Graduate School of Business

The Leadership of Entrepreneurialism in Technical and Further Education Colleges

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Declaration

This thesis contains no material, which has been accepted for the award of any other degree or diploma in any university.

To the best of my knowledge and belief this thesis contains no material previously published by any other person except where due acknowledgment has been made.

Signature: ……………………………………………………………..

Date: ………………………………….

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Like many others before me I have found that undertaking extensive research to develop a major thesis requires considerable time and effort and the support of significant other persons.

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Abstract

The provision of vocational education and training is largely provided by the Technical and Further Education (TAFE) colleges and institutes, which have been established throughout Australia. All of these colleges and institutes are the responsibility of the respective State governments and are generally considered by those governments as strategic instruments of government particularly in regard to the preparation of people for employment and addressing deficiencies within the workforce.

As more emphasis has been placed upon government entities to be more entrepreneurial and corporate in their outlook, pressures for reform of the TAFE sector have also increased. These pressures have included changes to funding arrangements, increased compliance regimes and a freeing of the training delivery to encourage the establishment of private providers. This thesis explores how Chief Executive Officers and Middle Level Managers within the TAFE environment are responding to those challenges. Forty-seven senior TAFE managers are interviewed to ascertain their perspectives on the community and government expectations of TAFE and how they believe TAFE is reacting to these challenges.

Resulting from the research has been the emergence of entrepreneurship in TAFE. The notion of entrepreneurship in TAFE seems to capture a sense of change, a sense of emerging vibrance, and is often used to describe innovation and risk taking within the TAFE environment. The word entrepreneurial, entrepreneurialism, entrepreneurship and other derivations of the word are loosely employed by TAFE personnel to describe particular phenomenon within TAFE. Within this thesis the treatment of entrepreneurship as a definitive concept is recognised as problematic and it is therefore treated in a way

that aligns to the TAFE environment and not necessarily as defined by traditional entrepreneurial theory.

The resulting research has found that TAFE leaders are working in an environment that has a multiplicity of expectations and demands that challenge the leadership of TAFE. The research finds that many of the TAFE leaders strive to act entrepreneurially whilst attempting to manage an environment that is constrained by its policy frameworks, industrial relations requirements, funding arrangements and national and state compliance frameworks. The research questions whether governments should provide TAFE with greater capacity to act entrepreneurially; governments might, as a result be rewarded through greater achievements from the TAFE sector.

While the research points to a number of highly successful leaders and leadership practices in TAFE it has also found that many leaders seem to rely upon intuitiveness and past experience to lead within their environments. Finally the research posits a framework for leadership within TAFE where the leadership styles of emotional intelligence, path-goal and leader-member exchange (LMX) are merged and integrated to provide a comprehensive quality leadership framework that will achieve positive outcomes: A framework that seeks to provide a practical guide to future leadership training and development in TAFE.

In addition to the leadership framework the research has identified a number of intrinsic transformational drivers and extrinsic transformational drivers, which contribute to the success of leadership in TAFE and similarly a number of impediments, which restrict TAFE leaders.

Table of Contents

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List of Tables

List of Figures

Chapter One: Introduction — Purpose of the Research Study

1.1 INTRODUCTION

The purpose of this research is to identify the strategies and techniques used by leaders of technical and further education (TAFE) colleges and institutes to direct and manage the development and delivery of vocational education and training (VET) within Australia. The research analyses and explores the level of influence and impact the TAFE College Chief Executive Officers (CEO) and the Middle Level Managers (MLM) have on the staff within the technical and further education environment as they endeavour to create an '*entrepreneurial*' organisational culture which underpins the delivery of vocational education and training.

It is equally important within the context of this research to recognise that the notion of '*entrepreneurialism*' and '*entrepreneurship*' within the TAFE environment has proven, during the course of this research, to be problematic. The dilemma with the terminology's usage lies in the term's usage as a descriptor of the activities or the proposed activities that might be undertaken within a TAFE environment. Throughout the course of the research it has become obvious that while the term was used frequently by the interviewees it was used generically to describe the emerging TAFE environment that was in the process of responding to a market driven economy and the actions and perspectives of those faced with the task of creating a TAFE environment that was able to continue to operate within the market economy context. The researcher has determined that the *entrepreneurial* terminology will continue to be used however further research will need to explore and differentiate between the theoretical construct of '*entrepreneurialism*', 'intrapreneurialism' and the terms contextualised usage within the TAFE community.

Recognising the dilemma posed by the ambiguity inherent within the term this research seeks to understand how the techniques and change strategies employed by CEOs and MLMs are manipulated to transform traditional TAFE provision to that which is more *entrepreneurial* and "commercial-like" in the delivery of its services. The research will inform the body of knowledge available to TAFE leaders and assist them to benchmark their organisations and develop successful change leadership and management strategies to

achieve an organisational transformation that culminates in the development of an *entrepreneurial* organisation.

The information gained as an outcome of the research describes a range of change management strategies that supports and informs the leadership of change within the vocational education and training environments. The research represents a snap shot in time and place and does not purport to represent the totality of Australian TAFE college situations and circumstances. A total of 47 participants were interviewed from 12 TAFE colleges across four Australian states during 2003.

There was recognition that the immediate environment (eg, staff attitudes and values, organisational processes and systems, individual CEO and MLM leadership styles, etc) had a primary influence on the organisation's capacity to embrace *entrepreneurialism* as an impetus to delivering vocational education and training. The research was equally cognisant of the pressures and expectations set forth by government-determined social justice goals, performance targets and the expectation that TAFE colleges would engage with a competitive marketplace.

