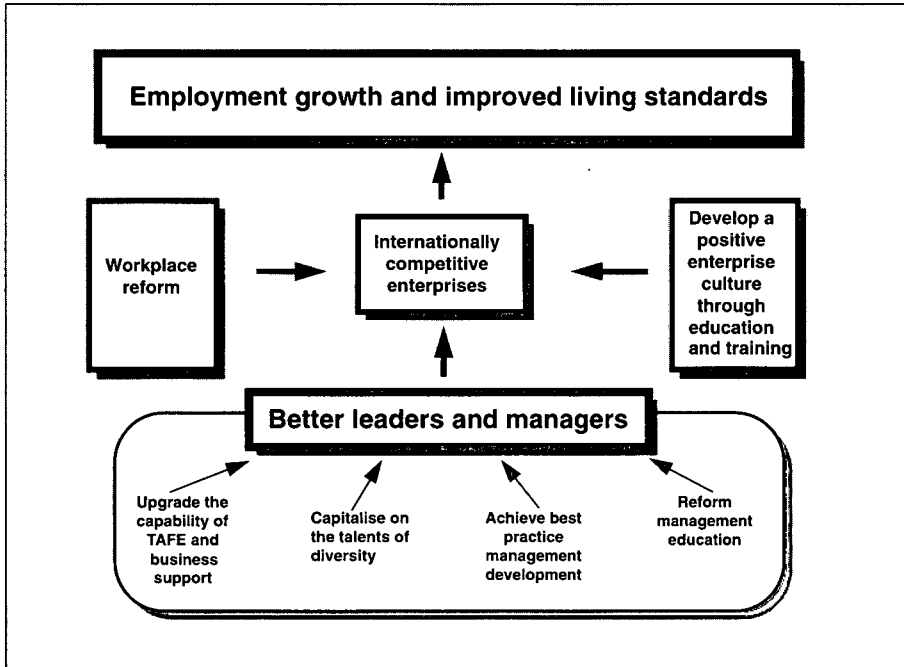
In all three of these sectors there are beacons of light – Australian enterprises and institutions that approach or meet international standards. The issue for Australia is this: a far greater proportion of our enterprises, managers and institutions need to reach world best practice levels.

Levers for change : five key challenges for Australia

In response to these indicators of management and enterprise performance, the Task Force has formulated the model of management renewal shown below. This model sets out the Task Force's view that management skills underpin the living standards and employment prospects of all Australians, and thereby demonstrates the urgency of management reform. Good managers build internationally competitive enterprises and are integral to the success of the Federal Government's workplace reforms, industry productivity and international trade goals. If Australia is to address the opportunities of the Asia-Pacific Century, better leaders and managers must be available.

The second element of the model is the set of areas which the Task Force has identified as the key levers for improving management skills. There are five of these key levers, four directly impacting upon management skills (upgrade vocational education and training and business support, capitalise on the talents of diversity, achieve enterprise best practice management development and reform management education) and one which relates to the creation of positive community attitudes towards enterprising behaviour and small business creation (positive enterprise culture).

Model for Management Reform



Industry Task Force on Leadership and Management Skills 1995.

The Task Force is convinced that profound change is required not only in the way Australian enterprises and institutions approach the development of managers, but also in the way many of our citizens value the creation of wealth. For the latter reason, the Task Force sees the creation of a positive enterprise culture as a challenge which underpins all the other levers for change. Managers and employees, in small, medium and large enterprises, need to be more enterprising in seizing the opportunities presented to us by the Asia-Pacific Century. Creating a positive enterprise culture is also by far the biggest challenge faced by our nation – involving as it does a change in the values inculcated in the education system, in the workforce and in firms.

The other four challenges are presented in the order of their potential impact on the community and managers.

Thus, **upgrading vocational education and training and business support** impacts upon the largest sector of managers and potentially on improved employment prospects for many Australians.

Capitalising on the talents of diversity involves half our population – women – and we must also utilise the skills of our multicultural society. Major improvements in management skills can be effected simply by opening up equal opportunities for these under-utilised groups to attain the senior levels of corporate management.

Another challenge for larger companies is to **achieve best practice management development** and to ensure that the skills they develop support their enterprise strategies. This can have a significant impact on economic performance, and also some impact on employment prospects.

Lastly, there is a need to **reform management education** institutions so that they are clearly focused on developing skills for the future rather than reflecting obsolete models of management and organisations.

A template for change

The Task Force believes that the effectiveness of management education, training and development is critical to improving management skills and performance in Australia. The integrated set of initiatives proposed by the Task Force is designed to redress existing weaknesses in Australian management education, training and development and pave the way for improved national prosperity in the future. The Task Force has a vision of what will be necessary in this regard if Australia is to improve its standard of living and employment prospects for its citizens, and is mindful of the magnitude of the challenges ahead. Its recommendations are therefore born of lengthy deliberations and a desire to maximise the impact of any investment the nation might make in better management skills.

The Task Force's Vision:

Is that by 2010 the following will be true of Australian enterprises and their managers

- **Knowledge, the ability to learn, to change and to innovate in this new marketplace, will be accepted as the more relevant criteria for selecting managers than gender, ethnicity or even prior experience.**
- **The 'learning organisation' will be the standard philosophy for many Australian enterprises and a major way they cope with change and turbulence.**
- **Managers will create conditions conducive to learning for both individuals and the enterprise as a whole, within and between groups, across individual business units and between enterprises and their external environments. Employees will be more motivated and skilled.**
- **Quality will act as a guiding light within all organisations with a customer first mentality being all pervasive. This focus will help improve productivity and profitability in enterprises through a concerted commitment to continual improvement.**
- **Most Australian enterprises will earn higher rates of return on investment than in 1995 and successfully defend and expand their position in the global marketplace.**
- **Many Australian enterprises will be benchmarked as achieving world best practice in their operations, some will be acknowledged as setting world best practice standards.**

The targets of the Task Force's recommendations include individual managers, enterprises, government policy-makers, training providers and educational institutions. The mechanisms for implementation include allowing markets to operate, promoting best practice, providing incentives and seed funding, and, in one area, the possibility of future regulatory sanctions.

The Task Force also recommends the establishment of a new body, the Australian Council for Management Development, which will both assist in the implementation of the various initiatives and seek further improvements in management skills and development strategies. This Council is described later in the text.

The Task Force has divided its recommendations into Band I and Band II initiatives. Band I recommendations are seen as exerting maximum leverage on improving the skills of Australian managers. Band II recommendations are initiatives which the Task Force considers it would also be valuable to implement to support and enhance their Band I recommendations. Within each Band all recommendations have equal priority. For the sake of brevity this Executive Summary focuses on the Band I recommendations and simply lists Band II initiatives at the end of each section. The reader is referred to the text

of the full report for greater justification and detail on all recommendations. The complete set of recommendations in full is found in Appendix 1.

Finally, some of the recommendations build on existing initiatives of Federal and State governments. This is also discussed in the text of the full report, but it should be noted that the scope and scale of Task Force recommendations generally exceeds that of any existing initiative. Australia has close to one million managers and an urgent need to improve their skills. This cannot be achieved by small-scale measures.

Challenge one: developing a positive enterprise culture through education and training

The nature of the challenge

The Task Force believes a positive enterprise culture has two elements:

- community attitudes that support the creation of wealth (both economic and social); and
- managers with a high level of entrepreneurial skills.

An improvement in enterprise culture would impact on Australians in many ways. Broad based enterprise programs would have benefits to the community beyond business and industry, for example in employment generation, workplace relations, social and community organisations. Enterprise and entrepreneurship provides all types of organisations – government, private and non-profit – with the ability and opportunity to adapt and survive in conditions of rapid economic and environmental change.

In the business area, while there are significant pockets of entrepreneurial excellence in Australia, the Task Force does not believe that the Australian community at large supports an enterprise culture. The Institute for Research into International Competitiveness (1995) reported that its survey of Australia’s customers in the Asian region (Japan, Singapore, Taiwan, Malaysia and Indonesia) rated Australian managers a long way behind the other five nations identified as our ‘competitor countries’, particularly active within the region on six key measures of entrepreneurial skill:

Entrepreneurial expertise of managers*						
Entrepreneurial expertise	Australia	Germany	Japan	Taiwan	UK	USA
Entrepreneurial skills	4.8	3.7	2.3	3.4	4.1	2.6
Taking advantage of new business	4.9	3.8	2.0	3.3	4.3	2.7
Willingness to take financial risks	4.6	3.8	2.7	3.6	3.9	2.5
Willingness to take initiatives in making friends with business people from another country	4.2	4.0	2.9	3.8	3.8	2.3
Creativity in generating new business ventures	4.9	3.7	2.0	3.6	4.2	2.5
Ability to explore business opportunities	4.8	3.8	2.1	3.4	4.2	2.5

* The mean responses are on a six point scale (1) best to (6) worst.
Institute for Research into International Competitiveness 1995.

From evidence such as this and from its consultations, the Task Force has concluded that Australians need a better developed entrepreneurial spirit, and that the word entrepreneurship

is, too often, equated with the business failures of the 1980s. Task Force consultations also reveal that Australia does not support or nurture a strong small business culture, and that community attitudes to small enterprises are, on the whole, ambivalent. This view needs to be countered by the positive and potentially vital role that entrepreneurship, within small, medium and large enterprises, plays in creating jobs and improving living standards.

The Task Force is of the view that this generally ambivalent to negative attitude toward business enterprise in Australia is culturally-based. It has concluded, for example, that the lack of enterprise and entrepreneurial studies at school, in vocational education and training and in higher education, forms part of the reason why there is not a strong small business culture in Australia. Enterprise education is the main arena whereby enterprise and entrepreneurship can be encouraged across an entire society and the range of business organisations.

Further, in relation to business, the Task Force decided that the primary focus of enterprise education should be on those in the education system, particularly the young – potential employees and managers – rather than existing managers. This conclusion is partly based on the difficulties of accessing existing managers and convincing them of the benefits of entrepreneurial studies, but also because the Task Force believes that broadly based enterprise values are developed in early life rather than as one matures.

Recommendations on a positive enterprise culture

The Task Force has designed two major initiatives to develop a more positive enterprise culture in Australia to support business and industry (such programs would also have broader impact as outlined above).

The first initiative is the introduction of enterprise and entrepreneurship units into school, vocational and tertiary education. The primary aim of these units is to promote the need for individuals to proactively take charge of their own future, including their own economic future. These units not only aim to promote the wealth and job creation potential of small business but, in addition, to provide some exposure to the skills needed to be a small business manager.

Recommendation One

Development of an Enterprising Culture – within formal education and training (Band I)

It is recommended that the formal education system be used to:

- **Expose students at primary, secondary, vocational and tertiary levels of education to the value of enterprising and entrepreneurial behaviour; and**
- **Provide units in entrepreneurship and small business formation and management in vocational and professional courses.**

(continued)

Implementation Strategy

Implementation details would include:

- Curriculum designers, business educators and teacher training specialists to work with industry representatives to develop the material: content of the program to reflect best practice in enterprise;
- Support from both Commonwealth and state systems responsible for education and training: also TAFE and universities;
- Review of primary, secondary, vocational and higher educational curricula to identify new units of study to be developed and existing units that could be adapted;
- Staff development of teachers at all levels of the education system; and
- Monitoring of outcomes to maintain program currency.

The second initiative is a program of community education aimed at raising the profile of enterprising and entrepreneurial behaviour in the community particularly in the small business area, as well as the broader development of an enterprise culture. This initiative uses the medium of television to reach the broadest audience in a manner which is accessible to the younger generation. It is designed to overcome some of the negativity towards small business apparent in the current environment and to promote small business as a viable career option for more individuals in the future.

Recommendation Two

Development of an Enterprising Culture – through community education (Band I)

It is recommended that there be a major community education program designed to promote the value of enterprise and entrepreneurial behaviour.

Implementation Strategy

Implementation details would include:

- Separate strategies targeted at:
 - Regional development pilot projects;
 - Strategic events; and

(continued)

- **Mainstream media programs on TV and radio with supporting telephone contacts, fact sheets, and relevant materials for distribution to viewers and listeners.**
- **Development of networks, both of people and organisations, willing to advise on and contribute to this change process;**
- **Partnership arrangements with industry, professional associations, state and local governments to assist in the operation and funding of the program;**
- **Development by consortium of industry representatives, small to medium enterprise developers, and media specialists; and**
- **Research into effective community education techniques used in other parts of the world, or in Australia.**

Both these initiatives are longer-term ones primarily aimed at the young. While both are also aimed at small business it is intended that exposure to the relevant information, particularly within the educational system, will also raise interest in entrepreneurship and broader skill sets amongst those intending to make their careers in larger enterprises.

Supporting recommendations

One initiative supports the creation of a positive enterprise culture, and is designed to raise the status of leadership in the community as well as imparting leadership skills to its participants. This recommendation envisages a national leadership program modelled on successful community leadership programs in North America and Australia.

Supporting recommendation (Band II)

Recommendation Three

Leadership Initiative

It is recommended that a program be put in place to develop, disseminate and promote relevant competencies in leadership to complement management development and also for use in the general community.

Implementation Strategy

Details of the program are as follows:

- **A leadership program in each state modelled on the Williamson Foundation Leadership Program, which is in turn modelled on Leadership Chicago, which is:**
 - **linked to identified leadership competencies to ensure an appropriate level of rigour and effectiveness; and**

(continued)

- consists of core state based programs with participants assembling in Canberra for a combined annual national element of the Leadership Program.
- An annual national leadership program which:
 - involves selected participants from each state program;
 - is of approximately 5 days duration;
 - is staged at a key locality to give maximum public exposure; and
 - is run in close association with, and with increasing levels of sponsorship from, prominent industry and community organisations.
- The Williamson Foundation could act as an agent to establish state and national leadership programs. This would include:
 - research into and use of world's best practice techniques for developing leadership abilities;
 - development of program and resource material;
 - building network of presenters, advisers, supporters, promoters and possible financial sponsors;
 - development, maintenance and linking of alumni with the wider community;
 - promotion development and operation of performance measurement mechanism; and
 - maintenance of accountability.
- The program would be evaluated to gather information on competencies gained and outcomes delivered.

Challenge two: upgrading vocational education and training and business support

The nature of the challenge

Small to medium enterprises have attracted increasing amounts of attention from policy-makers because of shifts in the business environment and because of a new recognition of their potential in fostering economic growth.

