

Leadership and strategic management in the further education, work-based learning and adult community-based learning sectors

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Arolygiaeth Ei Mawrhydi dros Addysg
a Hyfforddiant yng Nghymru

Her Majesty's Inspectorate
for Education and Training in Wales



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- ▲ primary schools;
- ▲ secondary schools;
- ▲ special schools;
- ▲ pupil referral units;
- ▲ independent schools;
- ▲ further education;
- ▲ adult community-based learning;
- ▲ youth support services;
- ▲ LEAs;
- ▲ teacher education and training;
- ▲ work-based learning;
- ▲ careers companies; and
- ▲ the education, guidance and training elements of Jobcentre plus.

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Appendix:

A list of providers across the three sectors that have achieved grade 1 for Key Question 5 (How effective are leadership and strategic management?) between September 2004 and December 2006

Introduction

- 1 This report aims to summarise Estyn's findings on the quality of leadership and strategic management in three post-16 sectors: further education, work-based learning, and adult community-based learning.
- 2 This work was undertaken as part of the remit Estyn received from the Welsh Assembly Government in March 2006. The report is based mainly on the findings of inspections in further education, work-based learning and adult community-based learning from September 2004 until December 2006.
- 3 The report focuses mainly on the work of senior managers and sets out those aspects of leadership and strategic management that underpin successful institutions. It also identifies some of the barriers to effective leadership and strategic management. The report includes recommendations for improving the quality of leadership and strategic management across the three sectors.
- 4 Since September 2004, inspectors have evaluated and graded the effectiveness of leadership and strategic management in every inspection under Key Question 5 of Estyn's Common Inspection Framework (How effective are strategic leadership and management?). Inspection reports also include, where appropriate, examples of outstanding practice and recommendations for improvement.
- 5 In evaluating leadership and strategic management during inspections, we consider how well leaders and managers provide clear direction and promote high standards by establishing appropriate values, aims, objectives and targets for their organisations. We evaluate how well leaders and managers respond to national priorities and local partnerships. We also consider how well governors or corporate boards set the strategic direction for their organisation and how well they monitor the quality of provision.
- 6 For this report, three inspectors looked closely at the inspection evidence available on the quality of leadership and strategic management in the three post-16 sectors. This involved scrutiny of inspection files, discussion with relevant inspection team members (especially those with responsibility for Key Question 5), analysis of inspection data linked to the key questions of the Common Inspection Framework, and further discussion with leaders and managers within the three sectors.
- 7 The five-point scale inspectors use when making inspection judgements in all Estyn reports is as follows:

Grade 1 good with outstanding features

Grade 2 good features and no important shortcomings

Grade 3 good features outweigh shortcomings

Grade 4 some good features, but shortcomings in important areas

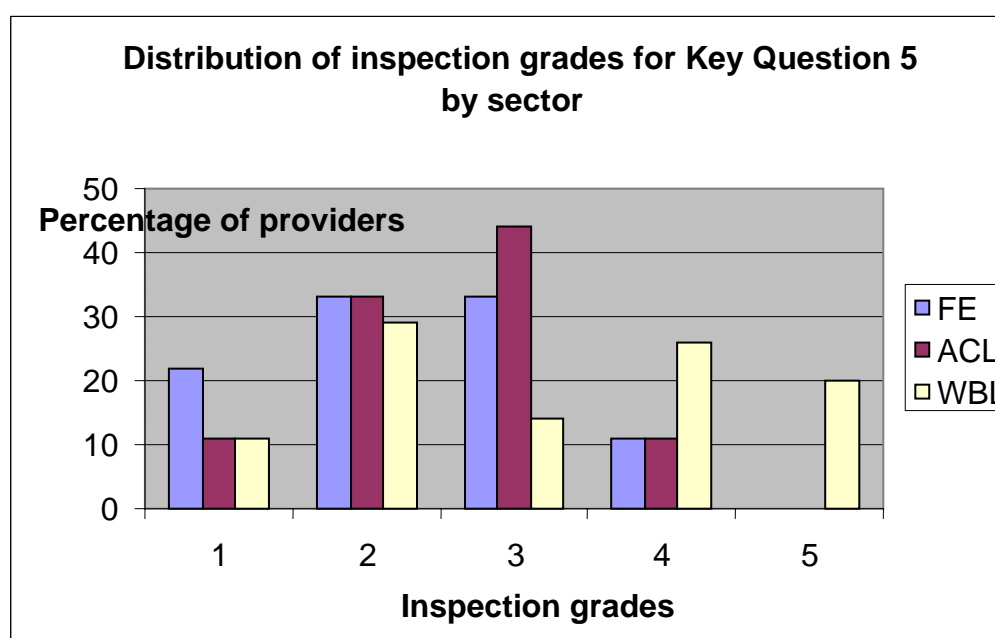
Grade 5 many important shortcomings

Background

- 8 While the characteristics of effective leadership and strategic management in further education, work-based learning and adult community-based learning are often the same, the context within which leaders and managers work is often different in each sector.
- 9 In further education institutions, the principal's main role is to provide leadership and to drive forward improvement within the college. The principal also usually has a chief executive role. The principal is accountable to a board of governors or a corporate board which has overall responsibility for the institution. Further education colleges receive most of their funding from the Welsh Assembly Government. They also generate income from other sources, such as local industries that pay for training of their employees.
- 10 In work-based learning, directors of work-based learning providers often own the training company. Some providers are small and specialised in the training they offer and they relate to a small number of employers; some are large and diverse and they work with many different employers. It is also common for sub-contractual arrangements to exist between different work-based learning providers. Some providers work within a local area; others have learners across Wales. Further education colleges deliver directly about 15% of work-based learning provision (not including provision sub-contracted to them). In some cases, the work-based learning provider is a subsidiary part of a local authority. Like further education colleges, they often manage work-based learning as a separate department or unit, and, in a few cases, as a subsidiary company. Work-based learning is funded by the Welsh Assembly Government.
- 11 In adult community-based learning, a number of organisations work on a national basis, such as the Workers' Educational Association. Other organisations work on a more regional basis, such as the organisations that plan the delivery of provision of Welsh for Adults. Some organisations have a more local basis, such as the local authority's provision of adult learning opportunities in its area. Universities may also have a substantial amount of provision for adults within an area. Adult community-based learning is mainly funded by the Welsh Assembly Government.
- 12 In all three sectors, there is a growing emphasis on developing partnerships with other providers of education and training in order to meet the needs of learners better and to make the most effective and efficient provision for them. This means that leaders and managers now have to spend more time and energy developing, managing and sustaining partnership arrangements than in the past. Across all sectors, developing a strategic view of the provision, and planning across providers, are often significant challenges for many organisations that provide post-16 education and training.

Main findings

- 13 Overall, the quality of leadership and strategic management is most effective in the further education sector, followed closely by the adult community-based learning sector. Overall, the quality of leadership and strategic management is least effective in the work-based learning sector. The most recent inspections show a better profile of quality in work-based learning. However, there is an increasing polarisation between those providers who have effective leaders and managers, and those that do not.
- 14 The following table and graph show the inspection grades awarded to Key Question 5 in each sector over the last two years (up to December 2006). The tables do not include grades awarded in re-inspections.