A principle assumption prior to the commencement of this research was that the creation of an *entrepreneurial* organisational culture would underpin the change processes necessary to effectively deliver vocational education and training. It is this assumption that underpins the research and discussion within this document.

To contextualise the research outcomes it is pertinent to understand the environment in which the CEO and MLM of the TAFE colleges operate. The following sections of this chapter briefly describe the Australian educational environment, the changing nature of TAFE in the community and the demands of leadership in TAFE. Finally in this chapter the research objectives are detailed.

1.2 TAFE IN CONTEXT

Education and training in Australia is differentiated into four primary sectors:
- primary education
- secondary education
- vocational education and training
- higher education

It is compulsory for all Australian students to attend ten years of schooling, which is made up of primary and secondary education. In addition, many Australian students continue their education and training through post-compulsory study. The last two years of secondary school (nominally defined as years eleven and twelve); the vocational education and training sector and the higher education sector provide post-compulsory education options. This term is derived from the fact that after Year Ten of high school, students participate through their own volition (a decision that is more than likely influenced by students' own aspirations, as well as those of parents and guardians).

Post-compulsory education and training in Australia today is represented by three sectors:
- senior secondary high school (provided by both State Government and private providers)
- vocational education and training (dominated by State run institutions that are referred to as Technical and Further Education colleges) and
- higher education (dominated by Australia's 39 universities).

Within these sectors there are a variety of private organisations that provide degrees, diplomas and certificates in-line with the Australian Qualifications Framework (AQF). While all three sectors contribute to the "skilling" of Australia, "vocational education and training plays the major role in supporting industry, commerce and business with skilled workers and employees" (Collins [Chair] 2000, p. 2).

The provision of vocational education and training in Australia represents a major investment by both the Federal and State governments in terms of

financial, human and capital resources. Similar investments are made by major industry groupings, enterprises and business organisations to support the development of a cohort of skilled and knowledgeable employees. In 1998 it was reported by the Australian National Training Authority (ANTA) that the annual estimated expenditure on VET was in excess of eight billion dollars and represented a student population of 1.5 million (ANTA 1998, p. 7). In 2000 the Senate Employment, Workplace Relations, Small Business and Education References Committee (Collins [Chair] 2000, p. 2) reported that, "1.8 million people now study within the Australian VET system". The ANTA Annual Report (2002) reported that 1.76 million Australians participated in vocational education and training, the largest proportion of which was provided by the TAFE system. Compared with the other education and training sectors VET is by far the most significant player in Australia's future skill and knowledge growth.

Technical and further education (TAFE) in Australia has continuously evolved over many decades and in the years since 1975 the speed of that evolution has increased dramatically. In large part the changes to society, and by association the TAFE system, have occurred because of a growing sophistication of Australian society, changes in consumer [student] demands, increased internationalisation of the workforce, and shifts in the educational and training requirements of a global community. To continually meet and respond to those demands, TAFE colleges have had to be more responsive, more flexible, focused on the client/student, prepared to be innovative, and more business-like in their approach. To remain relevant TAFE colleges have also had to become more *entrepreneurial* in operation and outlook.

Over the last decade the VET environment has seen many government policy shifts, new initiatives and the use of VET as a labour management tool. These changes occurred at the same time as there was a government and industry view that increased competition in the training market place would improve the effectiveness and efficiency of the VET sector (Tovey 1997, NCVER 1998). The sector over recent years has seen a proliferation of initiatives to stimulate competition within the training marketplace. These initiatives include contestable funding, user choice arrangements, competitive neutrality principles, the introduction of national training packages, national consistency policy, flexible delivery pedagogies, bridging pathways for disadvantaged

groups and information communication technology-supported delivery (ANTA 2003, Mitchell 2003).

Contestable funding is a recent initiative that provides opportunities for VET sector providers to submit bids to procure funding for training. The primary assumption underpinning contestable funding is the notion that VET providers will compete against each other to successfully deliver vocational education and training. Across the Australian VET system this has created a competitive culture that in many ways has eroded collaborative and collegial relationships between TAFE colleges. At a State and Federal government level it is correctly argued that competition between TAFE colleges has subsequently lifted the level of service provided, increased the quantum of training available and reduced the cost of training to Australian industry and the community (ANTA 2003, Maglen 2001).

The introduction of user choice funding arrangements for traineeship and apprenticeship training was introduced to increase the flexibility available to students and employers in regard to their training requirements. The user choice funding is granted to VET providers, but only after students are enrolled in the course of their choice, delivered in a style and at a time that is acceptable to the employer. The impact on TAFE colleges has increasingly seen TAFE leaders endeavouring to be more adaptable, flexible and attuned to the needs of employers. Underpinning user choice funding is a requirement for TAFE colleges to match the expectations of industry.

The introduction of competitive neutrality within the VET sector saw a significant realignment of the business processes of TAFE colleges. No longer was it acceptable or appropriate to use facilities and resources that were provided by state and federal authorities for activities that competed with legitimate businesses. TAFE colleges had to develop business processes and financial models that could stand the scrutiny of State Government Auditor Generals. The outcome was that TAFE colleges had to change the manner in which they did business. They had to change practices that were typical of "public sector" organisations and be more corporate in outlook.

The advent of National Training Packages has seen industry become both the owner of curriculum and the controller of the curriculum assessment process. Within such an environment the VET sector is obligated to service the needs of

industry and this has created unprecedented demand for more flexible, innovative and cost-effective services.

In 2000 ANTA introduced the National Consistency Policy, which gave rise to quality assurance programs for Recognised Training Organisations (RTO). A number of quality assurance standards and frameworks were developed with the first being Quality Endorsed Training Organisation (QETO), culminating in 2002 with the Australian Quality Training Framework (AQTF). Consequently TAFE colleges became involved in developing major compliance processes and administrative arrangements.