Despite this recognition of the important role small to medium enterprises play in job and wealth creation, the Task Force has found some evidence that the skills of their owners and managers are not all being developed to make use of this advantage. Research conducted for the Task Force support a number of previous findings that the proportion of small business employees who receive formal development is significantly lower than for large enterprises. The Task Force considers the lack of progress in this area disturbing in the light of well established and longstanding studies which show that management skills and training have a direct relationship to small business success and failure rates. Moreover, best practice in developing small business managers centres on:

- linking management development to the business problems of particular enterprise;
- targeting formal training programs to the needs of defined segments;
- mentoring or one-to-one contact between small business managers and advisers;
- better use of business networks; and
- use of new computer and communications technologies to deliver management development to small enterprise owner/managers, and the evolution of more flexible education and development systems, such as open learning.

Task Force research suggests that only a minority of small business training programs currently match best practice. This conclusion is supported by Task Force consultations.

An example illustrates this point:

Actual practice compared to best practice across three selected TAFE programs	
Best practice	Actual content – 3 programs studied
Short, sharp and focused	Program 1 – does not emphasise specific business skills but provides broad overview of points for consideration by small business intenders
Not too general	Program 2 – is not problem specific or industry specific, comprised of broad topic areas
Relate to specific problems and opportunities	Program 3 – is practically oriented and covers topics specific to the participant's perspective and experience
Emphasise solutions and analysis of issues relating to actual experiences	

Task Force Research: Coopers & Lybrand, 1995c.

Executive Summary

While many small business advisers are able to offer their clients advice on particular financial, legal or business-related issues, they often lack the skills and knowledge to offer counsel in relation to management or leadership issues, especially as these issues relate to management development. The Task Force has identified particular examples of best practice in preparing small business advisers for management development and training, but performance across the board remains patchy.

In comparing existing training with that known to be preferred by small business owners and managers, Coopers & Lybrand (1995b) have called for a significant shift in the programs offered by public providers. In particular they argue that the TAFE system requires, "... market oriented evaluation and remuneration" and "... more focused and selective training delivery".

The TAFE system is also important to the development of Australian managers in all sectors of the economy, not just the small to medium enterprise sector. TAFE is the largest provider of management education and training, particularly at the supervisory or frontline manager level and also, potentially, through the medium of technical and vocational training in other course areas. The Task Force is concerned that although TAFE is developing specific management courses, a need exists to extend the reach of these into other course areas as well. From a national perspective, the TAFE system must perform effectively as the major provider of consultancy services and programs aimed at raising the management skills of Australia's frontline managers, as well as small to medium enterprise managers, especially as it is the only system available throughout the entire nation.

Recommendations on vocational education and training and business support

In the vocational education and training sector, the Task Force has focused its attention on the TAFE system, and its recommendations reflect this focus.

The Task Force has two major initiatives to meet this challenge.

The first initiative concerns upgrading TAFE's capacity to deliver management development courses and is composed of four separate programs or stages. The first of these programs aims to develop senior TAFE managers so that they can lead a reform process within their colleges. The second program will be targeted to selected TAFE colleges and aims to develop the relationships within these colleges so that the necessary reforms can be implemented. The third program aims to develop the management and functional skills of those TAFE personnel working with enterprises and the fourth program envisages a quality assurance process similar to that recently introduced in the higher education sector. Overall the initiative aims to make TAFE more responsive to enterprise needs and TAFE instructors better skilled to deliver effective management development courses. As such this initiative also supports the frontline manager initiative discussed as Recommendation Eleven under 'Achieving best practice management development'.

Recommendation Four

Upgrading of TAFE's capacity to deliver management development courses and incentives to improve quality (Band I)

It is recommended that the National Management Development Scheme for the Vocational Education and Training sector be expanded to assist the organisation reform of TAFE colleges so they become examples of best practice in the way they manage their own organisation and to improve the capacity of staff to deliver best practice management development programs and services.

Implementation strategy

Initiatives would include:

- Professional development of senior TAFE managers, focusing on the rationale for organisational reform, and their responsibility for leading the reform and skills development processes required in their college;
- A program targeted at selected TAFE colleges which develops relationships between senior and other managers as a way of driving organisational reform and achieving strategic objectives within that college. These examples would then be used as best practice case studies for use throughout the TAFE system to promote wider organisational reform and for application to other enterprises;
- Incentives for the improvement of quality in TAFE institutions implemented via a process similar to that of the quality assurance process in higher education with funds allocated by way of an annual review and selection process; and
- Professional development of TAFE personnel, to provide them with the skills required to create and deliver management development programs and services used by private sector enterprises to assist in their own reform processes. The skills of TAFE personnel delivering these programs must reflect world best practice in relation to management development, due to the wide spread impact they will have on management reforms at the enterprise level. This is particularly important in relation to the support of the frontline manager initiative.

The second initiative envisages the accreditation of small business trainers, educators, counsellors and advisers. This is a leveraged initiative aimed at upgrading the quality of the advice and training small business owner managers receive by allowing them to identify suitably skilled individuals. Accreditation would be voluntary and of a high standard but include the requirement that accredited individuals be aware of, and linked in to, the full range of State and Federal business improvement services. This would overcome the accessibility problem which currently constrains small business owner managers from identifying relevant information and assistance.

Recommendation Five

Accreditation of Small Business Trainers, Educators, Counsellors and Advisers (Band I)

It is recommended that a comprehensive accreditation process be established for small business trainers, educators, counsellors and advisers so as to upgrade the quality of small business advice.

Accreditation would establish a high standard for the skills required by small business trainers, educators, counsellors and advisers. It would also provide small business owner managers with a consistent and easy method of identifying suitably skilled trainers, educators, counsellors and advisers.

Implementation strategy

Initiatives would include:

- **Accreditation to be voluntary but government related small business training would give preference to accredited providers;**
- **Accreditation to require providers to demonstrate knowledge and availability of the full range of the Government's business improvement services. This could also enable the providers to be accredited as agents of AusIndustry's business improvement services; and**
- **Accreditation process would build on and link with existing accreditation processes, eg, State Training Boards, professional associations, etc.**

Supporting recommendations

Four recommendations support efforts to upgrade vocational education and training and business support. These include an initiative to extend the availability of mentoring for small business managers; two initiatives to pilot networking between small business managers, and between advisers, using computer technology; and one initiative to develop articulated units in small business for TAFE and universities.

Supporting recommendations (Band II)

Recommendation Six

Small Business One-to-One Qualified Mentoring/Advising

It is recommended that a system of financial assistance be provided to small business owner managers by way of a certificate of entitlement to purchase accredited one-to-one mentoring/advising to complement, or as an alternative to, formal training assistance through the government's business improvement services.

Such assistance would address the reluctance or inability of many small business owner managers to seek advice for business problems as they arise and for long term management skills development. It would provide owner managers with an entitlement to consult with an expert and trusted source of support, over a substantial period, as an encouragement to longer term use of professional advisers in solving business problems and developing management skills.

Implementation Strategy

Implementation details would include:

- Accreditation of small business mentors/advisers. This compliments and relates to Recommendation 5, *Accreditation of Small Business Trainers, Educators, Counsellors and Advisers*;
- Development and publication of a list of accredited small business mentors/advisers;
- Selection and referral by appropriate bodies such as AusIndustry, of small business owner managers who would be likely to benefit most from mentoring/advising assistance;
- Small business owner managers would receive advice from an accredited mentor/adviser up to the value of the certificate of entitlement and over a defined time period; and

(continued)

- Such assistance would be paid for by the Commonwealth in a manner which allows the consumer to choose the provider, and would be time limited.

Recommendation Seven

Piloting the training and support of small business owner managers via the latest technologies

It is recommended that a pilot program be conducted to test the networking of up to 100 small business owner managers with a range of business trainers and advisers (assume 20), for a period of 6 months, via use of advanced computing and telecommunication technologies.

The objective is to test an alternative to traditional methods for supporting and training of small business owner managers.

Implementation Strategy

Implementation details would include:

- The pilot program could be managed, although not necessarily implemented by, a body such as the Open Learning Technology Corporation, Open Net, or an appropriate business support agency;
- The pilot program would utilise the full range of existing and emerging technologies such as desktop video conferencing, online information services, electronic bulletin boards, E-mail, etc;
- Maximum use would be made of linkages with other information resources such as AusIndustry's BizHelp service; and
- Technical advice would be available to pilot participants.

Recommendation Eight

Piloting the networking of small business support agencies and training providers via the latest technologies

It is recommended that a pilot be conducted to link up to 30 small business support agencies, training providers and counsellors, for a period of 6 months, via use of advanced computing and telecommunication technologies.

(continued)

The objective is to test the effectiveness of a range of technologies in their ability to increase co-ordination and information exchange between small business support agencies.

Implementation Strategy

- The pilot could be managed, although not necessarily implemented by, a body such as the Open Learning Technology Corporation, Open Net, or an appropriate business support agency;
- The pilot would utilise the full range of existing and emerging technologies such as desktop video conferencing, online information services, electronic bulletin boards, E-mail etc;
- Maximum use would be made of linkages with other information resources such as AusIndustry's BizHelp service;
- Communication between support agencies would be promoted by a small network of facilitators; and
- Technical advice would be available to the pilot participants.

Recommendation Nine

Development of articulated TAFE/University undergraduate courses in small business formation and management

It is recommended that articulated TAFE/university courses in small business formation and management be available to students throughout Australia.

TAFE in NSW has developed an associate diploma qualification in small business which articulates with a number of business courses in NSW universities.

The intention of this recommendation is to promote the availability of such an articulated study program to students wishing to study small business formation and management at TAFE and eventually at university level, in all states in Australia.

This would mean the development of new, or modification of existing TAFE/university courses along the lines of the NSW model, in states where no appropriate articulated course structure currently exists, and the development of appropriate credit transfer arrangements in states where they do.

Challenge three: capitalising on the talents of diversity

The nature of the challenge

The Task Force concludes that while Australian managers show a growing awareness of diversity issues, our managers still do not make managing a diverse workforce a priority.

Not enough appears to be happening across the board, and what is happening is not happening quickly enough to significantly improve Australian management performance in the next decade. This conclusion is supported by the extensive compilation and review of Task Force research and other studies conducted by Burton et al (1995).

The Task Force is convinced that there is an explicit challenge and presently an excellent opportunity to influence circumstances so that women have genuinely equal access to management positions.

Areas in which women's participation should be encouraged:

- The glass ceiling appears to be thickening, in that the percentage of women at senior management level in the private sector in Australia remains very low or may have decreased. More women at senior levels will benefit enterprises and Australia economically, and research for the Task Force argues that women appear more favourably placed to instigate better management styles.
- The Task Force believes that adjustments to training and development systems in organisations to better accommodate the family interests of both male and female staff need to be better supported.
- According to the Employment and Skills Formation Council (1994), women are establishing small businesses, especially in the area of self and home employment, as much as three to four times faster than men. Task Force consultations, and anecdotal evidence from numbers of highly successful business women who left corporations, indicate that many women are joining the ranks of small business owners and operators because they have hit the glass ceiling in larger organisations. Women are clearly a vibrant force in small business, and would benefit from more attention than they have received from public and private business support programs.
- Greater numbers of women on boards of directors is a very important objective. The appointment of women to boards will improve management quality and breadth, and sends a strong signal to senior enterprise management and the community that enterprises take the issue of women in management seriously. In the course of the Task Force's enquiries, many energetic and high quality women were encountered, able to contribute significantly to boards.

The Task Force believes strongly that the breadth of Australia's cultural diversity can be used to enhance economic performance, especially in relation to Asia, where better understanding of diverse markets is intrinsically linked to Australia's ability to increase exports.

The Task Force believes that multicultural impacts should be a key consideration in all approaches to management development, because:

- there is considerable competitive advantage to be gained; and
- there is no economic sense in limiting the productive capacity of employees simply because little effort has been made to understand their backgrounds and talents.

Recommendations on diversity

The Task Force is recommending three major initiatives in this area. The first is a recommendation for greater priority for management for diversity in general in the private sector.

Recommendation Ten (a) (Band 1)

Management for Diversity

It is recommended that private sector and government give higher priority to strategies to improve utilisation and management of Australia's diverse population in Australian business and industry.

Details include:

- **Management for diversity in general should be the focus of improved strategies;**
- **Women should be a particular target group, and the multicultural workforce;**
- **The primary emphasis should be on action by the private sector; and**
- **Task Force discussion material outlines a range of specific strategies related to management for diversity for implementation by the private sector including best practice and improved human resource development models.**

The second overarching initiative is a national strategy to be developed by the private sector which sets targets for the increased participation of women in private sector management, corporate boards and academia.

The national strategy should primarily consist of the identifying of targets for the number of women in middle and senior levels of management, boards of directors and academia to be achieved by the year 2000. Targets are not quotas – they are realistic numbers for which to aim and not imposed requirements which must be met. In line with the Task Force's philosophy that the private sector works best without major interventions, it recommends that these targets be developed and determined by the private sector itself.

The process of setting targets should be led by the peak industry bodies with their particular constituencies – the Business Council of Australia, Australian Chamber of Commerce and Industry and the Australian Institute of Company Directors. It is hoped the involvement of industry will result in targets which are achievable given the presence of women as employees, managers and customers in each industry sector. Individual enterprises should be encouraged to set their own targets in a manner consistent with national targets but appropriate to their situation.

A further initiative supports the national strategy for women and seeks to establish a database of women who are qualified to sit on enterprise boards of directors. This initiative aims to correct the current low number of women who influence the direction and development of Australian enterprises. It is in direct response to misconceptions encountered by the Task Force that suitable women are not available.

Another initiative also supports the national strategy for women and provides targeted management development for women with the aim of assisting more of them to break through the glass ceiling. The Task Force recognises the need for pro-active change in this area, and intends that this initiative encourage the proper application of the merit principle as well as better development and advancement opportunities for women, as part of meeting these five year targets.

Perhaps of equal importance to these initiatives is the Task Force's conclusion that unless enterprises act more vigorously to promote women to senior levels then in the near future the Federal Government may need to contemplate more stringent, regulatory measures over a limited period to promote change.