- 15 There is a clear link between successful learners and effective leadership and management. The best leaders and managers make sure there is teaching and learning of good quality so that learners get the qualifications they set out to achieve. Where leadership and strategic management are weak, it often makes learners and institutions less successful than they could be.
- 16 Leaders and managers within individual institutions are finding it difficult to take strategic partnerships forward in ways that are likely to lead to significant change in the provision of post-16 education and training. Many leaders devote much time to partnership meetings of various kinds, but they continue to be reluctant to sign up to structural change or to collaborate with any initiatives that might threaten their corporate autonomy, jeopardise their own provision or cede responsibility for delivering courses to other providers. Few pool resources with others to make the best use of staff or resources. The systems for funding post-16 education and training have changed a great deal recently and leaders are often unsure about the full impact of any change on their institutions.

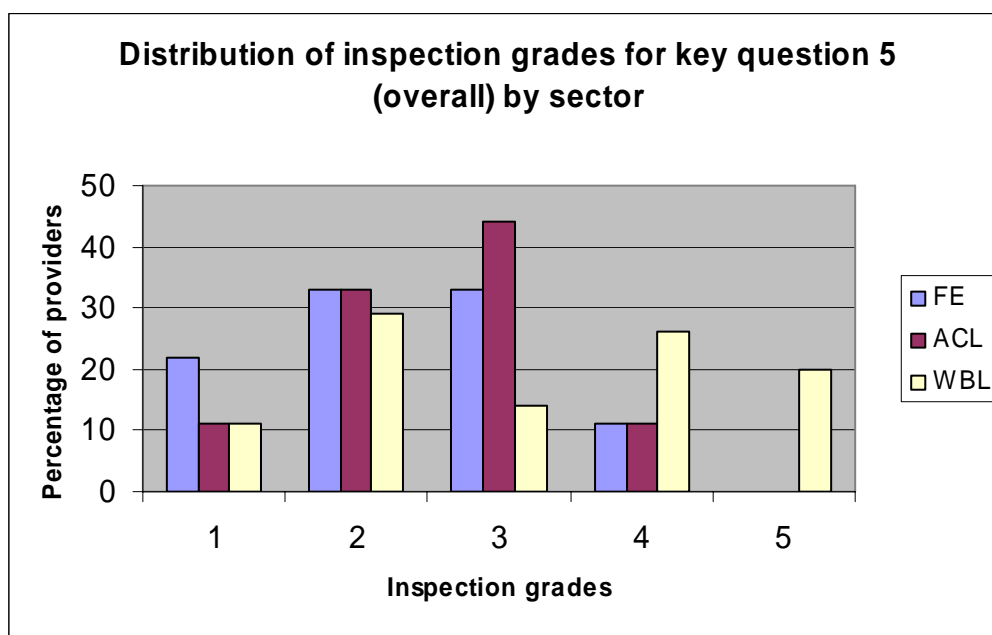
- 17 Too many leaders and managers continue to plan in isolation, respond only to strategic drivers which benefit them, and do not think much beyond the needs of their own institutions. Not enough leaders and managers display the diversity and flexibility required to plan strategically within a multi-agency, post-16 environment.
- 18 A few private training companies provide very effective leadership and strategic management. However, overall, further education colleges tend to lead and manage work-based learning better than other providers. Further education colleges also tend to have more robust quality assurance systems and processes than the other sectors.
- 19 The most effective leaders and managers have access to robust information on the performance of their organisation. They analyse the information well and present it clearly to managers, corporate boards and directors. Weak leaders and managers nearly always fail to use management information robustly and do not focus enough on analysing trends in the attainments of learners.
- 20 Over the last two years, leaders and managers have spent a great deal of time and energy dealing with national changes to data management systems and funding mechanisms. Lack of clarity in these two areas, and a reduction in the usefulness of data for quality assurance purposes, have made it harder for leaders and managers to identify strengths and weaknesses in outcomes. This affects the capacity of the institution to plan at both strategic and operational levels.
- 21 Management structures and styles have become more inclusive and less hierarchical in many providers over the last 10 years. Overall, this has led to better leadership and management, improved engagement from middle managers in developing their organisations, and more effective meetings and action planning.
- 22 Some work-based learning providers act as 'lead providers' with other companies linked to them through sub-contractual arrangements or as part of a consortium. However, too many leaders in work-based learning do not manage or monitor sub-contractors well enough and they often take a 'hands-off' approach to their work.
- 23 Leaders and managers in further education tend to have good access to well-structured and accredited professional development opportunities. Many also tend to lead and manage aspects of work-based learning and adult community-based learning. However, in other providers, especially small, private training companies, leaders and managers often do not share good practice through professional networks or access professional development opportunities enough.

Recommendations

- 24 In order to help to improve the quality of leadership and management across the three sectors, the Department for Education, Lifelong Learning and Skills needs to:
- R1 provide better data management systems and national benchmarking information so leaders and managers can use them to focus on improving the quality of delivery;
 - R2 make sure that 'lead providers' for work-based learning are chosen on the basis of proven success and high quality; and
 - R3 provide a clear strategic framework and strong incentives for leaders and managers to develop and maintain partnership arrangements with other post-16 providers.
- 25 Where there are shortcomings in the quality of leadership and management, leaders and managers within the three sectors need to:
- R4 focus more robustly on improving the attainment of learners;
 - R5 analyse data on learner outcomes more systematically and use the analysis to set targets, to manage the performance of staff and to inform corporate boards of the strengths and weaknesses of the provision in clear, simple ways;
 - R6 develop greater diversity and flexibility in their approach to strategic planning and collaborative working within a multi-agency, post-16 environment;
 - R7 develop more networking and negotiating skills in order to facilitate partnership working;
 - R8 undertake more, including accredited, professional development to improve their knowledge and skills as leaders and managers, including mentoring and shadowing schemes;
 - R9 know more about good practice and innovation in leadership and management within and across sectors, especially in work-based learning and adult community-based learning;
 - R10 establish a set of shared values in relation to their leadership and management which they set out and communicate clearly to all stakeholders;
 - R11 develop more effective communication strategies within their organisations; and
 - R12 manage the work of sub-contractors more systematically and robustly.

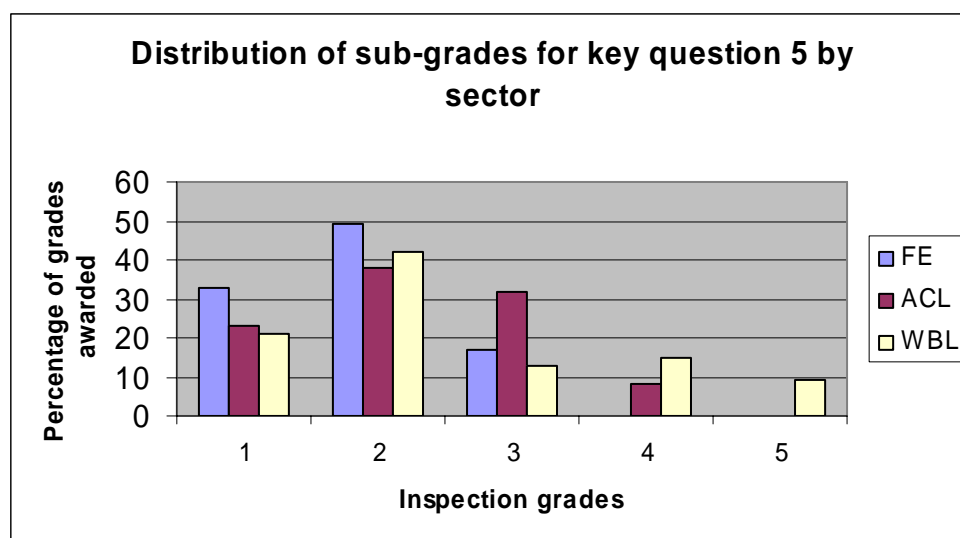
What is the quality of leadership and strategic management across the three sectors?