Further in response to industry demands, TAFE colleges embarked upon the notion of flexible delivery as part of their core business of delivering vocational education and training. Flexible delivery is defined in the TAFE context as workplace delivery, workplace assessment, on-the-job training, video-conferencing, on-line learning, just-in-time training and other combinations of multiple delivery strategies (Mitchell 2003).

The result of these initiatives has seen TAFE colleges undergo significant change in order to keep pace with changing societal and industry expectations and demands. In this environment CEOs and MLMs are regularly being challenged to transform their organisations to cope and succeed in these changing new environments. Each new day may bring a new experience for the TAFE practitioner. To understand these changes it is appropriate to try and understand the expectations that other agencies have of their vocational education and training providers. By understanding these expectations we might better understand the role of the CEO and MLM of TAFE colleges.

1.3 EXPECTATIONS OF TAFE

Within the context of VET there are many different providers of vocational education and training, however by far the largest provider of VET is the state-based technical and further education college network. The common terminology used to define this technical and further education network is "TAFE" and the TAFE brand is synonymous with colleges that provide vocational education and training courses from Certificates I – IV, Diploma and Advanced Diploma which includes trainee and apprenticeship training. The TAFE college/institute network is the predominant provider of courses to many

Australians and it is recognised within this research that the TAFE network is fundamental to Australia's future. The development and therefore the transformation of TAFE through sound leadership of the change process is critical for the future, particularly as governments seem to use the TAFE network for activities beyond the delivery of vocational education and training. The challenge for the leaders in TAFE is great.

Governments have accepted the premise that TAFE has the capacity to enhance our international competitiveness, change Australian workplace practices and increase the Australian public's access to education and training. They believe that TAFE is an agency of national importance and the TAFE network has accepted its responsibility as a societal change agent. Stevenson's comment below bears testimony to TAFE's social accountability:

> "TAFE's eagerness to respond to changing government concerns has been welcomed by governments who have injected funds into the sector. These funds have reinforced responsiveness. Governments have accepted responsiveness as a defining feature of TAFE, and have expanded and reshaped it to achieve political, economic and other social goals."

> Stevenson (1994, p. 15)

Government agencies, through the ANTA and the Department of Education, Science and Training (DEST), have proactively pursued the transformation of the VET sector through funding arrangements and policy direction. These changes in policy and funding arrangements by both State and Federal governments are in response to community and industry expectations of the Australian VET sector. Governments have also recognised the value of VET as a deciding and influencing factor in the reshaping of Australia's knowledge and skillbase. A Senate inquiry examining the quality of vocational education and training unmistakably positioned VET at the forefront of government-sponsored development of Australia as a highly skilled nation:

> "VET policy is central to Australia's economic prosperity. Equally important, all Australians need to be able to acquire, adapt and develop skills and knowledge necessary for full and rewarding participation in the world of work."

> Collins [Chair] (2000, p. 3)

The Federal and State governments have made it clear that they continue to see a major role for the VET sector and more particularly the TAFE network, throughout Australia (ANTA National Skills Report 2003). Various state agencies consider training and education to be the panacea of many of the issues that are troubling society and Australia's competitiveness in the global economy. It is argued that a better-educated and more highly trained workforce will wrest back Australia's reputation as a highly skilled and adaptable nation capable of competing within the global market place (Coaldrake and Stedman 1999). Similarly there are many who believe that training and education has the capacity to ensure equity and accessibility that will create a just and socially aware community, and have no doubt that a more informed and considerate community may be derived from greater understanding achieved through education and training (Falk 2000).

There is recognition by ANTA of the government's expectations of VET, and of the fact that practitioners in VET must be equipped to accommodate such expectations. A range of comprehensive professional development programs has been developed to stimulate change and the supportive behaviours necessary for policy changes. Such programs as *The Flexible Delivery Leaders, Framing the Future, ANTA Flexible Delivery Fellowships* and *Learnscope* have been developed to provide opportunities for VET staff to be exposed to new teaching methodologies, new management practices and *entrepreneurial* skill development (Johnston 2002 and Mitchell 2002, 2003). These programs provide support and resources through professional development initiatives allowing individuals, consortium groups and individual training providers to develop solutions, which will promulgate the growth and the transformation of VET organisations.

Since the inception of VET, governments have aggressively pursued a change agenda, which has continually seen the transformation of the VET environment, and more particularly the practices and processes internal to TAFE colleges. In order to continually embrace the changes and meet the expectations of governments to provide quality and innovative training, leaders in TAFE are under pressure to continually review and evaluate their organisations to ensure their organisation is functioning in a manner that achieves and meets the expectations and demands of the funding authorities. In achieving the expectations and demands, leaders in TAFE must manage competing interests, contradictions between legislation and practice, belief by governments that TAFE

and training should contribute significantly to economic growth and that staff may not accept the inevitability of change. The following section begins to explore the dilemmas faced by the leaders of TAFE.

1.4 THE DILEMMAS OF LEADING IN TAFE

To better understand the context in which TAFE Chief Executive Officers and Middle Level Managers operate, it is important to question what the future holds for TAFE, and how the continual changes that are shaping and influencing society will impact upon the provision of technical and further education products and services.

The Australian workforce is undergoing increased casualisation with the number of permanent positions slowly decreasing and the exponential use of information communication technologies to conduct day-to-day TAFE teaching and business. Teaching in TAFE by its very nature increasingly employs the use of ICT to deliver learning materials into the workplace. The Australian National Training Authority, in support of flexible delivery and workplace delivery is pursuing the development of "National Toolboxes" which are on-line learning resources available free of charge to all VET providers. To compliment the development of national toolboxes ANTA provides financial support for the development of specialised on-line learning resources, which currently proliferate the VET environment; such resources include EDNA (Educational Network of Australia), TAFE Frontiers and AEShare (ANTA 1998, 1999, 2002, 2003).