Recommendation Ten (b) (Band 1)

National Strategy for Women: Women in Private Sector Management, Corporate Boards and Academia

- **In the case of gender, and given the poor level of success to date in opening up management and corporate boards to women, a National Strategy should be developed by the private sector in conjunction with government, within a systematic national framework.**

(continued)

Implementation Strategy

- Such a strategy should include broad targets over five years, to be developed and promoted by business and industry sector bodies such as the Business Council of Australia, the Australian Chamber of Commerce and Industry, the Australian Chamber of Manufacturers, the Chamber of Manufacturers, and the Australian Institute of Company Directors. Enterprises themselves should be encouraged to set specific targets in line with the thrust of national targets.
- At the end of five years, significant progress should have been achieved. However to highlight the need for firm action in this matter, if at the end of five years significant progress has not been demonstrated, more stringent measures should be considered by Government, including quotas (developed according to the particular circumstances of industries or enterprises, ie not 50 per cent across the board) and exclusion of underperforming companies from tendering for government contracts; and
- To support this initiative a similar strategy should be developed for the faculty profiles of tertiary management education institutions.

National Strategy for Women: Women on Boards of Management (Band I)

- The Australian Institute of Company Directors should be resourced to:
- Establish benchmark data on women on boards in Australia, as well as longitudinal data to be annually updated and published widely; and
- Develop a data base of women suitable for board appointment for use by any private sector organisations.

(continued)

National Strategy for Women: Targeted Management Development for Women in Management Courses, Training and Business Support Programs

- Management training and development programs and agencies should target women for development. In particular, management school courses not currently graduating a minimum of 40% women should be upgraded through national targeting of scholarship schemes, with priority given to postgraduate professional courses: a fees arrangement for five years whereby government and/or universities subsidise the system to enable industry to support two female employees for every male, might be considered; and
- Government training and business support processes and programs where numbers do not reach a minimum of 40% should also recognise women as a target group for enhanced development.

The third initiative increases funding to those agencies promoting the benefits of a diverse workforce and management in increasing opportunities for international business and encouraging creativity and innovation in business practices, products and services.

Recommendation Ten (c) (Band 1)

Improved Agency Support for Promoting Diversity (Band I)

Implementation of diversity strategies in the private sector should involve upgraded assistance and advice from government agencies:

- The Affirmative Action Agency education and support role should be upgraded, appropriate resources put into disseminating information and tools to assist enterprises, and monitoring of progress for women in management carried out through adaptation of existing Agency statistical systems;
- The educational support role and resources of the Productive Diversity program of the Office of Multicultural Affairs should be upgraded so as to make multicultural management strategies more broadly known and accessible by the private sector;
- The Best Practice Program should specifically target best practice in management for diversity; and
- Government services operated through Austrade and AusIndustry should develop specific strategies to use Australia's cultural and linguistic diversity effectively in trade and industry development programs, and to target companies operated by women and those from Australia's culturally diverse community for export and business service support.

Challenge four: achieving best practice management development

The nature of the challenge

There are two elements to the challenge of achieving best practice management development. Firstly, setting out the broad areas of leadership and management competence which the Task Force has identified as needing improvement in Australia. Secondly, the need for management development to be clearly driven by industry and the enterprise itself according to their needs rather than by development providers or government.

The Task Force favours a very broad definition of leadership that includes influencing task objectives and strategies, group identification and maintenance, and influencing the culture of an organisation (Yukl 1989). From consultations and research, the Task Force has concluded in particular that the distinction between managers and leaders is increasingly irrelevant in the context of downsizing and flattening organisational structures. In the future all managers, irrespective of level, and indeed many employees, will need some leadership skills.

The more pertinent questions centre around the broad areas of competence that managers in the new structures require, including those competencies which relate to motivating their employees to achieve enterprise goals. The Task Force therefore conducted extensive research into the ideal and existing skills of Australian managers.

From this research, the Task Force has identified the broad areas in which many Australian managers need to improve their skills:

The eight main areas are:

- **soft or people skills;**
- **leadership skills;**
- **strategic skills;**
- **international orientation;**
- **entrepreneurship;**
- **broadening beyond technical specialisations;**
- **relationship building skills across organisations; and**
- **utilisation of diverse human resources.**

However, the Task Force does not think it appropriate to be more prescriptive as to what form these competencies might take in specific industries and enterprises, nor to suggest where an enterprise's priorities might be placed. Enterprises differ markedly in their skill needs and while some competencies may be generic to a wide range of situations many are not.

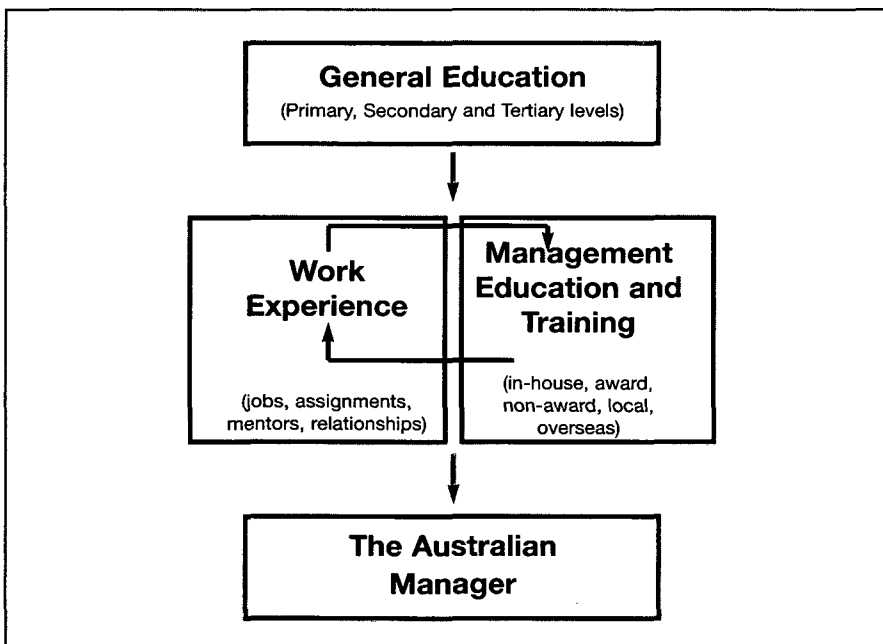
Above all, the challenge for enterprises is to develop better leaders and managers through a clearer focus on the competencies their business strategies require. Specifying competencies is therefore not a role for government but should be driven by the enterprises themselves.

Best practice management development is enterprise driven management development.

The Task Force has concluded that managers learn best and fastest through being exposed to a variety of management development strategies. But in particular, managers learn best at work. Ivanoff and Prentice (1994) have constructed a definition of best practice management development which has been elaborated by the Task Force as follows:

“Enterprise best practice management development is a comprehensive, systemic and co-operative enterprise approach to the continuous improvement of all managers. It recognises the importance of equity and diversity in the selection and promotion of managers. It is the way best practice enterprises plan and organise their management training, education and development practices to provide a rich source of learning opportunities for all managers. Using the best practice approach, managers acquire the leadership and management skills needed to deliver world class standards of enterprise performance in quality, customer service, flexibility, timeliness, innovation, cost and competitiveness.”

The Management Development System



Task Force Research: Barraclough & Co 1995.

Task Force consultations, analysis and research findings indicate that while there are examples of best practice management development in Australia, overall performance is weak across large, medium and smaller enterprises. Indeed, the Task Force's research program provides ample evidence that the development of Australian managers is failing in six critical areas, namely:

- low levels of education and training undertaken;
- over-reliance on short courses;
- over-emphasis on current rather than future skills;
- failure to handle the transition from specialist to manager;
- failure to link management development to strategic business direction; and
- failing to evaluate the effectiveness of management development activities.

The Task Force has identified frontline managers and supervisors as its major concern.

Frontline managers are numerically the largest category of managers, they have the most immediate impact on the productivity and quality output of the workforce, and evidence would suggest that the majority of them are not being prepared for the challenges of the Asia-Pacific Century. The major recommendations of the Task Force on achieving best practice management development relate to the frontline manager.

Recommendations on best practice management development

Three major initiatives are recommended to meet the challenge of best practice management development, one to improve skills at the frontline of management, one to increase the international exposure of Australian managers and one to promote best practice in a variety of areas.

Frontline managers have been identified by the Task Force as central to improved productivity and innovation in the workplace. Task Force research and consultations also indicate that as a group their skills are least likely to be developed in a systematic manner. The first initiative aims to redress this situation by making a nationally accredited, high quality National Certificate in Workplace Leadership available via the vocational education and training sector. It is intended that a significant proportion of Australia's frontline managers attain this certificate in the first stage of its operation.

Recommendation Eleven

Frontline Manager Program (Band I)

It is recommended that there be a national training program for frontline managers.

Implementation Strategy

Details include:

- Participants will not have had any formal management training and will be working in enterprises which are able to demonstrate the application of quality principles in their operations and their human resource development processes;
- An estimated total number of 180,000 frontline managers in Australia are without formal management training. It is estimated that approximately 80,000 to 100,000 of these will qualify by working in quality committed enterprises. Target is to provide access to management training for 80,000 over a five year time frame or in an early stage of its operation;
- Participants to be released, at cost of employer, for up to 20 days structured training spread over a 20 to 40 week period. Approximately 10 curriculum units would be involved in course;
- Training to be funded by the Commonwealth in a manner which allows the enterprise to select the provider which most suits its requirements;
- Delivery, preferably on site, via a variety of mechanisms. Open and distance learning course materials to be provided;
- Course materials to be based on work already undertaken by the Australian Committee for Training Curriculum and to be competency based. Initially the materials will be print based but with funding proposed to make them available on electronic and CD Rom format;
- TAFE will be a major deliverer of the program and will be supplemented by industry associations and private providers. Implementation of Recommendation 4, Upgrading of TAFE's capacity to deliver management development courses, is critical to the success of this proposal;
- The program is to be called the "National Certificate in Workplace Leadership" and would be integrated into the national qualifications framework to ensure articulation with other programs; and
- Proposed funding includes provision for the deliverer to customise their program to meet enterprise requirements and to undertake assessment of competence.

The second initiative is for structured industry-based study tours to be undertaken overseas by 7,500 managers in the first stage of operation. These study tours would be of two to three weeks duration and aim to give managers an appreciation of how business operates in another country.

Recommendation Twelve

Structured Industry Based Study Tours (Band I)

It is recommended that there be an industry based program to provide opportunities for up to 1,500 Australian managers to undertake structured international study tours each year.

Implementation Strategy

Details include:

- **To be administered by a body such as Austrade, in close association with industry representatives and associations, with annual reporting to the new management body;**
- **Primarily focused on the Asia Pacific area. It would involve collaboration with APEC countries with the possibility of exchange programs that would assist Austrade's role by further developing international contacts for Australian businesses so as to improve international business opportunities;**
- **Actual delivery of the program would be through accredited industry and professional associations and other organisations/sources approved by Austrade. These bodies, in association with intended participating companies, would apply to Austrade for funding. Proposals would be evaluated on the basis of the intended learning outcomes for the industry, the enterprise and the individual manager;**
- **The sponsoring body would tailor a program of two to three weeks duration, to meet the needs of the particular industry and would promote it within that industry;**
- **The market for the program would be potential and existing exporters and companies involved in international trade with a particular emphasis on small to medium sized enterprises (SMEs);**
- **Program participants would be drawn from different levels of management within the participating companies, either on the same or different study tours, but no individual could go on more than one such tour; and**

(continued)

- **Participants would be expected to comprehensively report on the findings and learning outcomes of their study tour. These reports would be made available, via the sponsoring body, for other companies in the industry so as to maximise the benefits of the Government investment in the program.**

The third major initiative in this area is to provide a range of best practice materials for small, medium and large enterprises. These materials cover financial performance benchmarks for small enterprises, case studies of best practice management and case studies of best practice management development policies and methods.

Recommendation Thirteen

Benchmarking and Best Practice Materials (Band I)

It is recommended that, as a part of the government's business improvement services, a data base be developed containing: industry specific financial benchmark information relating to small and medium sized enterprises; best practice case studies in business management, and management development relevant to small, medium and large businesses.

Implementation Strategy

The data base would include:

(a) Industry Specific Financial Benchmark Information

- **For use by small business advisers and support agencies to assist small and medium sized enterprises with advice relating to expenditure, income, debt levels, etc;**
- **The benchmark data would be used as a diagnostic tool to identify areas of an enterprise's financial performance which differ substantially from their industry's norms, which indicate the need for further investigation;**
- **The Canadian Government has recently implemented a similar system using taxation data to provide business information, such as size, turnover, stock-in-hand etc, on a wide range of different industries;**
- **Initial investigations have indicated that the Australian Taxation Office (ATO) does collect a wide range of information relating to the required benchmarks, and that the information is classified to the required level of detail to enable analysis of specific industry sectors. The ATO has confirmed that this information could be extracted for use by another Government agency; and**

(continued)

- It is proposed that the ATO data would be passed to the Department of Industry, Science and Technology for output in a format useable by small business advisers and delivered through AusIndustry's BizLink system.

(b) Case Studies of Best Practice in Business Management

- The case studies would be prepared according to the same industry classifications as the financial benchmark data;
- Problems diagnosed by reference to the financial benchmark data could be referred for possible solutions to the case studies;
- Case studies would be developed under the auspices of, but not necessarily by, Industry Training Advisory Boards; and
- Case studies would also be available for use in management school curriculum development.

(c) Case Studies of Best Practice in Management Development

- The case studies would include best practice examples of management development in small, medium and large business;
- They would be concise and written in a manner accessible to the general public;
- They would be drawn from a wide range of industries;
- Where possible, they would be sourced from relevant industry and professional associations;
- They would also be available through the Australian Best Practice Program and AusIndustry;
- They would also be used in the Australian Best Practice Demonstration Program to upgrade the emphasis on management and management development within the Best Practice model itself and via promotional programs and industry seminars; and
- They would also be available for use in management school curriculum development.

Supporting recommendations

In addition to the major recommendations outlined above, the Task Force also believes that two other areas which are crucial to enterprise performance need to be addressed. The first area is management competencies and the second is the need for enterprises to commit to a goal of continuous improvement and quality performance.

Supporting Recommendations (Band II)

Recommendation Fourteen

Management Competencies Framework

It is recommended that there be a definition, development, maintenance and promotion of flexible management competencies for use in all industries, including small business, by managers operating at all levels.

This would build upon the following existing work:

- National/State Training Boards' and ITABs' development of industry based management competencies; and
- Competencies developed by the Small Business Management Competencies Standards Body (SBMCSB).