- 26 Overall, the quality of leadership and strategic management is most effective in the further education sector, followed by the adult community-based learning sector. Overall, the quality of leadership and strategic management is least effective in the work-based learning sector.



- 27 Inspection evidence shows that the overall quality of leadership and strategic management is good or outstanding in 55% of the further education colleges we have inspected since 2004. It is good or outstanding in 44% of adult community-based learning inspections.
- 28 In the remaining inspections (44% in further education and 55% in adult community-based learning), there are shortcomings in leadership and strategic management. However, few providers in these two sectors have shortcomings in important areas of leadership and management. Both these sectors are significantly better than work-based learning where the effectiveness of leadership and strategic management varies too widely.
- 29 The quality of leadership and strategic management is good or outstanding in about 40% of work-based learning providers inspected since 2004. In just under half, the quality of leadership and management has shortcomings in important areas. Of those, one in five have many important shortcomings (grade 5).
- 30 Significantly, there are far fewer providers in work-based learning where the quality of leadership and strategic management is grade 3 compared to any other sector. This indicates an increasing polarisation in work-based learning between those providers who have effective leadership and strategic management, and those that do not.

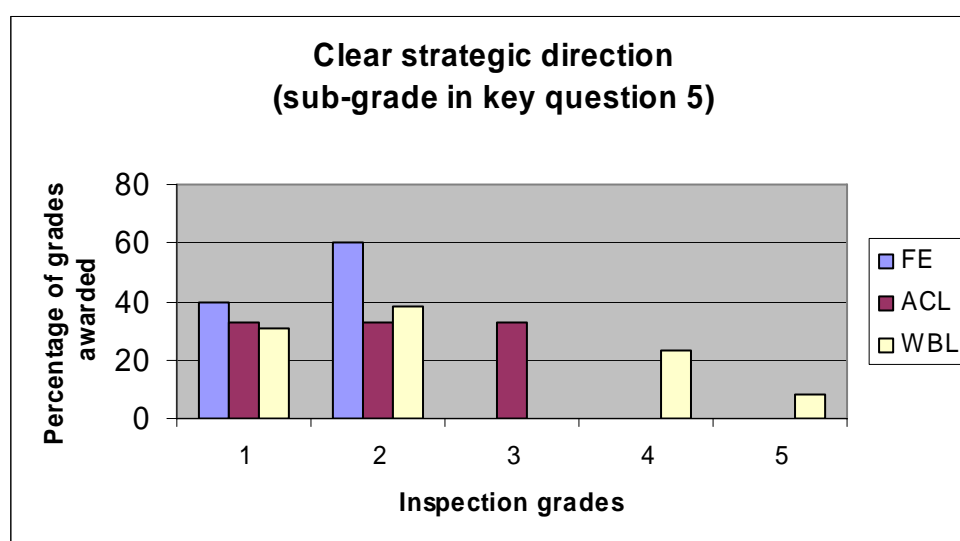
- 31 During inspections since September 2005, inspectors have also graded nine aspects of leadership and strategic management within key question 5. Estyn collects these grades in its Athene database in order to look at trends and patterns in quality for inspection purposes.
- 32 The sub-grades within Key Question 5 relate to matters such as establishing strategic direction, putting appropriate values, aims, objectives and targets in place, the responsiveness of leaders and managers to national priorities and local partnerships, and managing the performance of individuals, teams and departments.
- 33 Looking at all the sub-grades awarded within Key Question 5, 82% of the grades for leadership and strategic management awarded to further education colleges are at grade 1 or 2. The proportion at grade 1 or 2 in adult community-based learning and work-based learning is just above 60%. However, the proportion at grade 4 or 5 is much greater in work-based learning (24%) than in any other sector.



- 34 The weaknesses in leadership and strategic management in work-based learning have existed for many years. However, there are some signs that the situation is improving. Of the seven inspections which have taken place more recently (from September to December 2006), the quality of leadership and strategic management has been good or outstanding in five. It is too early to say if this is a long-term trend, but it is encouraging.
- 35 For the most part, the recent upward trend in work-based learning is associated with leaders and managers who have focused their time and energy on improving the completion of training frameworks by learners. They make sure that learners are recruited to the appropriate programmes at the right level. Typically, they establish clear targets for individuals and staff which relate to learners' successful completion of training frameworks. They monitor progress towards achieving these targets in a robust way.
- 36 Overall, the quality of leadership and strategic management of work-based learning tends to be stronger in further education colleges than in other work-based learning providers. A few individual private training companies provide outstanding leadership

and strategic management (those who have received a grade 1 in recent inspections are listed in the appendix).

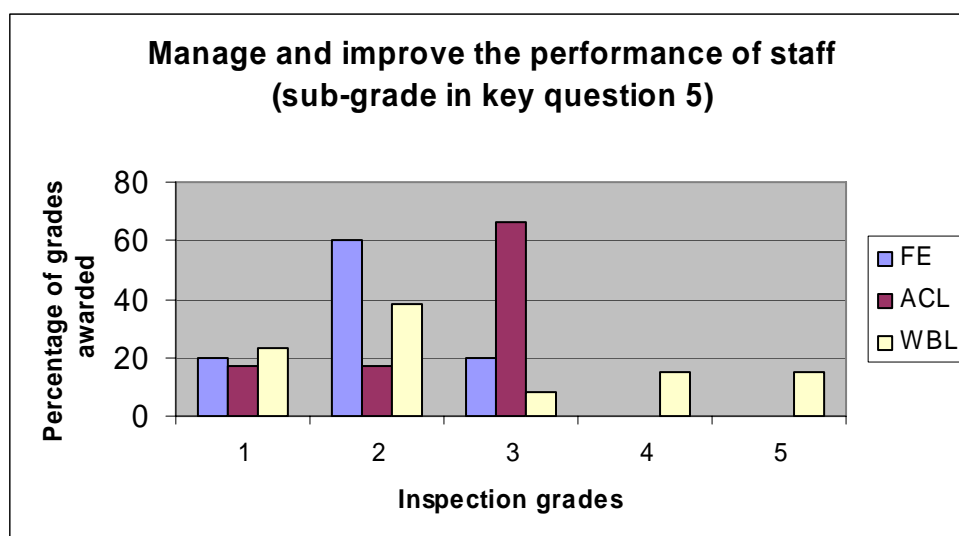
- 37 The quality of leadership and strategic management in further education colleges is generally more consistently good than in private or local authority training companies. This consistent quality stems largely from the more effective strategic and organisational systems that underpin the work of leaders and managers in further education colleges. Work-based learning provision within colleges often benefits from developments, initiatives, quality improvement and leadership training undertaken in other aspects of the institution's work. Fundamentally, further education colleges have more experience at focusing on improving the attainments of learners and this helps them to deliver training programmes of high quality.