Coupled with these changes, the impost of legislative accountabilities and responsibilities loom ever larger. All of these dilemmas and many more are changing the face of the Australian workplace environment. Monash University Centre for Policy Studies predicts that, in the next five years, the demand for workers with vocational education and training qualifications will expand at a faster rate than employment growth overall (Meagher 1997). The Centre for Policy Studies further predicts that demand for workers qualified in vocational education and training will increase by 19% from 1997-1998 to 2005-2006 compared with an overall employment growth rate of 13.4% (Meagher 1997, p. 23). If these figures are substantiated through time, then the role of TAFE is set to expand considerably.

While it is clear that governments employ the characteristics of TAFE to respond to the needs of industry and commerce, the same cannot be said for industry and commerce's view of TAFE. Indeed, some sectors of the economy share disenchantment with the VET and TAFE college network because of "education's inability to keep pace with the rapid panoply of changes that are taking place in the working world" (Hawke 2000b, p. 2). Industry and commerce perceive a society that is quantifiable through its capacity to engage in business activity because it is through this activity that society will benefit. Ian Falk reminds us of this when he writes:

> *"…the inescapable fact is that the sole purpose and raison d'être for VET [TAFE] is to enhance economic and social well-being through a cycle, of individual knowledge, skills and identity development".*

> Falk (2000, p. 9)

Within the context of community, government, industry and commerce expectations, TAFE managers face significant challenges in order to meet the increased demand for their services, transform their organisations to be able to respond to the new challenges, increase the level of *entrepreneurialism*, work within a highly competitive environment, and manage and lead their organisation through a complex change process. The need to dramatically change TAFE is driven more by external factors, including governments, industry and business, the proliferation of private organisations providing training, and greater expectations for operational effectiveness and efficiencies, than by internal factors. Obstacles to the achievement of these changes are largely internal factors, which include staff attitudes, organisational culture, the values and work practices of TAFE's employees and the lack of bureaucratic flexibility associated with the use of government resources.

Expectations of the TAFE sector have grown continuously throughout the past decade. While community expectations impact on the TAFE leader's capacity to transform their organisation, resourcing is a major issue. In terms of government funding grants, the TAFE network continues to be at a distinct fiscal disadvantage in comparison with funding provided to universities. The 1.8 million people studying annually in the VET system, as reported by the Australian Federal Government Senate (Collins [Chair] 2000), is three times the number of students at university. However the per capita cost in the VET system is set at only half that available per student in the university system (Collins 2000, NCVER 2003). Regardless of the level of funding, the TAFE sector

continues to be expected to meet community, government, industry and commerce expectations; thus enhancing the community's capacity to work and prosper within the global market place.

While Governments have accepted:

> *... responsiveness as a defining feature of TAFE, and have expanded and reshaped it to achieve political, economic and other social goals. [this] ... responsiveness has also had adverse effects. It has created frequent, abrupt, incoherent and unsustainable changes in the shape of the sector.*
>
> <div align="right">Stevenson (1994, p. 15)</div>

It is within this environment of multiple variables that the CEOs and MLMs must attempt to gain mastery and then successfully direct and guide their organisations through a change process that culminates in the establishment of an *entrepreneurial* organisational culture. The CEOs and MLMs of the TAFE environment face many of the challenges experienced by CEOs and MLMs throughout the world, across organisations and in most businesses throughout the commercial world. As Connor (1998, p. vi) suggested, CEOs and MLMs:

> *"... are beginning to confront unprecedented and rising numbers of ... projects imposed by outside forces. Compounding this urgency is the challenge of ... increased complex implications, ... further exacerbated by the necessity for them to be accomplished faster and completed with fewer resources".*

Currently each CEO and MLM operating in the TAFE environment is faced with the dilemma of providing leadership and direction that will see organisations transformed to being *entrepreneurial* in their outlook and the achievement of their goals. To achieve these elements the leaders must successfully manage and lead the change process. As staff within the TAFE environment seek to manage the change process it is important that, "leadership capable of pulling together the interests, resources and commitment ... forge a sense of common purpose and direction for change" (Dickie and Stewart-Weeks 2001, p. 5).

A continued focus on managing change and the role of leadership in the process is important to ensure the continued relevance of TAFE to the Australian community. Its success is premised on the transformation of TAFE from its current orientation to one that is more business focused, emphasises

just-in-time education and training and engages the *entrepreneurialism* and competitiveness inherent in today's commercial environment. Leadership, strong management of the change process, and an *entrepreneurial* spirit will be the keys to the transformation of TAFE to cope with the complexities and competitiveness of the new world.

1.5 RESEARCH OBJECTIVES

The leaders of technical and further education systems in Australia are categorised for the purposes of this research as Chief Executive Officers (CEOs) and Middle Level Managers (MLMs) and are responsible for leading the change process that will culminate in an increased level of *entrepreneurship* in the TAFE environment. In order for CEOs and MLMs to contend with the myriad of change demands, this research maintains that the CEOs and MLMs of TAFE must become *entrepreneurial*; they must "pursue opportunity, act with passion for a purpose, build teams, live proactively and enjoy the journey to create lasting value" (Sexton and Smilor 1997). In acting *entrepreneurially* the leaders in TAFE will become adaptable and innovative; as Drucker (1985a, p. 27) said, "innovation is the specific instrument of *entrepreneurship* ... it is the means by which the *entrepreneur* creates new wealth-producing resources or endows existing resources with enhanced potential for creating wealth".