Implementation Strategy

Details of this proposal include:

- Core generic competencies to be built on the work undertaken by ANTA/ACTRAC bodies;
- Strong industry influence via industry bodies and ITABs;
- Ongoing research/development process to ensure the competencies reflect world best practice;
- Coordination of management competency development between industries to minimise unnecessary duplication;
- Incorporation of existing small business management competencies into the wider competency framework and include development of relevant qualitative competencies such as entrepreneurial skills in small business; and
- Preparation of a flexible software package containing generic competency material and enabling the identification and merging of industry and enterprise specific management competencies.

Recommendation Fifteen

People and Quality

It is recommended that programs that promote quality in human resource development be adopted to complement the existing quality standards.

Implementation Strategy

Details of this recommendation are as follows:

- Organisations such as the Australian Manufacturing Council have identified the need to develop more comprehensive national and international quality standards to link together quality certification and human resource development. International bodies such as the Confederation of British Industry are also supporting moves to provide a stronger link between quality and human resource development;
- Examples of such programs include the *"Investor in People"* concept operating in the UK, and the *"Quality Committed Enterprise"* initiative currently being developed by the Australian Quality Council (AQC), which is based on the human resource development criteria used in the existing Australian Quality Awards;
- At a Commonwealth level, criteria relating to quality human resource development should be included in the Purchasing Australia's *Endorsed Supplier Arrangements* due for review in the latter part of 1995; and
- The following initiatives should be implemented to promote its adoption:
 - adaptation of Commonwealth and State Government purchasing policies to include criteria relating to quality human resource development; and
 - requirement for recipients of Government funded management development programs to comply with criteria relating to quality human resource development.

Challenge five: reforming management education

The nature of the challenge

The Task Force has concluded that, while formal education has a good foundation which is meeting the needs of many parts of the community, more needs to be done to make a better contribution to developing the nation's managers and business leaders. Of particular concern to the Task Force is whether the management education sector is adequately addressing:

- education for the new paradigm of management, involving:
 - the increasing importance of the leadership and people skills required of the new manager; and
 - internationalisation;
- diversity;
- links to industry and enterprises; and
- delivery of world class programs.

The Task Force defines the management education sector to include all the postgraduate, undergraduate and TAFE programs which are solely concerned with the topic of management or which have a significant component of management within them. As TAFE is the primary focus of challenge two, most comments in this section relate to university level management education.

Universities and their undergraduate and postgraduate schools of business, commerce and management offer a wide variety of programs delivered in many different ways. Degrees in management can be specialised (eg, Bachelor of Commerce in Accounting) or generalist (eg, MBA). The MBA itself now comes in more than one form – with the recent growth of Executive MBA programs for practising managers. Both undergraduate and postgraduate management degrees can be studied part-time or full-time and either in the classroom or by various forms of distance and open learning. Lastly, but of significance are the large number and variety of short, non-award seminars and programs targeted at executives and of one day to a few weeks duration.

The diversity of the sector is one of its strengths, and one which the Task Force wishes to preserve and foster.

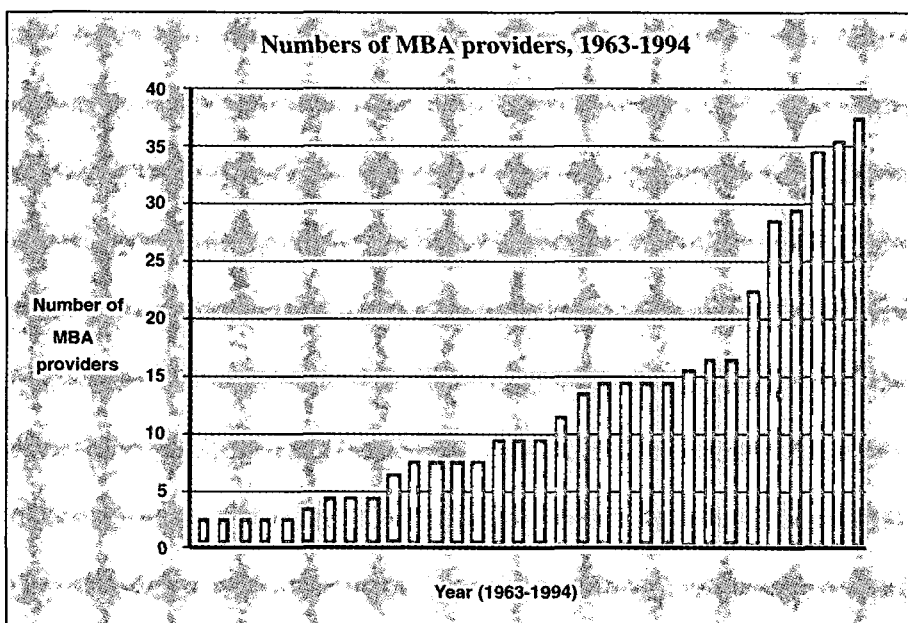
The Task Force commissioned two research projects to investigate the state of the management education market in Australia and report on the quality of MBA programs. The striking finding of research into customer attitudes to management schools is the extremely localised nature of the market. As the researchers state, "... most graduates and business people know almost nothing of courses beyond their own city." (AFMD and

Reark, 1995). They argue that this results from the fact that most students are part-time and choose their management school as much on convenient location as any other criterion.

The Task Force considers this to be a significant problem, exacerbated by the relative lack of comparative information in the market about the quality of offerings. For these reasons the Task Force initiated the *Good Universities Guide to Management Education* as a means of placing more information into the MBA marketplace. More needs to be done however, to allow MBA students the opportunity to exercise choice as consumers of management education, by way of generating and distributing comparative information about different schools.

One of the key criticisms of Australian management schools noted by the Task Force is that, while individual academics and departments within some schools are world class, it is unlikely that there is a world class management school in Australia. The principal issue is one of scale, in that none of Australia's leading schools approaches the size the Task Force considers necessary to provide the infrastructure most likely to support world class quality in teaching and research. A world class school is vital to provide leadership to the rest of the postgraduate management education sector and to assist Australian enterprises by promoting the latest management thinking. Given Australia's growing involvement in the Asia-Pacific region there would be strong benefits to having a world class school, not only in terms of training the Asian students who would become leaders in the region, but also in terms of forming stronger links with Asian management schools and in establishing an Australian centre of excellence in the region for education services in the management and business field.

Of further concern to the Task Force is the recent growth in the numbers of institutions offering management related courses, prompting questions as to whether the proliferation of offerings to such a small market produces quality education.



Task Force Research: Ashenden and Milligan 1995.

This growth in the number of providers is at least partially fuelled by the growth in demand for higher degrees in management and economics (of which masters by coursework are the predominant component). In 1993 there were approximately 13,000 such students but this number is projected to rise to 23,000 by 1998.

Forecasts of higher degree student numbers (in thousands).			
Year	Forecasts	95% Forecast Interval	
		Lower Limit	Upper Limit
94	14.55	13.76	15.33
95	16.55	15.10	18.00
96	18.54	16.25	20.83
97	20.54	17.30	23.80
98	22.53	18.21	26.86

Task Force Research: Monash University 1995.

In the view of the Task Force, an important reason for the proliferation of MBA programs, the relatively uninformed and uncritical perceptions of their customers, and the slow response of Australian schools to updating and improving their course content, relates to the funding mechanism for Australian management schools. Australians are not alone in questioning the wisdom of extensive state subsidies to management education particularly postgraduate education. As Rand (1995) report in their study of the management education systems of five countries, this is a global concern.

Recommendations on management education

The Task Force recommends that this challenge is met by four major initiatives which are all aimed at the postgraduate or management school sector. The Task Force has targeted its initiatives towards this sector because, while the numbers of students involved are relatively small, the sector plays a leading and influential role in the Australian management development system, and was the focus of most concern from stakeholders in Task Force consultations. Management schools provide MBA graduates for leading corporate and professional enterprises, have a significant role in the continuing education of practising managers through executive and in-company training, train the management academics of the future and, through research and scholarship, serve to advance our understanding of management.

The first initiative in this area concerns the funding of management schools. In essence the Task Force would like to accelerate the trend to full fees for postgraduate courses and programs already evident in the sector by channelling government funding to scholarship holders rather than the providers themselves. This, it believes, would have a significant impact on the customer responsiveness of management schools and the quality of the

education they provide. There is little economic justification for directly subsidising management education and customers who are paying full fees are far more likely to demand better and more relevant performance from management schools.

Recommendation Sixteen

Fees and Funding Mechanisms for Management Schools (Band I)

It is recommended that the Government funding mechanism be refocussed and redesigned for business and management postgraduate education in order to more closely align supply and demand.

- **To sharpen and focus the market, the funding which presently is provided to universities for graduate management education, including MBAs, should be converted from a block funding approach focused around EFTSUs to a set of earmarked scholarships which would be of exactly equivalent value;**
- **In the case of management education, these scholarships would be earmarked for use in management schools and tied to universities;**
- **The management schools would at first assign these scholarships to meritorious students of their choice for use in the payment of course fees;**
- **After two years, the extent to which these scholarships are tied to each university would be reduced and they would be progressively untied;**
- **A schedule of the reduction of the extent to which these scholarships were tied to management schools would reflect a reduction of 20 percent per annum from 100 percent to 0 percent over a five year period. Untied scholarships would be awarded to students not by management schools but by an independent agency to which students would apply. These scholarships would be tenable by students at any management school; and**
- **A proportion of scholarships would be awarded on the basis of access and equity criteria.**

The rationale behind this recommendation is to make management education demand driven with a market focussed graduate management education system acceptable to all of the major stakeholders. Task Force consultations with management school deans and Vice Chancellors indicate that some management schools will not take advantage of legislative change which enables universities to charge fees for post-graduate courses.

Ultimately, the Task Force believes this model should apply in all areas of postgraduate course work programs.

The second initiative supports the first and seeks to provide information on the quality of postgraduate management education to both prospective students and employers. This initiative envisages that detailed consumer information such as provided in the Task Force sponsored trial of the *Good Universities Guide to Management Education* will continue into the future. It recommends that management schools be professionally accredited as a quality assurance indicator available to both the international and domestic market. Most other professional courses already undergo accreditation from their professional/industry body, and this proposal brings management courses in line with the norm.

Recommendation Seventeen

Information and Quality Control for Management Schools (Band I)

(a) Accreditation of Management schools

It is recommended that a professional accreditation system be established in order to give Australian higher education management suppliers a quality assurance indicator which will assist their export efforts and be generally informative to the domestic and export markets.

Implementation Strategy

Details of the system include:

- The accreditation system would be a mission-based system modelled on the United States' AACSB system;**
- Australian-based courses only would be accredited;**
- The accreditation body would be a council of the new management body (Australian Council for Management Development);**
- The accreditation body would be independent and drawn from management schools, industry and government; membership of the board would revolve over three years;**
- The accreditation body would draw up guidelines to appoint groups responsible for individual accreditation processes; and**
- The accreditation system would be reviewed within five years of its establishment to determine its effectiveness.**

The proposal is designed to encourage Australian management schools to achieve minimum professional standards in their course offerings.

(continued)

(b) Market Information

It is recommended that information on the supply of higher education management courses, routinely collected in aggregated form as part of the operations of the accreditation body, be publicly available for consumer information purposes through the use of the information base on management education which will be developed by the new management body (Australian Council for Management Development).

The third initiative has two elements to it, the first element relating to the creation of a National Management School and the second relating to the quality of the education provided by other management schools. While two national schools have been established in Sydney and Melbourne, the Task Force is concerned that neither can, as yet, be regarded as world class institutions, primarily because they are below world scale in numbers of faculty and students. For these and other reasons the Task Force recommends the creation of a National School which will have both the requisite scale and operations in more than one capital city. This National School would be put out to competitive tender. Those management schools that were unsuccessful in their bids would be eligible for quality assurance funding under the second element of the initiative (the National School would not be eligible for these funds).

Recommendation Eighteen**The Drive for Improved Quality for Management Schools (Band I)****(a) National Management School**

It is recommended that the Commonwealth develop a National Management School with satellite centres in at least two capital cities:

- **The objective of this proposal is to support quality research, curriculum development and delivery and attract world class academics and students. These elements are needed to underpin a substantial improvement in the quality of management education in management schools across the board. In addition, within a few years there will be one or more top class regional schools in Asia which will draw off both the international students which Australia now attracts, as well as the better Australian students.**

(continued)

Implementation Strategy

- **A process of Commonwealth tendering should be used to select the appropriate consortia of schools;**
- **The National School would offer executive programs, customised programs, short courses and MBAs;**
- **Open learning, satellite communications and the information superhighway should be evaluated as possible delivery methods; and**
- **A critical long term strategy for such a school would be the development of collaborative or closer links with the top regional schools in Asia, in keeping with the current long term developmental directions of APEC.**

(b) Quality Incentives for Management Schools

Incentives for the improvement of quality in Australian management schools, other than the National Management School, should be put in place by DEET via a process similar to that of the quality assurance process in higher education.

- **The National Management School would not be eligible for these funds; and**
- **Funds would be allocated by way of an annual review and selection process based on guidelines to be developed in consultation with stakeholders.**

The fourth and final major initiative in this area is to improve the funding for applied research into management topics and to make this funding open to a broader range of researchers and research organisations than in the past. By this means, Australian enterprises and managers would be more assured of a local stream of high quality and relevant research rather than relying on the efforts of overseas researchers who may operate in quite different economic and cultural environments. A heavy emphasis on joint funding with industry is envisaged.

Recommendation Nineteen

Research Funding and the Supply of Quality Academics (Band I)

It is recommended that a new applied management research program be set up and administered by the new management body (Australian Council for Management Development) to significantly increase the amount of knowledge generated through applied research in management.

- **More funding needs to be allocated to applied management and leadership research within higher education;**
- **This initiative would include an applied research program and joint university/industry projects devoted to specific fields of management research;**
- **The initiative would also include schemes to increase the quantity and quality of management development professionals who work in this field, for example through a series of earmarked PhD scholarships at the National Management School and elsewhere; and**
- **Existing research funds would continue to be allocated as per current process through the Australian Research Council.**

Supporting recommendations

The Task Force and its Sub-Committees identified a number of additional recommendations which would strengthen the drive to achieve world class management education. These can be categorised into three groups, namely as initiatives to: (i) improve the linkages between business schools and their environment; (ii) improve the relevance of curricula to the business needs of the next century; and (iii) improve the development of academics.