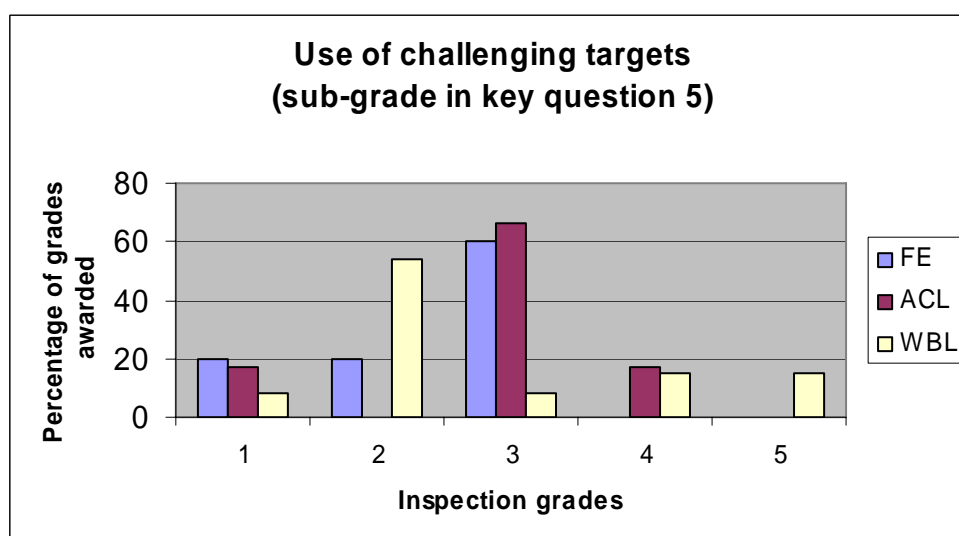
- 38 Leaders and managers in further education perform particularly well in relation to setting clear direction through values, aims, objectives and targets that are well understood by staff and which promote equality of opportunity. These are also strengths within the adult community-based learning sector.
- 39 The most successful organisations across the three sectors often have similar characteristics¹. Many have a strong focus on the core business of delivering programmes of high quality for the benefit of learners. These organisations have high rates of learner retention and attainment and very good teaching and learning. There is strong strategic direction, good planning of learning programmes, rigorous quality assurance and performance management. They provide good value for money. Leaders and managers set out action plans and use targets to make sure everything they plan happens as quickly as possible so that learners do not suffer. Team work and staff development focus primarily on improving the quality of teaching and learning. Staff accept that they are accountable for the quality of their work and they try actively to improve their performance as teachers and leaders so that learners can make the best possible progress.

¹ Appendix 2 at the end of the report lists those institutions that achieved grade 1 (good with outstanding features) for the quality of their leadership and strategic management between September 2004 and December 2006.

- 40 Over the last ten years or so, there has been a trend towards flatter, less hierarchical and more collaborative management structures. These structural changes have occurred alongside styles of management which are now far more inclusive and far less status driven than in the past. Providers have developed a variety of ways to distribute responsibility between senior managers and to include a broader cross-section of managers within senior management teams. Many providers have developed an executive group at the very top of the organisation, which contains the senior post holders. This group works alongside other senior managers within a broader senior management team.
- 41 Senior management teams generally have a good balance of responsibilities and include managers from both the educational/training side of the business as well as the functional areas, such as finance, estates and human resources. Overall, the links between these two sides of organisations has improved over the last ten years.
- 42 Many organisations have improved the way that quality matters reach senior management teams and corporate boards. In most cases, organisations have established sub-committees, management posts or groups that have a specific responsibility for managing quality issues and improving the flow of information about quality and standards throughout an organisation. These have grown in status and importance over the last 10 years and reflect the growing importance of quality issues within corporate governance and strategic management. In a few cases, they have replaced past structures; for example when curriculum and quality sub-committees in further education colleges have replaced academic boards.
- 43 We re-inspect institutions where we judge them to have shortcomings in important aspects of their leadership and management (grade 4 or 5 for Key Question 5). The evidence from re-inspections shows that most leaders and managers generally have the capacity to improve the quality of their leadership and strategic management, and to bring their institutions up to an acceptable or better level within 18 to 24 months of the original inspection.
- 44 Over the last two years, leaders and managers have had to spend a great deal of time and energy dealing with national changes to data management systems and funding mechanisms. Lack of clarity in these two areas, and a reduction in the usefulness of data for quality assurance purposes, have made it harder for leaders and managers to identify strengths and weaknesses in outcomes. This affects the capacity of the institution to plan at both strategic and operational levels and makes it difficult for leaders to monitor and manage the performance of managers, learning programmes and individual staff.



- 45 In work-based learning, and to a lesser extent in adult community-based learning, too many leaders and managers are not doing enough to manage and improve the performance of their staff or their organisation.
- 46 Work-based learning is also weak in relation to setting strategic direction and using values, aims, objectives and targets to drive the strategic direction forward. There is a weak culture of target-setting in too many providers in the work-based learning sector.

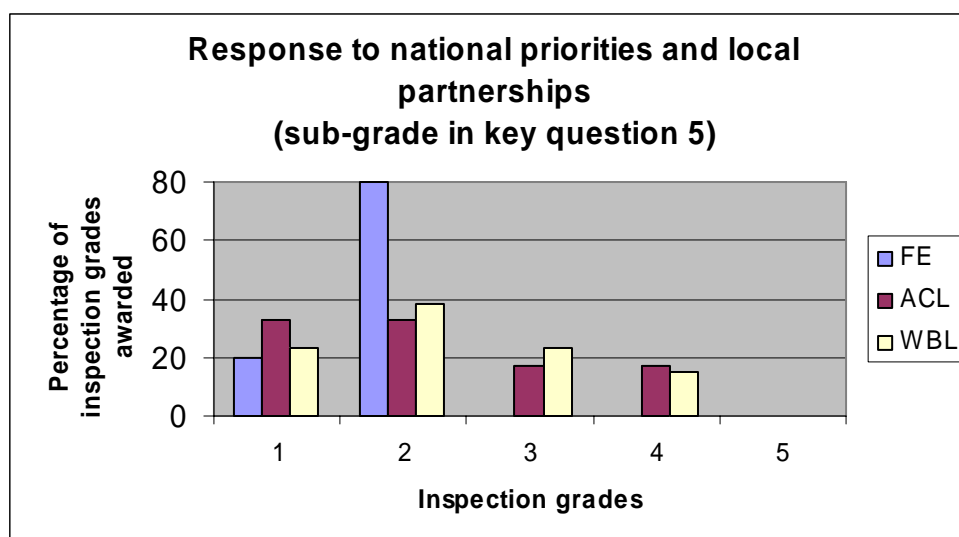


- 47 There are growing external pressures on leaders and managers in organisations involved in education and training to do well. By 2008, the Welsh Assembly Government has indicated they will only fund learning which is judged to be at least satisfactory (grade 3) as a result of Estyn inspections.²
- 48 The Welsh Assembly Government also aims for 95% of further education programmes and 85% of work-based learning programmes to be at grade 1 or 2 by

² 'The Learning Country 2: Delivering the Promise' (Welsh Assembly Government, 2006)

2010. (There are currently no similar Welsh Assembly targets for the adult community-based learning sector.)

- 49 The data from further education inspections shows that institutions are currently meeting this target. Last year, 80% of the further education programmes inspected were judged to be at grade 1 or 2.
- 50 Within work-based learning, there is still a long way to go to achieve the target as only 45% of work-based learning programmes last year were judged to be at grade 1 or 2. Improving the quality of leadership and management is urgent within the work-based learning sector if it is to meet the aspirations for 2010 within 'The Learning Country'.
- 51 The data from inspections of adult, community-based learning programmes shows that many providers are delivering learning programmes of high quality. Since 2004, 86% of learning areas were judged to be good or outstanding. In most cases, this reflects the good quality of leadership and management within the individual organisations that provide learning opportunities for adults and communities. The shortcomings that exist within the adult community-based learning sector often relate more to leadership and strategic planning across areas and between providers.