The leaders of TAFE must be committed to providing the leadership necessary to deal with a complex change process that will culminate in TAFE colleges and institutions which value *entrepreneurialism* as a cultural ethos and embraces *entrepreneurship* as a principle mode of operation. This research examines and seeks to understand the complexities and interdependencies that influence and direct the actions of the CEO and the MLM as they promote and foster change that will culminate in organisational *entrepreneurialism*.

The purpose of this research is to fill a gap where there has been a limited understanding of the activities in which TAFE leaders engage to facilitate and create change. It is equally anticipated that the resulting research will inform the Australian TAFE network of the inconsistencies in levels of experience and knowledge that TAFE leaders have, and can call upon, to transform their organisations.

There are three primary objectives to the research. The research objectives are:

1. To understand the leadership factors, that influence the development of *entrepreneurialism* in TAFE by examining:

    1.1   the influences exerted by external government bodies and their attendant policies.

    1.2   the pressure and influences exerted by financial pressures on the organisation.

    1.3   industries' expectations of TAFE and the pressures internal to TAFE as they endeavour to respond to market pressures.

2   To gain an understanding of the competing and complementary relationships that exist between organisational structures and the degrees of *entrepreneurialism* and interpersonal relationships within the publicly funded TAFE environment. The secondary elements of the objective will:

    2.1   focus on understanding the relationship between organisational structure and the environment, which the MLMs and CEOs have created. Further, the degree to which successful and/or unsuccessful *entrepreneurialism* has occurred because of the organisational structure.

    2.2   focus on understanding how the MLMs and CEOs are shaping their organisations to respond to the need for corporate *entrepreneurialism*.

    2.3   focus on understanding how MLMs and CEOs are influencing the changing of the values and attitudes of organisational members towards *entrepreneurialism*.

3   To identify the strategies employed by TAFE chief executive officers and middle level managers to achieve *entrepreneurialism*. To achieve this the secondary elements were:

    3.1   define the successful change strategies and identify how CEOs and MLMs implemented them.

    3.2   understand the influence those strategies had on developing *entrepreneurialism* within the TAFE organisation.

    3.3   focus on understanding the leadership styles and attributes employed by CEOs and MLMs within the process of *entrepreneurialism*.

The preceding sections of this chapter sought to establish a background of information and provide the basis for this research of change management and leadership. The focus of this research is to gain an understanding of how TAFE chief executive officers and middle level managers lead the change process that culminates in an *entrepreneurial* TAFE organisation. The research objectives define the parameters and specificity of the study whose outcomes describe the TAFE environment and the management of the change process within that environment.

To understand and contextualise the TAFE environment, the following chapter comprises the literature review. This chapter brings together a brief history that summarises the evolution of the TAFE network from its earliest beginnings as independent technical schools to that which it is today: a network of TAFE colleges and institutes providing vocational education and training for in excess of 1.8 million Australians. The historical account of TAFE provides a backdrop for understanding change management, leadership and the development of *entrepreneurship* in the TAFE organisation.

The next chapter also examines the development of leadership theory specifically the contingency models of leadership theory, contemporary change management theory and *entrepreneurship*, as practiced in not-for-profit organisations.

Chapter Two: Literature Review

2.1 INTRODUCTION

The literature review provides a brief historical account of the evolution that has shaped the TAFE system and more recently the vocational education and training system of Australia, thus giving context to the leadership, change management and *entrepreneurship* of the CEOs and MLMs. To understand the context of this research this chapter reviews the literature relating to leadership, leadership for change, and *entrepreneurship*. Reference has also been made to motivation in the context of the change process, contingency leadership theory and emotional intelligence as it relates to leadership.

2.2 TECHNICAL EDUCATION IN AUSTRALIA

2.2.1 An Introduction to TAFE

This section of Chapter Two provides a perspective on the TAFE college environment in regard to the development of vocational education and training in Australia and more specifically TAFE. Unlike universities, which have had a great deal of autonomy, TAFE colleges have always been directly accountable to state and federal governments. An indication of the degree of control exerted by government is demonstrable in TAFE through reporting arrangements, which include confirmation of the initial enrolment, initial, and subsequent classroom contact, successful achievement of study and evidence of successful study patterns. Funding is only provided on the basis of successful outcomes at the conclusion of the course. The TAFE network, in comparison with the education system (K – 12, which is Kindergarten through to Year 12) has always been responsible for securing its student base through marketing and promotion, unlike the school student cohort, which attend compulsorily. This is a unique arrangement, which has always provided the leadership of TAFE with a dichotomous challenge. A challenge that has required an *entrepreneurial* approach within a legislative framework that shapes workplace practices and processes.

To better understand why the CEOs and MLMs of TAFE need to be *entrepreneurial* in outlook, this section recounts the historical development of TAFE since the advent of "technical colleges" in the late 19th century. Colleges

for the purpose of formal training and educating people in the area of skills and knowledge have a long history beginning in the middle 1800s when institutions such as Brisbane Technical College (later to become QUT), the working man's college (later to become RMIT) and the School of Mines – Ballarat (later to become Ballarat University) were established. While many of those early institutions became "institutes of technology or colleges of technology" many continued to evolve and become universities. Irrespective of their current status they left behind a rich tradition of training and educating the vocationally oriented student. The primary legacy they left behind was the close linkages between training and the workplace. The TAFE Colleges of today maintain that linkage. The abbreviation TAFE (Technical and Further Education), and subsequently TAFE College, came to the fore in 1973 when the Federal Minister for Education, Mr Kim Beazley, initiated a committee to examine the issue of technical education and community access to education. The committee that formed became known as the Australian Committee on Technical and Further Education (ACOTAFE) and was chaired by Myer Kangan. The release of the Kangan Report (as it came to be known) in 1974 placed technical and further education on the policy agenda of the federal government and resulted in the government considering technical and further education as a sector of education different to that of universities or schools. The Charter of the TAFE sector was defined as "post-school education". A requirement of TAFE was that it would not enter into federally funded areas such as the Australian universities and the Australian Commission on Advanced Education.