Supporting recommendations (Band II)

Recommendation Twenty

Industry Linkages for Management Schools

It is recommended to management schools and to the private sector that industry linkages between the two be upgraded to address the need for committed and regular interaction between management schools and the business community.

- Whilst there is a range of mechanisms employed in fostering interaction, a persistent problem has been the lack of interest at senior executive levels in medium and large enterprises in regular and systematic involvement on boards and advisory committees;
- Universities need to ensure that such roles for business people are meaningful and influential in improving curricula, delivery mechanisms and university administration in order to maintain the commitment of effort and time from the business sector; and
- Major business organisations and their constituents need to support interaction between business and universities by ensuring that an adequate supply of senior executives fill important roles in university decision-making, such as positions on advisory committees and boards and by facilitating transfers for periods of work of both academic staff and business people.

Recommendation Twenty-one

International Links for Management Schools

It is recommended that management schools, the higher education system and TAFE speedily upgrade the quality and quantity of international links and information exchange.

Implementation Strategy

Implementation details would include:

- Support for initiatives of the Australian International Education Foundation to rationalise and streamline sales of education services;
- Placement of academics in export companies/multinationals;
- The offering of management education courses which provide opportunities to students to work in export companies on specific projects;
- The provision of curricula management courses emphasising the links between cross cultural development/ diversity/ trade issues;

(continued)

- The establishment of mechanisms for voluntary audits of curricula on cross cultural management/diversity/trade issues by overseas practitioners within the new management body;
- Encouragement of the use of course offerings emphasising cross cultural management, diversity and trade as a criteria for ratings;
- Provision of scholarships for management students to study overseas which include return to Australia upon completion as a condition;
- Establishment of a program similar to that operating in the United States whereby recent MBA graduates are placed in recently established or privatised companies in developing countries (eg, Vietnam, Laos, Malaysia, Indonesia and China);
- Upgrading the University Mobility in Asia and the Pacific (UMAP) Program; and
- The routine distribution of informational material on management school offerings to the Asia Pacific Region. An example of such material is the *Good Universities Guide to Management Education* developed by the Task Force and Ashenden Milligan in 1994.

Recommendation Twenty-two

Curricula in Postgraduate and Undergraduate Management Education

It is recommended that state-of-the-art management and leadership educational curricula be developed and disseminated to management education providers and other interested parties.

Implementation Strategy

- There are economies of scale to be achieved by developing and disseminating curricula centrally through the new management body (the Australian Council for Management Development);
- The Task Force has already commissioned some curricula which can be integrated into the new body of work;
- Newly developing fields of management, particularly in fields related to international business and emerging integrative disciplines, would have priority for development;
- Curricula would comply with best practice models of curriculum development emphasising business needs of the 21st century including :
 - functional requirements (eg finance, economics, human resources management);

(continued)

- greater emphasis on SMEs and frontline managers including case studies/project work in companies;
 - greater emphasis on communications/ team building/ IT/ languages/ leadership/ diversity/ international perspective;
 - on-the-job experience and assignments; and
 - international assignments.
- Curricula would be developed from an Australian perspective; and
 - Curricula would include undergraduate and post-graduate business management and leadership studies. Universities would be encouraged to upgrade both the quantity and quality of undergraduate offerings particularly, but not restricted, to professional undergraduate programs.

Recommendation Twenty-three

International Business Skills Program

It is recommended that there be a program to increase knowledge of export related matters amongst students with potential as exporters in relevant professional and advanced vocational courses.

Implementation Strategy

Details of the program include:

- Development of curricula and course materials, which could be delivered through an Open Learning approach, at three levels:
 - *basic*; one unit of study for inclusion in existing appropriate TAFE Certificate courses;
 - *intermediate*; one unit of study for inclusion in existing appropriate University undergraduate courses; and
 - *advanced*; one unit of study for inclusion in existing advanced post-graduate management courses.
- These course materials would then be available for any organisation, including TAFE colleges, private providers and universities, which wishes to offer the Exporter Education Unit as part of its program; and
- The process would be overseen by representatives of Austrade, senior managers from successful exporting companies, export educators and curriculum development experts.

(continued)

Supporting Recommendations (Band II)

Recommendation Twenty-four MBA students consulting with small business owner managers

It is recommended that the Commonwealth provide seed funding to encourage universities to place MBA students with small business owner/managers, for specific management-related project work associated with the small business, as a standard subject offering.

The objective of the proposal is to provide structured experience for MBA students in small businesses whilst exposing small business managers to free business advice and support. The experience would give students practical skills and the small business owner/managers access to management expertise to improve the performance of their business.

Implementation Strategy

Implementation details would include:

- Activities being overviewed by experienced university management educators to ensure quality control;
- Requiring the cooperation of stakeholders, including universities, small business and professional association representatives, curricula developers and Government; and
- Universities being encouraged to introduce such programs via limited Government assistance targeted at establishment costs over a two year period, followed by an evaluation of effectiveness.

Recommendation Twenty-five Articulation for Management Schools

It is recommended that management schools continue to be encouraged to systematically and quickly improve articulation.

- From diploma and certificate level into undergraduate business studies and ultimately into graduate business studies, principally MBAs;
- Between private management education providers and the unified system at an undergraduate and post-graduate level; and

(continued)

Supporting Recommendations (Band II)

- Between management schools within the unified system.

It is also recommended that management schools better and more routinely incorporate Recognition of Prior Learning (RPL) into selection processes.

Recommendation Twenty-six

Communication/Teaching Technologies for Management Schools

It is recommended that the Commonwealth provide seed funding to establish an open learning network for the delivery of management education to professional small to medium enterprises such as legal, accounting and health care firms:

- There should be an emphasis on the continual updating of existing skills through the provision of information packages to network subscribers; and
- To be coordinated between the Open Learning Agency of Australia and management school providers.

Recommendation Twenty-seven

Human Resource Management of Academics

It is recommended that priority be given in management schools and universities to the improvement of human resource management process.

Implementation Strategy

Implementation details would include:

- Utilisation of best practice approaches to tenure.
Recommended approach to incorporate a choice between a contract with the incentive of added remuneration and tenure with award rates;
- Utilisation of best practice recruitment procedures incorporating the following elements:
 - recruiting committees to be composed of no more than three people;
 - interviews to be structured against pre-determined criteria;
 - full process reviews to be undertaken by HRM experts;
 - training in selection interviewing to be a prerequisite for recruits;

(continued)

Supporting Recommendations (Band II)

- **teaching/research to be differentiated in terms of remuneration and contracts;**
- **total package flexibility including salary;**
- **more private sector oriented search techniques; and**
- **masters accepted for positions currently reserved only for PhDs;**
- **Development and publication of benchmark indicators for human resource management;**
- **More emphasis on the value of continuing education for academics incorporating:**
 - **facilitation of placements in enterprises;**
 - **public and private sector placement in management schools; and**
 - **recognition of difference between teaching and research positions.**
- **Greater consideration to the introduction of DBAs (Doctor of Business Administration); and**
- **Encourage the Committee for the Advancement of University Teaching (CAUT) to seek further applications for grants for projects area related to the teaching of management.**

Implementation mechanisms

The Task Force's basic philosophy is that markets are the best mechanisms to achieve optimum allocation of resources and quality outcomes. However, the Task Force also recognises that markets are sometimes imperfect or fail. Several of these market failures have been highlighted by the Task Force's research and consultations. Hence, the Task Force considers that there are circumstances where interventions by the Commonwealth Government can have beneficial effects. The Task Force believes that any such interventions in the management development area should be highly targeted (because industries and enterprises are diverse in nature) and of limited duration (so that markets can develop and relieve the public purse).

As a consequence of these views the Task Force has, in the main, not only chosen to focus very specifically on key areas of leverage but also to promote industry and enterprise input into the details of implementation. The Task Force suggests a time horizon of five years for all of its recommendations – by which time they are either to be reviewed by the Federal Government or the private sector will have taken over responsibility for ongoing operations of processes and programs resulting from its recommendations.

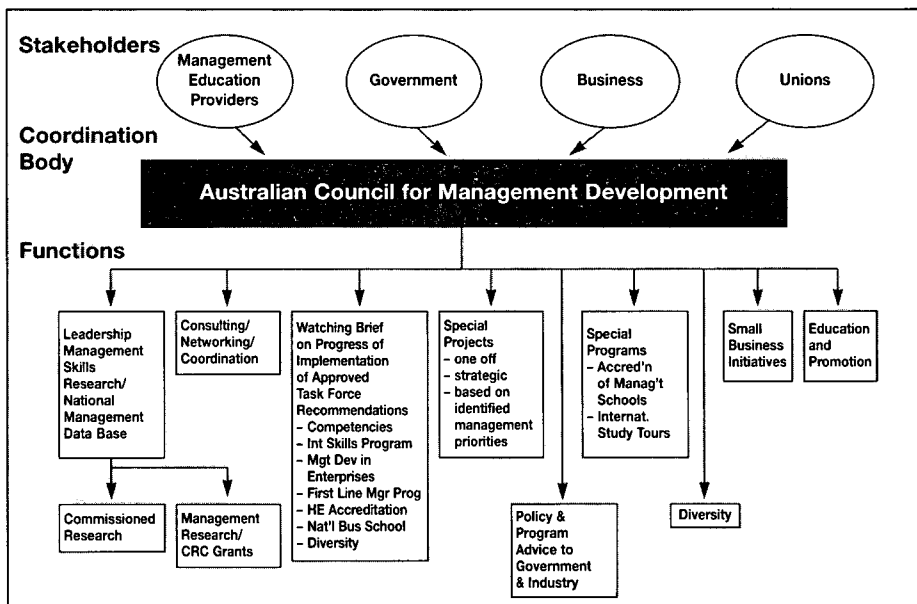
In general, the Task Force recommends that the Commonwealth Government adopts a philosophy of continuous improvement towards the skills of Australian managers. While the Task Force considers that it has gone some way towards identifying the management skill requirements of the next decade, these requirements will continue to evolve, possibly in directions which are as yet unknown in 1995. The Task Force therefore considers that it is necessary for Australia to have an organisation which can continually monitor progress towards agreed targets and refocus these targets, and the strategies for achieving them, as developments unfold. For these reasons, the Task Force has recommended the establishment of the Australian Council for Management Development to fulfil this vital role.

The Australian Council for Management Development

The Task Force intends that the Council would be an overarching body assisting in the implementation of many of its initiatives and acting as a source of ideas for the continuous improvement of Australian management skills and management development practices. Its role would encompass:

- promoting best practice management development more widely in the business community;
- allocating funding under several initiatives in a publicly accountable but industry driven manner;
- developing and monitoring appropriate accreditation standards and other management related standards;
- continually monitoring and reassessing the directions of management skills programs and development priorities; and
- benchmarking the improvement of Australian management skills against those of our major competitors.

Structure of the Australian Council for Management Development



Industry Task Force on Leadership and Management Skills 1995.

Recommendation Twenty-eight

Australian Council for Management Development (Band I)

It is recommended that a high profile national focus on excellence in leadership, management performance and management development is developed and maintained through the establishment of an Australian Council for Management Development.

Implementation Strategy

The Council should:

- Comprise high profile leaders from a range of key stakeholder groups, and individuals able to contribute to innovative initiatives for improving leadership, management performance, and management development;
- Be strongly supported by government and industry at the highest levels, to oversee and promote the development of Australia's management performance and improved management quality;

(continued)

- **Work with major stakeholders including government and industry, but be independent of government;**
- **Be an independent, not-for-profit body established by the Commonwealth Government;**
- **Provide a national focus for improving management development and performance in Australia;**
- **Act as the major policy advisory body to government, private enterprise and providers on management performance and development in industry and enterprise;**
- **Promote Australia's international competitiveness by encouraging Australian industries and enterprises to enhance the skills and performance of their managers;**
- **Encourage best practice management development in industry and among enterprises, including small/medium enterprises;**
- **Allocate funds in accordance with priorities for improving management performance and development in Australia, developed in consultation with critical industry players, within the context of macroeconomic policy;**
- **Support major initiatives and practices with a view to promoting world best practice in management in Australian industry and enterprises;**
- **Work and network with key stakeholders and implementation agencies - industry and enterprises; industry providers; government bodies and unions; and**
- **Build on the findings and recommendations, and the significant work of consultation and research of the Industry Task Force on Leadership and Management Skills, and of other relevant government and industry bodies as appropriate.**

As Australia moves into the 21st century, what will be noticeable will not be the direct effects of the application of these recommendations, but the effects if they are not implemented. The Task Force considers that these initiatives are necessary to sustaining and improving economic activity and living standards for all Australians in the face of profound changes in the global business environment. The manager of the twenty-first century is fashioned now and without comprehensive shifts in the manner of this fashioning, she or he will be found unprepared.

Appendices

- 1. Task Force Recommendations**
- 2. Australian Council For Management Development**

Appendix One: Task Force Recommendations

The Task Force has divided its recommendations into Band I and Band II initiatives. Band I recommendations are seen as exerting maximum leverage on improving the skills of Australian managers. Band II recommendations are initiatives which the Task Force considers it would also be valuable to implement to support and enhance their Band I recommendations. Within each Band (I or II), all recommendations have equal priority.