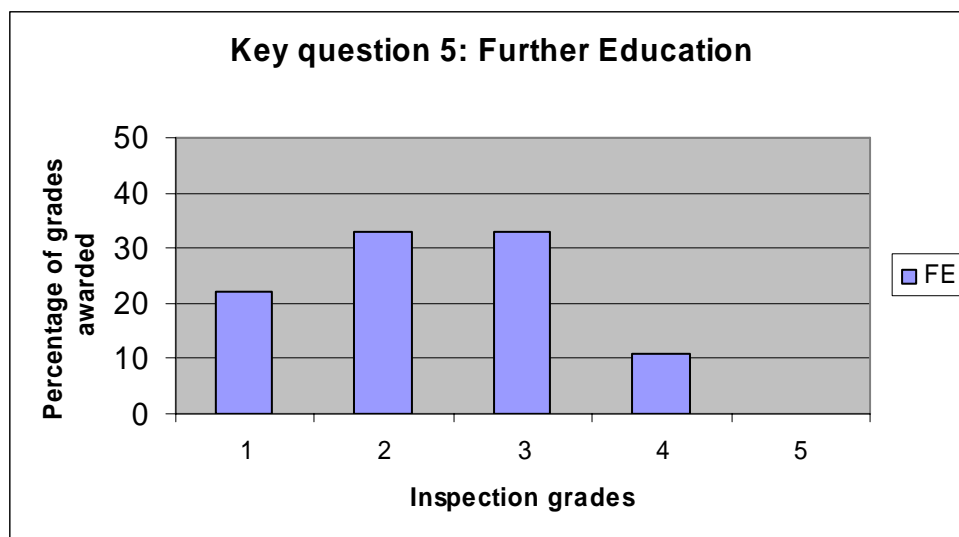


- 52 Adult community-based learning is weakest in those aspects which focus on responsiveness to national priorities and local partnerships, and setting challenging and realistic targets. In both these aspects, too many providers do not work closely enough with other providers in an area to take forward national priorities, and to plan and manage training in the most effective and efficient ways at an area-wide level.
- 53 Inspection evidence shows that ineffective leadership and strategic management often leads to weaknesses in many areas of an organisation's work. This has a significant impact on the quality of teaching and learning, the standards that learners achieve and the value for money that the organisation provides.
- 54 Where leaders and managers are ineffective, quality assurance is often left too much to chance, weaknesses are not identified early nor do they get addressed in any

systematic way. Leaders and managers often work hard, but their efforts are often wasted by a lack of focus on what really matters. Often leaders and managers allow themselves and their staff to become too satisfied with the status quo, which is often less than what learners can achieve and what staff can deliver, if they were challenged and supported appropriately. These organisations waste valuable resources when learners do not attend classes, drop out of courses or fail to achieve the qualifications or training frameworks they need to get in order to make progress in their career aims or their personal development objectives.

What is the quality of leadership and strategic management in further education?

- 55 Inspection evidence shows that the overall quality of leadership and strategic management is good or outstanding in 55% of the further education colleges we have inspected between September 2004 and December 2006.



- 56 There are shortcomings in leadership and strategic management in 44% of providers inspected since September 2004, but relatively few in important areas of leadership and management.
- 57 The sector has the most positive profile in terms of sub-grades awarded within Key Question 5 during inspections. Looking at all the sub-grades, 82% are at grade 1 or 2. They perform particularly well in relation to setting clear direction through values, aims, objectives and targets that are well understood by staff and which promote equality of opportunity. Effective governance is also a strong feature in many further education colleges.
- 58 Further education institutions generally have effective leadership and direction. They respond well to local and national priorities. Target-setting is part of the culture of many institutions and most analyse data on performance carefully and systematically. Most leaders and managers evaluate college performance well and devise appropriate action plans. Arrangements for staff appraisal are improving as part of a national scheme of performance management.
- 59 Management structures within further education colleges have changed a great deal over the last ten years. Styles of management in the past often stemmed from rigid hierarchical structures where individual managers adopted a command and control style of management. Most colleges now have flatter, more collaborative and participatory management structures than in the past. There is less focus on status and more on effectiveness and inclusiveness.

- 60 Quality issues now have a far higher status within college committees than in the past. All colleges now have a sub-committee of the governing board that considers curriculum and quality issues. This group has equal status to the committees that carried weight in the past, such as the finance and general purposes committee. In at least one college, the curriculum and quality sub-committee has now replaced the academic board.
- 61 More participatory styles of management have taken some time to become embedded in a few colleges, often because middle managers have become used to senior managers deciding everything amongst themselves. However, in most colleges, a more collaborative and inclusive style of management has helped to distribute responsibilities more effectively. It has given middle managers more ownership of their areas of responsibility through delegated budgets and negotiated business planning. It has improved the co-ordination of cross-college aspects of provision.
- 62 However, in a few colleges, roles and responsibilities are too complex, individual managers have too wide a span of responsibilities, and an intricate matrix of cross-college responsibilities leads to managers and staff not understanding fully who is responsible for what.
- 63 There is usually a good balance of responsibility within senior management teams, with the education/training arm working effectively with more functional arm of the college, such as finance, human resources and estates. Many of these areas are now benefiting from undertaking quality probes and producing self-assessment reports in the same way as learning areas.
- 64 Lines of accountability in most colleges are clear and most senior managers have a suitable number of staff to manage. However, in a few colleges, the spans of control are too wide and senior managers have to line-manage too many staff, for example up to twelve or more.
- 65 The quality of governance is often good in further education colleges. Governors now focus more sharply on quality and standards than they did in the past. Most challenge senior managers well in relation to the performance of the college and its overall effectiveness. Most have strong representation from the business community, less so from local educational partners, such as secondary school headteachers. Many college struggle to recruit student governors or to keep them for long enough to make a full contribution to its work.
- 66 Leaders and managers in further education generally have good access to professional training. Many college principals and senior managers have undertaken leadership training, for example through fforwm or the Association of College Principals. Many have benefited from mentoring or from shadowing colleagues or have used consultants to support and challenge their ways of working. Principals generally liaise well with each other across Wales. Many colleges have developed their middle managers well, either through internal staff development schemes or alongside national schemes, such as fforwm's leadership and management seminars or their MA in Leadership and Management programme validated by the University of

Wales, Newport. Nearly all colleges have made good use of funding from the Welsh Assembly Government to support the development of their middle managers.

- 67 However, there are a few colleges where leadership roles have not focused enough on standards and improving outcomes for learners. In these, there is too much variation in quality across the college and managers are not doing enough to improve areas that are weak. In a few cases, they do not even know exactly where the weaknesses are.
- 68 Many colleges have had to face financial challenges. On the whole, leaders have responded appropriately to these challenges, sometimes through driving forward efficiency gains and occasionally through merging with other institutions.
- 69 The quality of leadership and strategic management tends to be weak where:
- hierarchical structures constrain the amount of leadership managers and staff can show;
 - leaders and managers do not analyse data on learner outcomes systematically enough in order to judge how well learners are doing on different programmes within the college;
 - communication between senior managers and staff is weak with too many staff not understanding the strategic priorities of the college or how they can contribute effectively to them;
 - the lines of accountability and distribution of responsibilities are confused, managers have too wide a span of responsibilities and have to line-manage too many staff;
 - leaders and managers set targets which are not challenging enough or do not link closely to the college's overall strategic priorities;
 - there is a climate of competition within an area, often with local schools with sixth forms, which makes it difficult for institutions to be honest and open about their weaknesses;
 - leaders and managers place too much emphasis on supporting learners and teachers, and not enough on challenging them to aim higher and to achieve more;
 - leaders and managers get bogged down in bureaucratic processes, often associated with finance, contract compliance or estates, and do not focus enough on raising attainment and improving quality;
 - leaders and managers are professionally isolated because they have not kept up-to-date with developments in the field or developed their own skills further; and
 - governors or corporate boards lack a balance of skills and do not challenge senior managers enough.