The Kangan Report (1974) in defining TAFE indicated that, "the first task of education and training was to increase the capacity of individuals to contribute to the good of society and in so doing their own good" (Kangan 1994, p. 34). Additionally, the Federal Government sought to provide for a more equitable approach and greater accessibility to education and training for all Australians (Kangan 1994). From then on, TAFE was destined to become a primary mechanism by which governments achieved social justice policy, assisted in the re-skilling of the unemployed, and was a demonstrable focus for the government's commitment to the community. It continues to have a strong link to the marketplace today and this is evidenced in Queensland, Victoria and the Commonwealth where TAFE is part of the Department of Training and Industrial Relations, the Department of Post Compulsory Education Training and Employment and the Department of Employment Education and Training respectively.

The Australian TAFE network saw massive growth in infrastructure to support the delivery of vocationally based education and training in the 60s, 70s and 80s. During this period the number of students studying within the sector expanded significantly (ANTA 1998, p. 1.). Within the same period the number of teachers, managers and other staff in TAFE institutes grew exponentially. An important feature of the developing TAFE culture was the recruitment of TAFE staff from the ranks of private and small business and industry. These people came to the TAFE environment with values and attitudes strongly aligned to Australia's industrial and commercial base (Chappell 1999 and Hawke 2000a, 2000b).

Toward the end of the 1980s industry and business began to feel the torment of an increasing trend toward globalisation, open trading markets and pressure on Australia to perform economically (Hilmer 1993). This was a period during which Australia was being seen as less and less competitive within the global economy. Initiatives, which had a direct impact on TAFE, were introduced throughout industry in an endeavour to build a better Australian economy (i.e. automotive industry reformation, deregulation of the waterfront, and changes to the banking industry, to name a few).

Responding to increasing pressures by Australia's industrial sectors to transform vocational education and training the report by Laurie Carmichael titled, *The Australian Vocational Certificate Training System* (1992) was published. The report was the culmination of an extensive study tour to examine vocational education and training and how it was undertaken in a range of countries including Japan, Germany and the United Kingdom. The report brought to the doorstep of TAFE a range of reforms and recommendations that were to culminate in the building of links between industry, industrial/economic development and vocational education and training.

In 1992 a second report, *Putting General Education to Work: The Key Competencies Report* (E. Mayer, [Chair] 1992) which when released indicated that the preparedness of the Australian worker was deficient in terms of skills and knowledge in comparison with the rest of the world. In an attempt to improve the occupational skills and knowledge of the Australian worker Mayer (1992) recommended that there be key competencies included in all VET

curriculum. The key competences were developed and designed to underpin all VET curriculum and learning activities. The key competencies were defined as collecting, analysing and organising ideas and information; expressing ideas and information; planning and organising activities; working with others and in teams; using mathematical ideas and techniques; solving problems and using technology.

As the primary provider of vocational education and training in Australia, TAFE subsequently adopted the Mayer Key Competencies as a curriculum initiative that was to underpin all future Australian vocational education and training curriculum (*currently known as training packages*). A major thrust of the Mayer's key competencies was to prepare people for the world of work. Mayer (1992) further reiterated in his report that the key competencies must be essential for preparation for employment and should be generic to emerging patterns of work and work organisation.

As the TAFE system embraced these competencies, the link between technical and further education, employees and employment was strengthened. The ties between TAFE and industry were fostered, promoted and developed by CEOs and MLMs of TAFE colleges throughout Australia. This was the beginning of a strong linkage between industry and vocational education and training, which would continue to this day; a link, which some pundits suggest, has seen the demise of "general education" within the TAFE system (Noonan 2003).

One significant initiative that was to have major consequences for TAFE was the introduction of the competitive training market. Between the years 1987 and 1995 Federal and State government policies focused on developing a "training market" (Chappell 2003 and Schofield 2003). These changes encouraged and promoted the notion of private providers and enterprise-training providers into the field of vocational education and training. As a lever to promote accountability and improve efficiencies throughout the TAFE system, governments utilised the National Competition Policy (Hilmer 1993), which was released in August 1993. This policy underpinned the belief that liberal capitalism and a free market would encourage growth, prosperity and greater diversity for the TAFE consumer. The "training market" was given voice and became a reality as more and more competitively funded training opportunities were opened up to the marketplace through competitive

tendering. Within this environment TAFE colleges were forced to compete with private training providers and enterprise organisations to secure funding for training purposes.

Vocational education and training today is characterised as a dynamic environment, heavily influenced by the National Competition Policy agenda promulgated by Fred Hilmer (1993), the Myer Kangan Report (1974), the Carmichael Report (1992 and 1995) and more recently the Karpin Report (1995) on Australian management preparedness. All have contributed in a significant way to the reshaping of the publicly funded provision of vocational education and training.