1.	Development of an Enterprising Culture – Within Formal Education and Training (Band I)	61
2.	Development of an Enterprising Culture – Through Community Education (Band I)	61
3.	Leadership Initiative (Band II)	62
4.	Upgrading of TAFE's Capacity to Deliver Management Development Courses and Incentives to Improve Quality (Band I)	63
5.	Accreditation of Small Business Trainers, Educators, Counsellors and Advisers (Band I)	63
6.	Small Business One-to-One Qualified Mentoring/Advising (Band II)	64
7.	Piloting the Training and Support of Small Business Owner Managers via the Latest Technologies (Band II)	65
8.	Piloting the Networking of Small Business Support Agencies and Training Providers via the Latest Technologies (Band II)	65
9.	Development of Articulated TAFE/University Undergraduate Courses in Small Business Management (Band II)	66
10.	Management for Diversity (Band I)	66
11.	Frontline Manager Program (Band I)	68
12.	Structured Industry Based Study Tours (Band I)	69
13.	Benchmarking and Best Practice Materials (Band I)	70
14.	Management Competencies Framework (Band II)	71
15.	People and Quality (Band II)	72
16.	Fees and Funding Mechanisms for Management Schools (Band I)	72
17.	Information and Quality Control for Management Schools: Accreditation and Market Information (Band I)	73

Appendices

18. The Drive for Improved Quality for Management Schools: National Management School and Quality Incentives (Band I)	74
19. Research Funding and the Supply of Quality Academics (Band I)	75
20. Industry Linkages for Management Schools (Band II)	75
21. International Links for Management Schools (Band II)	76
22. Curricula in Postgraduate and Undergraduate Management Education (Band II)	77
23. International Business Skills Program (Band II)	77
24. MBA Students Consulting with Small Business Owner Managers (Band II)	78
25. Articulation for Management Schools (Band II)	79
26. Communication / Teaching Technologies for Management Schools (Band II)	79
27. Human Resource Management of Academics (Band II)	79
28. Australian Council for Management Development (Band I)	80

1. Development of an Enterprising Culture – within Formal Education and Training (Band I)

It is recommended that the formal education system be used to:

- Expose students at primary, secondary, vocational and tertiary levels of education to the value of enterprising and entrepreneurial behaviour; and
- Provide units in entrepreneurship and small business formation and management in vocational and professional courses.

Implementation Strategy

Implementation details would include:

- Curriculum designers, business educators and teacher training specialists to work with industry representatives to develop the material: content of the program to reflect best practice in enterprise;
- Support from both Commonwealth and state systems responsible for education and training: also TAFE and universities;
- Review of primary, secondary, vocational and higher educational curricula to identify new units of study to be developed and existing units that could be adapted;
- Staff development of teachers at all levels of the education system; and
- Monitoring of outcomes to maintain program currency.

2. Development of an Enterprising Culture – through Community Education (Band I)

It is recommended that there be a major community education program designed to promote the value of enterprise and entrepreneurial behaviour.

Implementation Strategy

Implementation details would include:

- Separate strategies targeted at:
 - Regional development pilot projects;
 - Strategic events; and
 - Mainstream media programs on TV and radio with supporting telephone contacts, fact sheets, and relevant materials for distribution to viewers and listeners;
- Development of networks, both of people and organisations, willing to advise on and contribute to this change process;
- Partnership arrangements with industry, professional associations, state and local governments to assist in the operation and funding of the program;

- Development by consortium of industry representatives, small to medium enterprise developers, and media specialists; and
- Research into effective community education techniques used in other parts of the world, or in Australia.

3. Leadership Initiative (Band II)

It is recommended that a program be put in place to develop, disseminate and promote relevant competencies in leadership to complement management development and also for use in the general community.

Implementation Strategy

Details of the program are as follows:

- A leadership program in each state modelled on the Williamson Foundation Leadership Program, which is in turn modelled on Leadership Chicago, which is:
 - linked to identified leadership competencies to ensure an appropriate level of rigour and effectiveness; and
 - consists of core state based programs with participants assembling in Canberra for a combined annual national element of the Leadership Program.
- An annual national leadership program which:
 - involves selected participants from each state program;
 - is of approximately 5 days duration;
 - is staged at a key locality to give maximum public exposure; and
 - is run in close association with, and with increasing levels of sponsorship from, prominent industry and community organisations.
- The Williamson Foundation could act as an agent to establish state and national leadership programs. This would include:
 - research into and use of world's best practice techniques for developing leadership abilities;
 - development of program and resource material;
 - building network of presenters, advisers, supporters, promoters and possible financial sponsors;
 - development, maintenance and linking of alumni with the wider community;
 - promotion development and operation of performance measurement mechanism; and
 - maintenance of accountability.
- The program would be evaluated to gather information on competencies gained and outcomes delivered.

4. Upgrading of TAFE's Capacity to Deliver Management Development Courses and Incentives to Improve Quality (Band I)

It is recommended that the National Management Development Scheme for the Vocational Education and Training sector be expanded to assist the organisation reform of TAFE colleges so they become examples of best practice in the way they manage their own organisation and to improve the capacity of staff to deliver best practice management development programs and services.

Implementation strategy

Initiatives would include:

- Professional development of senior TAFE managers, focusing on the rationale for organisational reform, and their responsibility for leading the reform and skills development processes required in their college;
- A program targeted at selected TAFE colleges which develops relationships between senior and other managers as a way of driving organisational reform and achieving strategic objectives within that college. These examples would then be used as best practice case studies for use throughout the TAFE system to promote wider organisational reform and for application to other enterprises;
- Incentives for the improvement of quality in TAFE institutions implemented via a process similar to that of the quality assurance process in higher education with funds allocated by way of an annual review and selection process; and
- Professional development of TAFE personnel, to provide them with the skills required to create and deliver management development programs and services used by private sector enterprises to assist in their own reform processes. The skills of TAFE personnel delivering these programs must reflect world best practice in relation to management development, due to the wide spread impact they will have on management reforms at the enterprise level. This is particularly important in relation to the support of the frontline manager initiative.

5. Accreditation of Small Business Trainers, Educators, Counsellors and Advisers (Band I)

It is recommended that a comprehensive accreditation process be established for small business trainers, educators, counsellors and advisers so as to upgrade the quality of small business advice.

Accreditation would establish a high standard for the skills required by small business trainers, educators counsellors and advisers. It would also provide small business owner managers with a consistent and easy method of identifying suitably skilled trainers, educators, counsellors and advisers.

Implementation Strategy

Implementation details would include:

- Accreditation to be voluntary but government related small business training would give preference to accredited providers;
- Accreditation to require providers to demonstrate knowledge and availability of the full range of the Government's business improvement services. This could also enable the providers to be accredited as agents for AusIndustry's business improvement services; and
- Accreditation process would build on and link with existing accreditation processes, eg, State Training Boards, professional associations, etc.

6. Small Business One-to-One Qualified Mentoring/Advising (Band II)

It is recommended that a system of financial assistance be provided to small business owner managers by way of a certificate of entitlement to purchase accredited one-to-one mentoring/advising to complement, or as an alternative to, formal training assistance through the government's business improvement services.

Such assistance would address the reluctance or inability of many small business owner managers to seek advice for business problems as they arise and for long term management skills development. It would provide owner managers with an entitlement to consult with an expert and trusted source of support, over a substantial period, as an encouragement to longer term use of professional advisers in solving business problems and developing management skills.

Implementation Strategy

Implementation details would include:

- Accreditation of small business mentors/advisers. This complements and relates to Recommendation 5, *Accreditation of Small Business Trainers, Educators, Counsellors and Advisers*;
- Development and publication of a list of accredited small business mentors/advisers;
- Selection and referral by appropriate bodies such as AusIndustry, of small business owner managers who would be likely to benefit most from mentoring/advising assistance;
- Small business owner managers would receive advice from an accredited mentor/adviser up to the value of the certificate of entitlement and over a defined time period; and
- Such assistance would be paid for by the Commonwealth in a manner which allows the consumer to choose the provider, and would be time limited.

7. Piloting the Training and Support of Small Business Owner Managers via the Latest Technologies (Band II)

It is recommended that a pilot program be conducted to test the networking of up to 100 small business owner managers with a range of business trainers and advisers (assume 20), for a period of 6 months, via use of advanced computing and telecommunication technologies.

The objective is to test an alternative to traditional methods for supporting and training of small business owner managers.

Implementation Strategy

Implementation details would include:

- The pilot program could be managed, although not necessarily implemented by, a body such as the Open Learning Technology Corporation, Open Net, or an appropriate business support agency;
- The pilot program would utilise the full range of existing and emerging technologies such as desktop video conferencing, online information services, electronic bulletin boards, E-mail, etc;
- Maximum use would be made of linkages with other information resources such as AusIndustry's BizHelp service; and
- Technical advice would be available to pilot participants.

8. Piloting the Networking of Small Business Support Agencies and Training Providers via the Latest Technologies (Band II)

It is recommended that a pilot be conducted to link up to 30 small business support agencies, training providers and counsellors, for a period of 6 months, via use of advanced computing and telecommunication technologies.

The objective is to test the effectiveness of a range of technologies in their ability to increase co-ordination and information exchange between small business support agencies.

Implementation Strategy

- The pilot could be managed, although not necessarily implemented by, a body such as the Open Learning Technology Support Centre, Open Net, or an appropriate business support agency;
- The pilot would utilise the full range of existing and emerging technologies such as desktop video conferencing, online information services, electronic bulletin boards, E-mail, etc;

- Maximum use would be made of linkages with other information resources such as AusIndustry's BizHelp service;
- Communication between support agencies would be promoted by a small network of facilitators; and
- Technical advice would be available to the pilot participants.

9. Development of Articulated TAFE/University Undergraduate Courses in Small Business Formation and Management (Band II)

It is recommended that articulated TAFE / university courses in small business formation and management be available to students throughout Australia.

TAFE in NSW has developed an associate diploma qualification in small business which articulates with a number of business courses in NSW universities.

The intention of this recommendation is to promote the availability of such an articulated study program to students wishing to study small business formation and management at TAFE and eventually at university level, in all states in Australia.

This would mean the development of new, or modification of existing TAFE/university courses along the lines of the NSW model, in states where no appropriate articulated course structure currently exists, and the development of appropriate credit transfer arrangements in states where they do.

10(a). Management for Diversity (Band I)

It is recommended that private sector and government give higher priority to strategies to improve utilisation and management of Australia's diverse population in Australian business and industry. Details include:

- Management for diversity in general should be the focus of improved strategies;
- Women should be a particular target group, and the multicultural workforce;
- The primary emphasis should be on action by the private sector; and
- Task Force discussion material outlines a range of specific strategies related to management for diversity for implementation by the private sector including best practice and improved human resource development models.

10(b) National Strategy for Women: Women in Private Sector Management, Corporate Boards and Academia (Band I)

- In the case of gender, and given the poor level of success to date in opening up management and corporate boards to women, a National Strategy should be developed by the private sector in conjunction with government, within a systematic national framework.

Implementation Strategy

- Such a strategy should include broad targets over five years, to be developed and promoted by business and industry sector bodies such as the Business Council of Australia, the Australian Chamber of Commerce and Industry, the Australian Chamber of Manufacturers, the Chamber of Manufacturers, and the Australian Institute of Company Directors. Enterprises themselves should be encouraged to set specific targets in line with the thrust of national targets;
- At the end of five years, significant progress should have been achieved. However to highlight the need for firm action in this matter, if at the end of five years significant progress has not been demonstrated, more stringent measures should be considered by Government, including quotas (developed according to the particular circumstances of industries or enterprises, ie not 50 percent across the board) and exclusion of underperforming companies from tendering for government contracts; and
- To support this initiative a similar strategy should be developed for the faculty profiles of tertiary management education institutions.

National Strategy for Women: Women on Boards of Management (Band I)

The Australian Institute of Company Directors should be resourced to:

- Establish benchmark data on women on boards in Australia, as well as longitudinal data to be annually updated and published widely; and
- Develop a data base of women suitable for board appointment for use by any private sector organisation.

National Strategy for Women: Targeted Management Development for Women in Management Courses, Training and Business Support Programs (Band I)

- Management training and development programs and agencies should target women for development. In particular, management school courses not currently graduating a minimum of 40 percent women should be upgraded through national targeting of scholarship schemes, with priority given to postgraduate professional courses: a fees arrangement for five years whereby government and/or universities subsidise the system to enable industry to support two female employees for every male, might be considered; and
- Government training and business support processes and programs where numbers do not reach a minimum of 40 percent should also recognise women as a target group for enhanced development.

10(c) Improved Agency Support for Promoting Diversity (Band I)

Implementation of diversity strategies in the private sector should involve upgraded assistance and advice from government agencies:

- The Affirmative Action Agency education and support role should be upgraded, appropriate resources put into disseminating information and tools to assist enterprises, and monitoring of progress for women in management carried out through adaptation of existing Agency statistical systems;
- The educational support role and resources of the Productive Diversity program of the Office of Multicultural Affairs should be upgraded so as to make multicultural management strategies more broadly known and accessible by the private sector;
- The Best Practice Program should specifically target best practice in management for diversity; and
- Government services operated through Austrade and AusIndustry should develop specific strategies to use Australia's cultural and linguistic diversity effectively in trade and industry development programs, and to target companies operated by women and those from Australia's culturally diverse community for export and business service support.

11. Frontline Manager Program (Band I)

It is recommended that there be a national training program for frontline managers.

Implementation Strategy

Details include:

- Participants will not have had any formal management training and will be working in enterprises which are able to demonstrate the application of quality principles in their operations and their human resource development processes;
- An estimated total number of 180,000 frontline managers in Australia are without formal management training. It is estimated that approximately 80,000 to 100,000 of these will qualify by working in quality committed enterprises. Target is to provide access to management training for 80,000 over a five year time frame or in an early stage of its operation;
- Participants to be released, at cost of employer, for up to 20 days structured training spread over a 20 to 40 week period. Approximately 10 curriculum units would be involved in course;
- Training to be funded by the Commonwealth in a manner which allows the enterprise to select the provider which most suits its requirements;
- Delivery, preferably on site, via a variety of mechanisms. Open and distance learning course materials to be provided;

- Course materials to be based on work already undertaken by the Australian Committee for Training Curriculum and to be competency based. Initially the materials will be print based but with funding proposed to make them available on electronic and CD Rom format;
- TAFE will be a major deliverer of the program and will be supplemented by industry associations and private providers. Implementation of Recommendation 4, Upgrading of TAFE's capacity to deliver management development courses, is critical to the success of this proposal;
- The program is to be called the "National Certificate in Workplace Leadership" and would be integrated into the national qualifications framework to ensure articulation with other programs; and
- Proposed funding includes provision for the deliverer to customise their program to meet enterprise requirements and to undertake assessment of competence.

12. Structured Industry Based Study Tours (Band I)

It is recommended that there be an industry based program to provide opportunities for up to 1,500 Australian managers to undertake structured international study tours each year.