What is the quality of leadership and strategic management in adult community-based learning?

- 70 The data from inspections of adult community-based learning programmes shows that many providers are delivering learning programmes of high quality. Since 2004, 86% of learning areas were judged to be good or outstanding. In most cases, this reflects the good quality of leadership and management within the individual organisations that provide learning opportunities for adults and communities. In many areas, the actions of leaders and managers are having a very positive impact on widening the provision of learning opportunities, for example by establishing training for youth workers, offenders, older people and ethnic communities.



- 71 Overall, leaders and managers in adult community-based learning have clear plans for their organisations. Most respond well to local and national priorities, such as Extending Entitlement, Communities First, strategies for older people, health and wellbeing initiatives, basic skills programmes, Joining Together in Wales, Winning Wales and the Community Strategy programme. They take an active part in local partnerships and have agreed with other local providers the scope of their responsibilities for delivering provision across an area.
- 72 About half the providers use performance data well to identify strengths and weaknesses in outcomes for learners and in the quality of teaching on individual courses. They analyse information on learners' progression to higher levels of study or to different courses at the same level. They agree benchmarks with staff and use targets to alert them to cases of high and low achievement. They compare outcomes with national comparators, where they exist, or to those achieved by a similar provider. Leaders and managers often carry out internal inspections of their own provision, identify good practice and make sure effective teachers share their good practice with other staff.
- 73 Good leadership and management in adult community-based learning require strategic planning in collaboration with others to meet the needs of individuals and groups in an area. The strengths in individual institutions do not necessarily translate

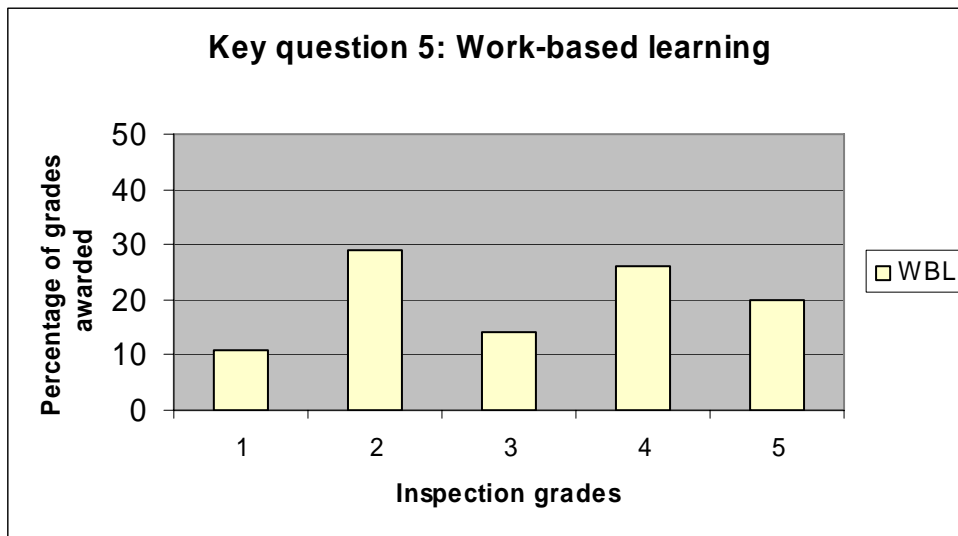
easily into strengths at this more collaborative, area-wide level. In order to make collaboration work, leaders and managers need greater diversity and flexibility in the models they consider and a capacity for thinking and planning at multi-agency levels.

- 74 Partnerships fail where the individual providers involved base their strategic thinking on the imperative of corporate autonomy, in other words, they place the continuing existence of their own organisation in its current shape above everything else. The shortcomings in leadership and strategic management in the sector are the result of the operation of this imperative. On the operational level, managers are often reluctant about making decisions that might jeopardise their own provision or cede responsibility for delivering certain courses to other providers.
- 75 The greatest challenge for leaders and managers is to work with colleagues in other providers to make sure they use public money collectively and effectively to meet national and local priorities, to use resources strategically and to secure good value for money. Leaders and managers usually apply value for money principles within their own organisations, but strategic planning at an area-wide level often does not involve pooling the total resources available for adult community-based learning in order to match them to designated priorities.
- 76 In a few cases, individual providers do not understand the roles of other providers in the area. In particular, leaders from the voluntary sector are often not included in planning arrangements. Where providers remain too separate from each other, many do their planning in isolation. This often leads to ineffective use of staff and resources within an area.
- 77 The quality of leadership and strategic management tends to be weak where:
- leaders and managers do not establish an overall strategic vision or a clear development plan to improve the provision for adults in the area, despite liaising regularly with other providers;
 - leaders and managers do not pool resources in order to plan strategically the roll-out of programmes to deliver value for money;
 - leaders and managers are too isolated from each other and do not share good practice enough;
 - leadership teams lack the diversity and flexibility necessary to make the most of planning at a multi-agency level;
 - providers do not invest enough time and effort in developing the professional skills and qualities of their leaders and managers and leaders and managers do not access professional support networks enough to develop their own knowledge, skills and understanding;
 - leaders and managers do not analyse data and set targets on learner outcomes systematically enough to judge how successful different providers are in making sure learners get the qualifications they are aiming for and progress to appropriate further study;

- protecting corporate autonomy leads to defensive thinking;
- few leaders and managers share information on learner outcomes openly with other providers in the area to see what is working well and what is not and a climate of competition between providers that makes it difficult for leaders and managers to be honest and open about their weaknesses;
- leaders and managers find it difficult to communicate with and to monitor appropriately staff who work in a wide range of different locations and are employed part-time or on an hourly-paid basis; and
- leaders and managers place too much emphasis on supporting learners and teachers, and not enough on challenging them.

What is the quality of leadership and strategic management in work-based learning?

- 78 Overall, work-based learning providers have a weak profile of inspection grades for the quality of leadership and strategic management. This weak profile has existed for many years. Since 2004, just under half the providers have had shortcomings in important areas in relation to the quality of their leadership and management. This has reflected the relatively poor outcomes for learners in the sector where too many have failed to complete their full training frameworks.



- 79 However, there are some signs that the situation is improving. Of the seven inspections which have taken place more recently (from September to December 2006), the quality of leadership and strategic management has been good or outstanding in five. It is too early to say if this is a long-term trend, but it is encouraging.
- 80 Significantly, there are far fewer providers in work-based learning where the quality of leadership and management is at grade 3 compared to any other sector. This suggests an increasing polarisation in work-based learning between those providers which have effective leadership and strategic management, and those that do not.
- 81 In 2006, the National Training Federation Wales made good use of funding from the Welsh Assembly Government to develop a handbook for all work-based learning providers³. The handbook is designed to help providers to review their leadership and management, to consider specific management issues in depth and to draw upon best practice across Wales. It is beginning to have a positive impact on the thinking and practice of leaders and managers across the sector.

³ 'Building Effective Practice in Leadership and Management' (National Training Federation Wales, 2006). The handbook contains guidance on effective practice in key areas, such as leadership and management, strategy and leadership, business planning and staff appraisal. It includes examples of effective leadership and management from Estyn inspection reports.