To develop a comprehensive and centralised approach for Australia's vocational education and training system a central body was mooted. In July 1992 a commitment was made by the Commonwealth of Australia and the State and Territory governments to support the formation of a national body to consolidate and direct the reforms in the TAFE environment. This body was called the Australian National Training Authority (ANTA) and as Terry Moran (1993, p. 10) the then Chief Executive Officer of ANTA stated:

> *"TAFE exists to provide a direct educational response to the needs of industry and the community. Industry and the community are engaged to establish what those needs are, in turn, TAFE should craft a professional educational response. It is not TAFE's role to act as a proxy for industry people in establishing the needs of industry. TAFE must respond to what industry actually wants. This is the core of an industry-driven system".*

Prior to 1992, educational delivery in TAFE predominantly focussed on training. The implication of this was that learning emphasised manipulative skills development rather than knowledge-based learning. However, the industrial and workplace environment of today is far removed from purely skill-based learning and

> *"... more and more, the skills we train people for are intellectual, not physical; the [students] require the exercise of higher order cognitive abilities that mark the educated person. It is becoming increasingly difficult to argue that training and education are different activities, much less mutually exclusive".*
>
> <div align="right">Swenson (1998, p. 3)</div>

Leaders in TAFE now face the challenges of "coping with constant change, teamwork, lifelong learning and information technology skills that were unknown a generation ago" (Avedon 1995, p. 89). No longer can leaders in TAFE colleges of Australia accept the status quo. Rather, they are faced with the task of mastering their skills as leaders and through that mastery manage and promote a change process that is not only complex but also thwart with resistance, both organisationally and personally. At the same time, the business world continues to move forward and is responsible for dragging TAFE's delivery of vocational education and training into the global economy with ever increasing demands to adopt commercial business practices within a government owned agency.

A sense of the rapid and constant change that has occurred within Australia's VET sector is provided in the table below. These changes have been significant because they have promulgated a culture of change and a belief by governments that TAFE can reasonably cope with the anxiety, confusion and apprehension that accompanies the change process.

TABLE 2.1: HISTORICAL EVENTS THAT HAVE SHAPED TAFE	
YEAR	**EVENT**
1788	Apprenticeships come to New South Wales complete with English Law relating to masters and apprentices (Robinson 2000)
1849	School of Arts and Sciences opens in Brisbane (Elson-Green 2001)
1870	School of mines and Industries Ballarat (SMB) is established (O'Cox 2001)
1881	The Sydney Technical College is established (Persson 2001)
1889	The Working Men's College (later to become RMIT) is established (Wheelahan 2001)
1889	Brisbane Technical College adopts the motto "Arts orta labore" (Elson-Green 2001)
1894	The NSW Apprentices Act establishes the first Australian Apprenticeship legislation (Ray 2001)
1900	Perth Technical College opens. In 1966 it becomes the Western Australian Institute of Technology and in 1987 becomes Curtin University of Technology (White 1982)

1959	The Australian Industrial Development Association recommends apprenticeship terms of less then five years
	(Ray 2001)

1962	The Commonwealth agrees to financial support for apprenticeships
	(Ray 2001)

1974	Australian Committee on Technical and Further Education (ACOTAFE) produces a report on the "Needs in Technical and Further Education"
	(Kangan 1974)

1981	The TAFE National Centre for Research and Development is formally opened
	(Robinson 2000)

1985	Report of the Committee of Inquiry into Labour Market Programs.
	(Kirby, 1985)

1988	National Board of Employment, Education and Training (NBEET) is established and concerns itself with cross-sectoral relations and seamless educational pathways
	(NBEET 1990)

1988	User Choice is introduced giving employers and apprentices the choice of training provider
	(Fitzgerald 1994)

1989	John Dawkins produces "Skills for Australia" report which paved the way for grants to be available to States and Territories for training
	(Dawkins and Holding 1987)

1990	Report on the Training Costs of Award Restructuring. The report saw TAFE Colleges expanding their role as a provider of training services
	(Deveson 1990)

1992	All States and Territories and the Commonwealth agree to the establishment of the Australian National Training Authority (ANTA)
	(Robinson 2000)

1992	The total number of Vocational Education and Training (VET) students in Australia reaches 1 million for the first time
	(Robinson 2000)

1992	The report "Putting General Education To Work: The Key Competencies Report" was released
	(Mayer 1992)

1992	The National Training Board recognises and defines competency standards in its document "National Competency Standards: Policy and Guidelines."
	(Harris 1995)

1993	National Competition Policy is released in August 1993
	(Hilmer 1993)

1995	The Australian Qualifications Framework (AQF) is introduced to bring all post-compulsory qualifications into a consolidated national system of qualifications
	(Robinson 2000)
1995	Karpin Report
	(Karpin 1995)
1996	"New Apprenticeships" are introduced to Australia
	(Robinson 2000)
1997	Training Packages were initiated to replace national courses and modules
	(ANTA 2002)
1998	The Australian Recognition Framework (ARF) is established
	(Robinson 2000)
1998	The number of VET students in Australia reaches a record 1.5 million
	(Robinson 2000)
2002	The Australian Quality Training Framework (AQTF) is introduced as an agreed set of quality standards for all VET throughout Australia
	(ANTA 2002)
2002	The number of VET students in Australia reached a record 1.69 million having peaked at 1.71 million during the 2000 Olympic Games
	(NCVER 2003)

2.2.2 A New Leadership Role in TAFE

The changes influencing and impacting on TAFE have been significant. As the role of TAFE underwent significant change, so too did the role of CEOs and MLMs in the TAFE institutes. No longer were they expected to lead typical government bureaucracies, rather they were expected to be business focused and responsive to the market forces of the training market. The changes not only applied to the senior management levels of TAFE; teachers too were influenced and no longer immune to the changes. Funnell (1993) highlighted the changing educational landscape in TAFE when he wrote:

> "TAFE teacher's work altered due to changes in the training agenda,
> new curriculum design and teaching methods, new clients, the opening
> of the field to private and enterprise providers have all altered work as
> teachers have come to know it. Occupationally, teaching is being
> altered through restructuring and by pushes for a training market".