Implementation Strategy

Details of the program include:

- To be administered by a body such as Austrade, in close association with industry representatives and associations, with annual reporting to the new management body;
- Primarily focused on the Asia Pacific area. It would involve collaboration with APEC countries with the possibility of exchange programs that would assist Austrade's role by further developing international contacts for Australian businesses so as to improve international business opportunities;
- Actual delivery of the program would be through accredited industry and professional associations and other organisations/sources approved by Austrade. These bodies, in association with intended participating companies, would apply to Austrade for funding. Proposals would be evaluated on the basis of the intended learning outcomes for the industry, the enterprise and the individual manager;
- The sponsoring body would tailor a program of two to three weeks duration, to meet the needs of the particular industry and would promote it within that industry;
- The market for the program would be potential and existing exporters and companies involved in international trade with a particular emphasis on small to medium sized enterprises (SMEs);

- Program participants would be drawn from different levels of management within the participating companies, either on the same or different study tours, but no individual could go on more than one such tour; and
- Participants would be expected to comprehensively report on the findings and learning outcomes of their study tour. These reports would be made available, via the sponsoring body, for other companies in the industry so as to maximise the benefits of the Government investment in the program.

13. Benchmarking and Best Practice Materials (Band I)

It is recommended that, as a part of the government's business improvement services, a data base be developed containing: industry specific financial benchmark information relating to small and medium sized enterprises; best practice case studies in business management, and management development relevant to small, medium and large businesses.

Implementation Strategy

The data base would include:

(a) Industry Specific Financial Benchmark Information

- For use by small business advisers and support agencies to assist small and medium sized enterprises with advice relating to expenditure, income, debt levels, etc;
- The benchmark data would be used as a diagnostic tool to identify areas of an enterprise's financial performance which differ substantially from their industry's norms, which indicate the need for further investigation;
- The Canadian Government has recently implemented a similar system using taxation data to provide business information, such as size, turnover, stock-in-hand etc, on a wide range of different industries;
- Initial investigations have indicated that the Australian Taxation Office (ATO) does collect a wide range of information relating to the required benchmarks, and that the information is classified to the required level of detail to enable analysis of specific industry sectors. The ATO has confirmed that this information could be extracted for use by another Government agency; and
- It is proposed that the ATO data would be passed to the Department of Industry, Science and Technology for output in a format useable by small business advisers and delivered through AusIndustry's BizLink system.

(b) Case Studies of Best Practice in Business Management

- The case studies would be prepared according to the same industry classifications as the financial benchmark data;
- Problems diagnosed by reference to the financial benchmark data could be referred for possible solutions to the case studies;
- Case studies would be developed under the auspices of, but not necessarily by, Industry Training Advisory Boards; and

- Case studies would also be available for use in management school curriculum development.

(c) Case Studies of Best Practice in Management Development

- The case studies would include best practice examples of management development in small, medium and large business;
- They would be concise and written in a manner accessible to the general public;
- They would be drawn from a wide range of industries;
- Where possible, they would be sourced from relevant industry and professional associations;
- They would also be available through the Australian Best Practice Program and AusIndustry;
- They would also be used in the Australian Best Practice Demonstration Program to upgrade the emphasis on management and management development within the Best Practice model itself and via promotional programs and industry seminars; and
- They would also be available for use in management school curriculum development.

14. Management Competencies Framework (Band II)

It is recommended that there be a definition, development, maintenance and promotion of flexible management competencies for use in all industries, including small business, by managers operating at all levels.

This would build upon the following existing work:

- National/State Training Boards' and ITABs' development of industry based management competencies; and
- Competencies developed by the Small Business Management Competencies Standards Body (SBMCSB).

Implementation Strategy

Details of this proposal include:

- Core generic competencies to be built on the work undertaken by ANTA/ACTRAC bodies;
- Strong industry influence via industry bodies and ITABs;
- Ongoing research/development process to ensure the competencies reflect world best practice;
- Coordination of management competency development between industries to minimise unnecessary duplication;

- Incorporation of existing small business management competencies into the wider competency framework and include development of relevant qualitative competencies such as entrepreneurial skills in small business; and
- Preparation of a flexible software package containing generic competency material and enabling the identification and merging of industry and enterprise specific management competencies.

15. People and Quality (Band II)

It is recommended that programs that promote quality in human resource development be adopted to complement the existing quality standards.

Implementation Strategy

Details of this recommendation are as follows:

- Organisations such as the Australian Manufacturing Council have identified the need to develop more comprehensive national and international quality standards to link together quality certification and human resource development. International bodies such as the Confederation of British Industry are also supporting moves to provide a stronger link between quality and human resource development;
- Examples of such programs include the 'Investor in People' concept operating in the United Kingdom, and the 'Quality Committed Enterprise' initiative currently being developed by the Australian Quality Council (AQC), which is based on the human resource development criteria used in the existing Australian Quality Awards;
- At a Commonwealth level, criteria relating to quality human resource development should be included in the Purchasing Australia's *Endorsed Supplier Arrangements* due for review in the latter part of 1995; and
- The following initiatives should be implemented to promote its adoption:
 - adaptation of Commonwealth and State Government purchasing policies to include criteria relating to quality human resource development; and
 - requirement for recipients of Government funded management development programs to comply with criteria relating to quality human resource development.

16. Fees and Funding Mechanisms for Management Schools (Band I)

It is recommended that the Government funding mechanism be refocussed and redesigned for business and management postgraduate education in order to more closely align supply and demand:

- To sharpen and focus the market, the funding which presently is provided to universities for graduate management education, including MBAs, should be converted from a block funding approach focused around EFTSUs to a set of earmarked scholarships which would be of exactly equivalent value;
- In the case of management education, these scholarships would be earmarked for use in management schools and tied to universities;
- The management schools would at first assign these scholarships to meritorious students of their choice for use in the payment of course fees;
- After two years, the extent to which these scholarships are tied to each university would be reduced and they would be progressively untied;
- A schedule of the reduction of the extent to which these scholarships were tied to management schools would reflect a reduction of 20 percent per annum from 100 percent to 0 percent over a five year period. Untied scholarships would be awarded to students not by management schools but by an independent agency to which students would apply. These scholarships would be tenable by students at any management school; and
- A proportion of scholarships would be awarded on the basis of access and equity criteria.

The rationale behind this recommendation is to make management education demand driven with a market focussed graduate management education system acceptable to all of the major stakeholders. Task Force consultations with management school deans and Vice Chancellors indicate that some management schools will not take advantage of legislative change which enables universities to charge fees for postgraduate courses.

Ultimately, the Task Force believes this model should apply in all areas of postgraduate course work programs.

17. Information and Quality Control for Management Schools (Band I)

(a) Accreditation of Management Schools

It is recommended that a professional accreditation system be established in order to give Australian higher education management suppliers a quality assurance indicator which will assist their export efforts and be generally informative to the domestic and export markets.

Implementation Strategy

Details of the system include:

- The accreditation system would be a mission-based system adapted from the United States' AACSB system;

- Australian-based courses only would be accredited;
- The accreditation body would be a council of the new management body (Australian Council for Management Development);
- The accreditation body would be independent and drawn from management schools, industry and government; membership of the board would revolve over three years;
- The accreditation body would draw up guidelines to appoint groups responsible for individual accreditation processes; and
- The accreditation system would be reviewed within five years of its establishment to determine its effectiveness.

The proposal is designed to encourage Australian management schools to achieve minimum professional standards in their course offerings.

(b) Market Information

It is recommended that information on the supply of higher education management courses, routinely collected in aggregated form as part of the operations of the accreditation body, be publicly available for consumer information purposes through the use of the information base on management education which will be developed by the new management body (Australian Council for Management Development).

18. The Drive for Improved Quality for Management Schools (Band I)

(a) National Management School

It is recommended that the Commonwealth develop a National Management School with satellite centres in at least two capital cities:

- The objective of this proposal is to support quality research, curriculum development and delivery and attract world class academics and students. These elements are needed to underpin a substantial improvement in the quality of management education in management schools across the board. In addition, within a few years there will be one or more top class regional schools in Asia which will draw off both the international students which Australia now attracts, as well as the better Australian students.

Implementation Strategy

- A process of Commonwealth tendering should be used to select the appropriate consortia of schools;
- The National School would offer executive programs, customised programs, short courses and MBAs;
- Open learning, satellite communications and the information superhighway should be evaluated as possible delivery methods; and

- A critical long term strategy for such a school would be the development of collaborative or closer links with the top regional schools in Asia, in keeping with the current long term developmental directions of APEC.

(b) Quality Incentives for Management Schools

Incentives for the improvement of quality in Australian management schools, other than the National Management School, should be put in place by DEET via a process similar to that of the quality assurance process in higher education.

- The National Management School would not be eligible for these funds; and
- Funds would be allocated by way of an annual review and selection process based on guidelines to be developed in consultation with stakeholders.

19. Research Funding and the Supply of Quality Academics (Band I)

It is recommended that a new applied management research program be set up and administered by the new management body (Australian Council for Management Development) to significantly increase the amount of knowledge generated through applied research in management.

- More funding needs to be allocated to applied management and leadership research within higher education;
- This initiative would include an applied research program and joint university/industry projects devoted to specific fields of management research;
- The initiative would also include schemes to increase the quantity and quality of management development professionals who work in this field, for example through a series of earmarked PhD scholarships at the National Management School and elsewhere; and
- Existing research funds would continue to be allocated as per current process through the Australian Research Council.

20. Industry Linkages for Management Schools (Band II)

It is recommended to management schools and to the private sector that industry linkages between the two be upgraded to address the need for committed and regular interaction between management schools and the business community.

- Whilst there is a range of mechanisms employed in fostering interaction, a persistent problem has been the lack of interest at senior executive levels in medium and large enterprises in regular and systematic involvement on boards and advisory committees;

- Universities need to ensure that such roles for business people are meaningful and influential in improving curricula, delivery mechanisms and university administration in order to maintain the commitment of effort and time from the business sector; and
- Major business organisations and their constituents need to support interaction between business and universities by ensuring that an adequate supply of senior executives fill important roles in university decision-making, such as positions on advisory committees and boards and by facilitating transfers for periods of work of both academic staff and business people.

21. International Links for Management Schools (Band II)

It is recommended that management schools, the higher education system and TAFE speedily upgrade the quality and quantity of international links and information exchange.

Implementation Strategy

Implementation details would include:

- Support for initiatives of the Australian International Education Foundation to rationalise and streamline sales of education services;
- Placement of academics in export companies/multinationals;
- The offering of management education courses which provide opportunities to students to work in export companies on specific projects;
- The provision of curricula management courses emphasising the links between cross cultural development/ diversity/ trade issues;
- The establishment of mechanisms for voluntary audits of curricula on cross cultural management/diversity/trade issues by overseas practitioners within the new management body;
- Encouragement of the use of course offerings emphasising cross cultural management, diversity and trade as a criteria for ratings;
- Provision of scholarships for management students to study overseas which include return to Australia upon completion as a condition;
- Establishment of a program similar to that operating in the United States whereby recent MBA graduates are placed in recently established or privatised companies in developing countries (eg, Vietnam, Laos, Malaysia, Indonesia and China);
- Upgrading the University Mobility in Asia and the Pacific (UMAP) Program; and
- The routine distribution of informational material on management school offerings to the Asia Pacific Region. An example of such material is the *Good Universities Guide to Management Education* developed by the Task Force and Ashenden Milligan in 1994.

22. Curricula in Postgraduate and Undergraduate Management Education (Band II)

It is recommended that state-of-the-art management and leadership educational curricula be developed and disseminated to management education providers and other interested parties.

Implementation Strategy

- There are economies of scale to be achieved by developing and disseminating curricula centrally through the new management body (the Australian Council for Management Development);
- The Task Force has already commissioned some curricula which can be integrated into the new body of work;
- Newly developing fields of management, particularly in fields related to international business and emerging integrative disciplines, would have priority for development;
- Curricula would comply with best practice models of curriculum development emphasising business needs of the 21st century including :
 - functional requirements (eg, finance, economics, human resources management);
 - greater emphasis on SMEs and frontline managers including case studies/project work in companies;
 - greater emphasis on communications/ team building/ IT/ languages/ leadership/ diversity/ international perspective;
 - on-the-job experience and assignments; and
 - international assignments.
- Curricula would be developed from an Australian perspective; and
- Curricula would include undergraduate and postgraduate business management and leadership studies. Universities would be encouraged to upgrade both the quantity and quality of undergraduate offerings particularly, but not restricted, to professional undergraduate programs.

23. International Business Skills Program (Band II)

It is recommended that there be a program to increase knowledge of export related matters amongst students with potential as exporters in relevant professional and advanced vocational courses.

Implementation Strategy

Details of the program include:

- Development of curricula and course materials, which could be delivered through an Open Learning approach, at three levels:
 - *basic*; one unit of study for inclusion in existing appropriate TAFE Certificate courses;
 - *intermediate*; one unit of study for inclusion in existing appropriate University undergraduate courses; and
 - *advanced*; one unit of study for inclusion in existing advanced postgraduate management courses.
- These course materials would then be available for any organisation, including TAFE colleges, private providers and universities, which wishes to offer the Exporter Education Unit as part of its program; and
- The process would be overseen by representatives of Austrade, senior managers from successful exporting companies, export educators and curriculum development experts.

24. MBA Students Consulting with Small Business Owner Managers (Band II)

It is recommended that the Commonwealth provide seed funding to encourage universities to place MBA students with small business owner/managers, for specific management-related project work associated with the small business, as a standard subject offering.

The objective of the proposal is to provide structured experience for MBA students in small businesses whilst exposing small business managers to free business advice and support. The experience would give students practical skills and the small business owner/managers access to management expertise to improve the performance of their business.

Implementation Strategy

Implementation details would include:

- Activities being overviewed by experienced university management educators to ensure quality control;
- Requiring the cooperation of stakeholders, including universities, small business and professional association representatives, curricula developers and Government; and
- Universities being encouraged to introduce such programs via limited Government assistance targeted at establishment costs over a two year period, followed by an evaluation of effectiveness.

25. Articulation for Management Schools (Band II)

It is recommended that management schools continue to be encouraged to systematically and quickly improve articulation:

- From diploma and certificate level into undergraduate business studies and ultimately into graduate business studies, principally MBAs;
- Between private management education providers and the unified system at an undergraduate and postgraduate level; and
- Between management schools within the unified system.

It is also recommended that management schools better and more routinely incorporate Recognition of Prior Learning (RPL) into selection processes.

26. Communication/Teaching Technologies for Management Schools (Band II)

It is recommended that the Commonwealth provide seed funding to establish an open learning network for the delivery of management education to professional small to medium enterprises such as legal, accounting and health care firms:

- There should be an emphasis on the continual updating of existing skills through the provision of information packages to network subscribers; and
- To be coordinated between the Open Learning Agency of Australia and management school providers.