- 82 Effective senior managers establish and maintain aims and values that place a strong emphasis on the quality of training and the learners' overall experience. They focus on learner outcomes and check that learners are doing as well as they can. They communicate this emphasis clearly to all staff. They have reliable systems to collect and analyse data on the performance of all aspects of training. They have set clear, realistic and measurable targets for the recruitment of learners and the attainment of full qualification frameworks both for the organisation as a whole and for individual staff.
- 83 The key weakness within the work-based learning sector is that many leaders and managers focus too much on recruiting and keeping learners rather than making sure learners get their full training framework within an appropriate timescale. In too many cases, managers assemble a lot of data for contractual purposes but do not analyse it enough in terms of quality and standards.
- 84 The management structure of smaller, isolated work-based learning providers often limits the degree of challenge that senior managers receive from other people within the organisation. In the best instances, an executive board or boards of directors challenges senior post holders in relation to the quality of the service it provides for learners, the standards they achieve and the strategic direction the company is taking. It is these factors that underpin much of the success of further education colleges in managing work-based learning.
- 85 However, too many smaller companies struggle to take quality issues forward through systematic planning. While there are often systems in place in relation to managing and monitoring training contracts, there is often not enough accountability in relation to the successful achievement of training frameworks and other quality matters. Many do not compare their outcomes enough with other providers in ways that will help them to benchmark their own work or to improve outcomes for learners.
- 86 Overall, leaders and managers in work-based learning tend to be more professionally isolated than those in other sectors. Some become isolated because it is difficult to liaise openly with other leaders and managers and to learn from their successes and failures within a strongly-competitive marketplace. In this sector, leaders and managers often do not have access to enough relevant training to support their professional development. Overall, they are not engaged enough in local partnerships with other providers of education and training.
- 87 Organisations that exist as training arms of larger organisations sometimes have more scope to develop their leaders and managers as they are able to gain from co-operation with other departments or parts of the overall business. This may happen when work-based learning providers are part of a further education college or a local authority. However, in itself, this is no guarantee of success.
- 88 Many providers have focused on achieving business awards and standards, such as Investors in People and various International Standards Organisation awards, in order to prove to business clients that they have robust, accredited systems and processes. This allows other businesses to trade and to liaise with them with some degree of confidence. However, without a strong focus on learners achieving

qualifications successfully, such awards on their own are not enough to ensure that providers and learners are successful.

- 89 Some work-based learning providers act as 'lead providers' in an area with other providers linked to them through sub-contractual arrangements. Too many leaders and managers do not manage or monitor these sub-contractual relationships well enough and there is often too much of a 'hands-off' approach.
- 90 The quality of leadership and strategic management tends to be weak where:
- training companies are small and/or independent and their systems for ensuring that training outcomes are of high quality are ineffective;
 - senior managers are not challenged enough by directors or boards about the quality of provision and the strategic direction of the company;
 - leaders and managers in private companies are too isolated from each other and do not share good practice enough or access professional support networks enough to develop their knowledge, skills and understanding;
 - leaders and managers concentrate too much on contractual and compliance issues and on maximising income rather than on improving quality by making sure that learners complete full qualification frameworks;
 - providers do not invest enough time and effort in developing the professional skills and qualities of their leaders and managers;
 - leaders and managers do not analyse systematically data on learner outcomes to judge how successful different parts of the business are in making sure learners get the qualifications they are aiming for;
 - leaders and managers find it difficult to monitor and communicate effectively with part-time or hourly-paid staff or who work across a wide geographical area;
 - a climate of commercial competition makes it difficult for providers to be honest and open about their weaknesses, especially when working in partnership arrangements;
 - providers place too much emphasis on supporting learners and not enough on challenging them;
 - providers, particularly small, independent providers, become distracted by the achievement of quality awards in order to gain recognition and a business advantage instead of gaining these advantages through the delivery of training programmes of high quality; and
 - leaders and managers do not manage or monitor the activities of sub-contractors well enough.

Common features of effective leadership and strategic management across the three sectors

- 91 There are a number of common features about the way leaders and strategic managers have changed institutions for the better and improved their overall effectiveness.

Effective leaders get the right people into the right jobs.

- 92 Leaders need to make key appointments at senior management and middle management levels in order to bring change about and to take initiatives forward. In most organisations, leaders achieve this mainly with existing staff or with a few key appointments from outside. There are examples of leaders changing the direction and culture of their institutions as a result entirely of internal restructuring. Effective leaders and managers place a great deal of emphasis on getting teachers of high quality because teachers have the most impact on learners and their successful achievement of their qualifications.

Effective leaders have clear agendas for improving their organisations.

- 93 In most cases, across the three sectors, incremental change has worked where it has been driven forward in a focused way by strong leadership at senior management level. However, slow, incremental change is never an acceptable process where it takes too long, as the longer it takes, the more learners must endure learning which is not of the best quality.
- 94 Where providers have received unsatisfactory grades for leadership and management after Estyn inspections, HM Inspectors undertake a re-inspection about 18 to 24 months later to check that the necessary progress has been made. In most cases, the provision has improved. This shows that leaders and managers generally have the capacity to turn around unsatisfactory situations when there is a clear agenda for improvement.
- 95 However, where the required improvement has not occurred, then there are doubts about the capacity of leaders and managers to drive forward the necessary change. It is in cases like these that supervisory bodies and corporate boards may need to change leaders and strategic managers in the best interests of learners and the organisation as a whole. Some providers have faced a relatively high turnover of senior staff as a result, and existing staff at different levels have had to apply for posts within a new structure. In most cases, however, these processes have been managed well and the changes have led to improvements in the quality of provision which have benefited learners.

Responding to changing circumstances is a continuing challenge for leaders and senior managers.

- 96 Effective leaders need to take the long view. It can take a significant amount of time for leaders to change the culture of their organisations for the better. Where large

changes are taking place, leaders often have to work hard over a long period to establish trust and co-operation across their organisations.

- 97 It has also required a long-term view from leaders and managers across the three sectors to get to a position of trust in terms of strategic planning at a local level. It is still proving difficult to establish collaborative post-16 planning in many areas. The most effective collaborators are those who have diverse flexible leadership teams with the skills to negotiate and network in a multi-agency environment and are not hampered by corporate autonomy. They are willing to pool resources and they understand the strategic framework of the Welsh Assembly Government's vision for Wales, see the strategic benefits of partnership, and focus sharply on what is best for learners in their area.

Effective leaders invest in communication.

- 98 In nearly all cases, improved communication with staff has underpinned the way that effective leaders and senior managers brought about a change of direction and culture within an organisation. Many leaders use IT-based tools to improve their communication with all staff through regular bulletins and newsletters. The best institutions make sure that all minutes of meetings and action plans are on the intranet for any member of staff to look at. This enables all staff to know clearly what is going on at a strategic and operational level and to make a contribution as appropriate because management is transparent and consultative.
- 99 In all organisations, but especially those that have two or more sites, effective leaders and managers invest significant amounts of time keeping in touch with other managers and staff in order to push forward priorities, to monitor developments and to hear any concerns. Effective leaders also work hard to hear the concerns of learners, teachers and trainers. Many have established focus groups of learners to hear their views or to meet with different groups of staff, sometimes up to 20 or more times a year, to gauge their views and to hear what they have to say. In the best cases, these meetings lead to action points, which are shared on the organisation's intranet. Effective leaders use these methods to understand their organisations better and to develop empathy and understanding on both sides.

Effective leaders need a range of management styles.

- 100 Command and control styles of leadership, often with rigid and extensive hierarchies, have tended to give way over recent years to more inclusive and consultative styles of leadership and management within post-16 organisations. However, effective leaders faced with a crisis or new leaders facing intractable issues often need to adopt a more robust, interventionist style in order to get things done in the short term. Effective leaders and managers have a range of management styles at their disposal and have the capacity to adapt their style appropriately to a range of situations. However, high-achieving organisations have leaders who consult and engage with managers in an inclusive, participatory and collaborative way. Effective leaders do not get bogged down in hierarchies and status issues.