27. Human Resource Management of Academics (Band II)

It is recommended that priority be given in management schools and universities to the improvement of human resource management process.

Implementation Strategy

Implementation details would include:

- Utilisation of best practice approaches to tenure. Recommended approach to incorporate a choice between a contract with the incentive of added remuneration and tenure with award rates;
- Utilisation of best practice recruitment procedures incorporating the following elements:
 - Recruiting committees to be composed of no more than three people;
 - Interviews to be structured against pre-determined criteria;
 - Full process reviews to be undertaken by HRM experts;
 - Training in selection interviewing to be a prerequisite for recruits;
 - Teaching/research to be differentiated in terms of remuneration and contracts;

- Total package flexibility including salary;
- More private sector oriented search techniques; and
- Masters accepted for positions currently reserved only for PhDs;
- Development and publication of benchmark indicators for human resource management;
- More emphasis on the value of continuing education for academics incorporating:
 - Facilitation of placements in enterprises;
 - Public and private sector placement in management schools; and
 - Recognition of difference between teaching and research positions.
- Greater consideration to the introduction of DBAs (Doctor of Business Administration); and
- Encourage the Committee for the Advancement of University Teaching (CAUT) to seek further applications for grants for projects area related to the teaching of management.

28. Australian Council for Management Development (Band I)

It is recommended that a high profile national focus on excellence in leadership, management performance, and management development is developed and maintained through the establishment of an Australian Council for Management Development.

Implementation Strategy

The Council should:

- Comprise high profile leaders from a range of key stakeholder groups, and individuals able to contribute to innovative initiatives for improving leadership, management performance and management development;
- Be strongly supported by government and industry at the highest levels, to oversee and promote the development of Australia's management performance and improved management quality;
- Work with major stakeholders including government and industry, but be independent of government;
- Be an independent, not-for-profit body established by the Commonwealth Government;
- Provide a national focus for improving management development and performance in Australia;
- Act as the major policy advisory body to government, private enterprise and providers on management performance and development in industry and enterprise;

- Promote Australia's international competitiveness by encouraging Australian industries and enterprises to enhance the skills and performance of their managers.
- Encourage best practice management development in industry and among enterprises, including small/medium enterprises;
- Allocate funds in accordance with priorities for improving management performance and development in Australia, developed in consultation with critical industry players, within the context of macroeconomic policy;
- Support major initiatives and practices with a view to promoting world best practice in management in Australian industry and enterprises;
- Work and network with key stakeholders and implementation agencies – industry and enterprises; industry providers; government bodies and unions; and
- Build on the findings and recommendations, and the significant work of consultation and research of the Industry Task Force on Leadership and Management Skills, and of other relevant government and industry bodies as appropriate.

A more detailed description of this proposal is contained in Appendix 2

Appendix Two: Australian Council For Management Development (ACMD)

It is recommended that a high profile national focus on excellence in leadership, management performance and management development be developed and maintained through the establishment of an Australian Council for Management Development.

1. Description

The Council should comprise high profile leaders from a range of key stakeholder groups and individuals able to contribute to innovative initiatives for improving leadership, management performance, and management development. It must be strongly supported by government and industry at the highest levels to oversee and promote the development of Australia's management performance and improved management quality. It must work with major stakeholders including government and industry, but be independent of government.

The Council should be an independent, not-for-profit body established by the Commonwealth Government.

It should provide a national focus for improving management development and performance in Australia. It should act as the major policy advisory body to government, private enterprise and providers on management performance and development in industry and enterprise.

It should promote Australia's international competitiveness by encouraging Australian industries and enterprises to enhance the skills and performance of their managers.

It should encourage best practice management development in industry and among enterprises, including small/medium enterprises.

It should allocate funds in accordance with priorities for improving management performance and development in Australia, developed in consultation with critical industry players within the context of macroeconomic policy. It should support major initiatives and practices with a view to promoting world best practice in management in Australian industry and enterprises.

It should work and network with key stakeholders and implementation agencies - industry and enterprises; industry providers; government bodies and trade unions.

The Council should build on the findings and recommendations, and the significant body of consultation and research undertaken by the Industry Task Force on Leadership and Management Skills and of other relevant government and industry bodies as appropriate.

2. Rationale

Management performance is a key factor in improving economic growth and enhancing industry performance. It is also vital for maximising employment opportunities in Australia and achieving a higher standard of living for Australians.

Improved management performance will:

- help to deliver sustained economic growth through stronger and more internationally competitive enterprises;
- increase productivity across all industries in the economy, including the small/medium enterprise business sector;
- earn the full benefits of microeconomic reform such as workforce restructuring, infrastructure efficiencies and more effective competition arrangements;
- enhance job opportunities through encouraging enterprise creation, reducing enterprise failure and increasing Australia's exports of goods and services;
- upgrade the skills base of Australian industry, not only in management but across the board; and
- develop Australia's regions through enterprise development including small/medium enterprise development.

3. Purpose

The primary purpose of the Council is to promote improved management performance in Australian industries and enterprises in the context of a global economy and international best practice so as to improve Australia's international competitiveness.

4. Management performance and development priorities

Management performance and development processes must be rapidly upgraded if we are to match the economic performance of our international competitors.

Management performance and development processes must:

- equip Australian managers with the skills to operate successfully in an internationally competitive business environment;
- adopt world best practice as the benchmark;
- give greater emphasis to international operations, advanced technological and technical processes, innovation, quality and the management of change;

- focus on people as critical assets in modern business organisations and on the effective utilisation of Australia's diverse workforce as a source of competitive advantage;
- encourage and develop leadership at all levels, particularly recognising the critical importance of frontline managers; and
- focus on the improvement of management performance in our small/medium size business sector. Initiatives of the Council should reflect these priorities.

5. Objectives

5.1 National Profile for Management Performance and Development

To provide a continuing national focus on the critical importance of management performance as a key factor in economic growth and industry performance, and management development as a direct contributor to improved management skills and enterprise performance.

To act as major policy advisory body to government on management performance in industry and enterprise in Australia, particularly on education and training policy as it relates to Australia's managers and entrepreneurs.

5.2 Management Development

To promote best practice management development as the most important strategy in improving management performance.

Enterprise the Primary Focus

To promote the value among enterprises of best practice management development as a critical success factor for enterprise success and international competitiveness.

Management Competencies

To sponsor the development and facilitate the use of generic, industry and enterprise specific management competencies among Australian enterprises.

Management Learning and Teaching

To encourage the development and utilisation of modern learning techniques that encourage flexible and responsive management development.

To foster the development and utilisation of new teaching and learning technologies in management development.

5.3 National Skills Formation

To complement the existing focus on vocational education and training by strengthening skills formation processes for managers.

5.4 Stakeholders and Target Groups

To promote the value of partnerships and strategic alliances between all stakeholders in management development and performance: enterprises, industry organisations, industry providers and government bodies.

To build and encourage self sustaining management performance and development networks both nationally and internationally.

To foster an enterprise culture in Australia which supports and promotes the exercise in the community of independent entrepreneurial behaviour as it relates to the business and management context.

5.5 Promotion of Best Practice Management Development

Best practice management development is a comprehensive, integrated and cooperative enterprise approach to the continuous improvement of all managers. It is the way best practice enterprises plan and organise their management training, education and development practices to help managers deliver world class standards of performance.

To promote the benefits of best practice in management development and enterprise performance throughout Australian industry, including:

- an upgraded focus on globalisation of industry;
- increased commitment to people and quality through continuous improvement;
- enhanced technology and innovation;
- effective management of diversity; and
- change management,

and to this end, international best practice will be used as the benchmark for the development of all Council programs and initiatives.

To capitalise on ongoing support for management development from Australia's industry leaders.

To promote the development and promulgation of annual benchmarks of Australian implementation of defined best practice measures in management performance and development.

To promote and disseminate best practice management development including Australian best practice case studies.

5.6 Small Business

To promote the value of management development to small business.

5.7 Research and Information

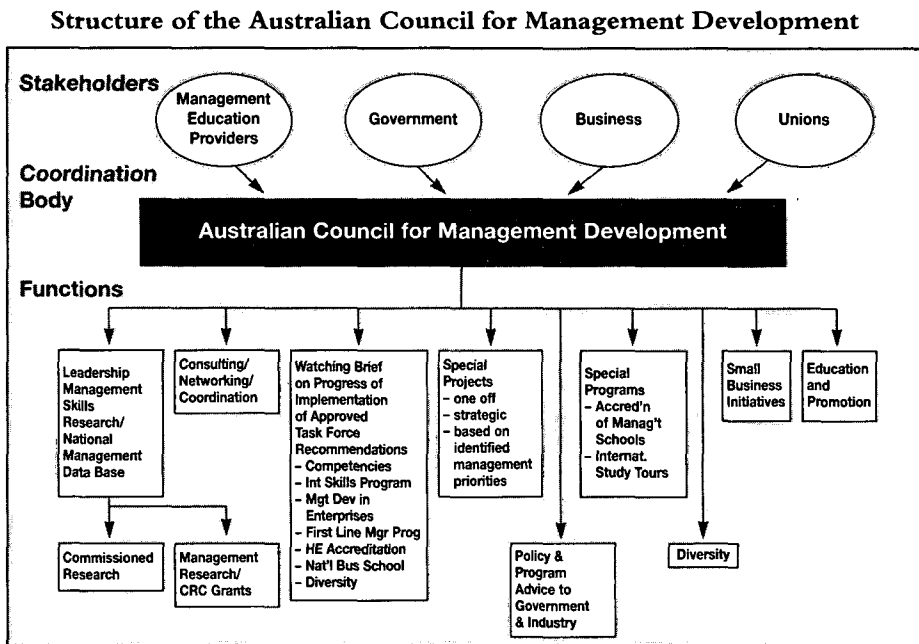
To support and coordinate directed applied research into leadership and management development best practice, nationally and internationally.

To encourage and facilitate longitudinal benchmarking of management performance in Australia, and of its economic value for the economy and to enterprises.

To establish and promulgate a national data base on management education and training initiatives.

6. Council Structure

The proposed structure of the ACMD is outlined in the following diagram.



Industry Task Force on Leadership and Management Skills 1995.

7. Membership

The board membership should be high level and small enough to be effective in terms of decision making (eight to twelve members).

It will include representation from appropriate business, industry and government bodies and individuals, with the predominant focus on business representation. Not all bodies would necessarily be able to be represented at any one time if the group is to be kept small enough to be effective. However, over time, a range of groups should be considered for

representation and opportunities are likely to exist by way of specialist committees to enable an appropriately broad input to the Board.

Members will be selected by the appropriate Minister.

Given that a primary role of the body is to influence mainstream process, appointment criteria should include cross membership with appropriate implementation and funding bodies in the management development field including the Australian National Training Authority, AusIndustry, etc.

Other criteria which need to be taken into account include geographic coverage, demonstrated professional or business interest of the individuals nominated in relation to management development (as well as their representation of appropriate organisations), and appropriate gender/diversity interests.

Appointment should be for three years, with half the board turning over every eighteen months (the initial membership should include half members appointed for a full term, half for a half term). Members should be able to be reappointed by the Minister up to a maximum of two full terms.

8. Council Programs

The major functions of the ACMD are summarised in the diagram on page 87.

9. Staffing

The Task Force believes that the ACMD should contract out its major activities and only maintain a core staff.

10. Duration and reporting

The Council is to be established for an initial period of five years.

The Council will publish a report on activities annually.

11. Review of operations

The Council should be subject to a review of its role and performance in achieving outcomes over a period of five years. This review should take place in the fifth year of the ACMD's existence. Some possible performance criteria are appended.

12. Funding Resources

The Council should be established with the expectation that most programs and initiatives which they recommend or support would be implemented by agreement from within the allocations of existing implementation bodies.

For the Council's operations, it is suggested that funding would be required to undertake its coordinating and facilitating role. In addition, the Council should receive specific research and project funds from government which would be used to engage external resources to undertake research and project work as well as other program funds as outlined in Task Force recommendations.

Funding would decrease over time in line with development of private sector support.

Glossary

AACSB	American Assembly of Collegiate Schools of Business
ABS	Australian Bureau of Statistics
ACMD	Australian Council for Management Development
ACTRAC	Australian Committee on Training and Curriculum
ADCOS	Australian Development Co-operation Scholarships
AFMD	Australian Foundation for Management Development
AIEF	Australian International Education Foundation
AMC	Australian Manufacturing Council
AMP	Advanced Management Programs
ANTA	Australian National Training Authority
APA	Australian Postgraduate Award
APEC	Asia Pacific Economic Co-operation forum
AQC	Australian Quality Council
ARC	Australian Research Council
ASTAS	Australian Sponsored Training Scholarship
ATO	Australian Taxation Office,
AVCC	Australian Vice Chancellors Committee
BCA	Business Council of Australia
BCG	Boston Consulting Group
BIE	Bureau of Industry Economics
CAMS	Consortium of Australian Management Schools
CAUT	Committee for the Advancement of University Teaching
CRC	Co-operative Research Centres Program
DEET	Department of Employment, Education and Training
DFAT	Department of Foreign Affairs and Trade
DSC	Diversity Sub-Committee
EEO	Equal Employment Opportunity
EFTSU	Effective Full Time Student Units
ESFC	Employment and Skills Formation Council
ETM	Elaborately Transformed Manufactures
HESC	Higher Education Sub-Committee
IMD	International Institute for Management Development
ITAB	Industry Training Advisory Boards
IRIC	Institute for Research into International Competitiveness
MBA	Masters of Business Administration
MSAI	Management Skills in Australian Industry Sub-Committee
NAME	Network of Australasian Management Educators
NBEET	National Board of Employment, Education and Training
NEWP	National Enterprise Workshop Program
NIES	National Industry Extension Service
OECD	Organisation for Economic Co-operation and Development

Glossary

PCEK	Pappas, Carter, Evans and Koop
RPL	Recognition of Prior Learning
SBSC	Small Business Sub-Committee
SEAANZ	Small Enterprise Association of Australia and New Zealand
SMEs	Small to Medium Sized Enterprises
TAFE	Technical and Further Education
TNSDC	National Staff Development Committee
UMAP	University Mobility in Asia and the Pacific
UNS	Unified National System