Effective leaders give real responsibility to others and then hold them accountable.

- 101 In more effective organisations, leaders work hard to make managers at lower levels take responsibility for the areas they manage. They give them the scope to take risks within an overall system of accountability. Effective leaders and senior managers communicate well with their middle managers and give them frequent feedback on how well they are doing. Senior management teams have managers with clear roles and responsibilities which do not overlap. Effective teams focus on getting things done and do not get bogged down in hierarchies or status issues. Managers are there because they have the knowledge, skills and abilities required by the organisation to meet its priorities. Effective managers take responsibility, initiate ideas and take them forward systematically.

Leaders and managers tend to get more done in smaller meetings.

- 102 Large meetings to discuss strategic matters, which in the past might have involved up to 30 or more managers or post-holders, tend no longer to take place. Such meetings tended to focus too much on simple dissemination of information and the quality of discussion was often low. Leaders now tend to organise much smaller meetings in order to improve the quality of decision-making and debate. In the best cases, management meetings are chaired strongly, have clear agendas and timescales for contributions, and lead to clear decisions and action points. The most senior manager at a meeting does not always have to chair it and it is sometimes best if they do not, especially where another manager has more direct control over the work of the group.

Effective leaders learn from their staff.

- 103 In the best cases, leaders and senior managers, including governors, are involved in self-evaluation and take account of the views of their staff about how well they are managing. Some leaders and senior managers use consultants to undertake a similar process of evaluation in order to get useful feedback on how effectively they perform as leaders and managers. For many leaders and managers this is an 'eye-opening' experience which encourages useful reflection on management styles and personal effectiveness.

Leaders and managers work best within a set of shared values.

- 104 Many senior management teams work best when they share a common purpose and a shared set of values. Many have benefited from the process of producing an agreed mission statement, a set of core values and strategic aims, or a management charter. The benefit of these stems from the process that generates consensus around them. It aids decision-making, provides benchmarks against which to judge management decisions and helps to communicate clear messages to staff about the direction of the institution and the values that should inform staff actions. For many providers, this is an effective way at management level to build teamwork and to achieve consensus about the values and behaviours managers wish to put forward to staff and to embody in their own work.

Reliable management information underpins effective decision-making.

- 105 All successful leaders and senior managers work hard to make sure they have valid and reliable information on the performance of the institution, especially in relation to learners' attainments. They analyse it in a variety of ways to see what it tells them about the success of their staff and their institution. They make sure that staff, managers and governors are not overwhelmed with too much data. Effective leaders know that their decision-making can be skewed in ways which affect their credibility and judgement if the information they receive on performance is not accurate enough or is simply not available. Ineffective leaders sometimes use too much data as a smokescreen to hide behind and fail to identify the trends in performance because the data is not properly analysed.
- 106 In a few effective institutions, all data on performance is colour-coded to show how far above or below learning areas are performing in relation to previous performance and national benchmarks. Leaders and managers have an agreed set of key indicators to provide all staff, managers and governors with a quick and easy way to gauge progress. All actions within the institution's strategic plans are similarly colour-coded in relation to whether they are on schedule for completion, ahead of schedule or behind. In these ways, leaders use data to manage and improve performance at all levels and to communicate clear messages about what is important to the institution, especially learner attainment.

Effective leaders and managers focus primarily on standards and quality.

- 107 The best leaders get the balance right between their roles as leaders of organisations which focus on learning and their roles as chief executives charged with managing the organisation as a business. In most cases, they get the balance right between these two areas of responsibility and can move easily and expertly between the two. Effective leaders of education and training institutions do not allow themselves to get bogged down in their chief executive roles, but remain focused on driving up standards and the overall quality of their institution.

Effective leaders manage finance appropriately.

- 108 Many leaders know that financial issues often add to their bureaucratic burdens and narrow the focus of their concerns as managers. When faced with significant financial crises or the need to fill in bureaucratic forms to meet external, short-term demands, most leaders and senior managers recognise that their strategic vision will often take second place to sorting out the immediate issues before them. Many leaders and managers spend a considerable amount of time trying to develop long-term plans for their organisations, for example over three or five years, when the financial environment is more short-term, often a year or less. These pressures become greater when funding systems change, when bids for national initiatives or projects are required or when information requirements from central bodies change at short notice. However, effective leaders face these pressures within a robust set of values, aims and objectives for their organisation. They continue to act within this broader framework even when faced with short-term financial crises that require their full attention.

Effective leaders and managers are placing increasing value on developing strong strategic partnerships.

- 109 Leaders and managers are investing increasing amount of time and effort in developing strategic partnerships as collaboration between providers becomes increasingly important across post-16 education and training. Recent initiatives from the Welsh Assembly Government place more and more emphasis on organisations working in partnership for the betterment of their learners and communities. The Welsh Assembly Government's 'The Learning Country: 14-19 Pathways' gives learners an entitlement to plan individual pathways that might involve a range of providers. 'Making the connections: delivering better services for Wales' (2005) and the outcomes of the Beecham review of local service delivery in Wales (2006) stress the need for public services in Wales to collaborate more effectively.
- 110 The thrust of many of these recent policy initiatives is to encourage leaders and managers in different institutions to work together, to act within a public service ethos, and to adapt their provision so that it best meets the needs of learners in an area. Allied to this aim is a drive to avoid unnecessary duplication, to spread good practice and to achieve greater value for money. In order to do this, leaders and managers will need to develop greater networking and negotiating skills and the diversity and flexibility to plan at a multi-agency level.

Partnership working is a serious challenge for leaders and managers.

- 111 Partnership-working between individual post-16 providers is a serious challenge. Leaders and managers are appointed to, and are employed by, a specific institution to which they have a great sense of loyalty. Many see their priority as maximising opportunities for their own organisation while at the same time protecting it from external threats. Many see other post-16 providers as potential or real threats to their own provision and their future funding.
- 112 It is proving difficult for leaders and managers to agree to move beyond the status quo quickly and effectively, especially as the system for funding education and training post-16 has changed a great deal recently and leaders are unsure about the full impact of any change on their own institution. Many leaders of organisations devote much time to partnership meetings of various kinds, but they continue to be reluctant to sign up to structural change or to collaborate with any initiatives that might threaten their corporate autonomy.
- 113 At the moment, there are many local partnerships and many leaders and managers spend time fostering better links with local providers. Leaders and managers in a few adult community-based learning areas have begun to pool resources and to plan the provision jointly. Collaboration between schools and further education colleges is working relatively well in the 14-16 age range for a significant minority of learners. However, there are relatively few areas in Wales where the shape of post-16 education and learning is altering to any great extent and collaboration between providers on 14+ provision is often a piecemeal affair. In a report that Estyn

published recently, inspectors noted that only 5% of post-16 learners are actually affected by collaboration between colleges and schools.⁴

- 114 A key challenge for leaders and managers in the coming years will be how well they can respond to government policies aimed at increasing partnership working in the context of a public service ethos in order to improve the quality of 14+ provision and the range of opportunities available to learners.

⁴ 'Collaboration between schools with sixth forms and further education colleges to deliver flexible high quality provision that expands choice and achieves value for money' (Estyn, 2006)

Appendix

A list of providers across the three sectors that have achieved grade 1 for Key Question 5 (How effective are leadership and strategic management?) between September 2004 and December 2006

The reports on these providers are available on the Estyn website (www.estyn.gov.uk/publications).

Further education

Coleg Menai
Coleg Llandrillo

Work-based learning

Qualtech
Associated Community Training (ACT)
Bridgend College
North Wales Training

Adult community-based learning

YMCA Wales Community College