Funnell (1993, p. 12)

In this complex and sophisticated environment the role of leaders was blurred by numerous situational variables. Bennis (1969, p. 77) provides a picture of that environment when he wrote:

> *"[It is] now busy, clogged and dense with opportunities and threats; it is turbulent, uncertain and dynamic. The people who work for organisations are more complicated than ever before. They have needs, motives, anxieties and to make matters even more complicated they bring higher expectations than ever before to our institutions".*

Leaders in the TAFE environment "need the ability to create new business, take traditional businesses into new markets and take employees 'places' they have never been before" (Burdett 1990, p. 14). The leadership and management of change in the TAFE environment is complex because of the close and entwined relationship between managers, their actions, strategies and the environment (eg external stakeholder, industry and commerce, cultural, physical, people, organisational values, organisational structures) and the manner in which the leader leads the development and implementation of the change process (Scott 1999, Baker 1998).

Leaders in this environment must become competent leaders of change able to influence organisational culture and they need personal attributes, which are variously referred to as "business partner, systems thinker, and education specialist and alliance builder" (Meister 1998, p. 12). Sonfield and Lussier (1997, p. 73) further suggest, "leaders of change [should] exhibit the characteristics of autonomy, innovativeness, risk taking, pro-activeness and competitive aggressiveness". They are required to formulate visions, which are subsequently embodied in their leadership behaviour in a way that communicates the vision to others, engages others and mobilises their energies toward this vision's realisation (Burns 1978, Bennis and Nanus 1985, 1989, Kanter 1983a, 1983b, Tichey and Devannna 1986).

Successful leadership of the change process is predicated on individual enthusiasm and dedication. Bartlett and Goshal (1996, p. 41) espouse that "frontline managers are the *entrepreneurs* and the builders of the ... business and middle level managers [are] like coaches who leverage the strengths of individual players to build a winning team". Like any modern day organisation that has to be dynamic and flexible there is a need for "coaches at the top who will let the enterprising leaders and their teams 'own the venture' and make them work, supporting them and distributing their time, energy and

resources appropriately" (Vandermerwe and Birley 1997, p. 351). Noer (1993, p. 197) asserts, "being a leader within the new paradigm requires taking unselfish responsibility for helping others wallow through continuing disequilibrium". Organisations need change leaders whose styles have the capacity to transform organisations (Burns 1978, Bass 1985, Bennis and Nanus 1985, Tichey and Devanna 1986, Bass and Avolio 1993). Equally evident is the difficultly of change management and it is "clear that there is no best way" (Clegg 1990, p. 184) of transforming an organisation, and leaders need to draw upon all their skills in order to be successful. The leaders of TAFE must be dynamic and inspirational, and they must motivate their subordinates.

Sturman (2002, p. 36) suggests, "that the … job of leaders is to inspire the people who work for them and to encourage them to take the kinds of risks that lead to innovative new products, processes and approaches to doing business". Continuing the notion of motivation as a key driver of the change process, Meyersen (2002, p. 30) says the "most essential element of leadership is the capacity to push groups and systems to confront their adaptive challenges". On issues of change leadership Conger and Kanungo (1998, p. 195) stated that a leader's vision "…must represent a shared perspective. To achieve this perspective, the leader articulates the vision by anchoring it in a set of deeply held values" by the subordinates.

To be successful, leaders must capably provide a clear and unambiguous vision that enables the development of an appropriate organisational culture and ethos. Tannenbaum, Weschler and Massarik (1961, p. 12) indicates that:

> *"an organisational structure, an organisational culture and organisational values all contribute to the sense of well being a subordinate might have for the organisation. While the organisational environment obviously impacts upon leadership, the immediacy of the relationship that exists between a subordinate and his or her leader remains a critical aspect".*

Leaders, therefore, must be capable of the task of enunciating a vision that will enthuse their followers to be one with the future direction of the organisation. Visionary leaders are able to engage their followers and are described by Cacioppe (1997, p. 4) as carrying "his/her mission in her heart – it is not external rules that make the person. The leader models the way not by following others but by seeing their work as their way of being". It is

important in any organisational transformation that the communication process, the visioning process and the implementation process are inter-related and inter-linked and those that are going to be affected by the transformation process understand all elements. This is not an easy task because we know that organisations are made up of people and people form into groups, and we are aware that "the powerful emotional, motivational and interactional phenomena of a group profoundly affect its determination to do group tasks well" (Likert and Likert 1976, p. 127). These powerful emotions must be harnessed by giving meaning to tasks that contribute to the growth of organisational wealth.

Herzberg (1976, p. 4) reminds us "the problems of humanising job content must be solved in order that social needs as well as individual needs are met. Management, in short, must be efficient, but at the same time it must be human". Leaders that have captured the emotions of followers and created a humanised environment are well on their way to creating an *entrepreneurial* organisational culture. Kotter (1996, p. 106) said of the change to an *entrepreneurial* organisation, "when it doesn't feel a sense of urgency, doesn't see a dedicated team at the top, doesn't see a sensible vision for change, or doesn't feel that others believe in that vision, little change is likely to occur".

Burns (1978) reiterated, leaders "are therefore those that are able to link others to their goal through a range of actions and mechanisms not the least of which is the leader's ability to enunciate a vision that finds acceptance with the followers". Smircich and Morgan (1982, p. 10) focus on the "art" of leadership and visioning when he states leadership is where "one or more individuals succeed in attempting to frame and define the reality of others". The theme that underpins these comments is that personal relationships play a significant and often understated role between leaders and followers.

Leadership is a complex process whose success is determined by many variables ranging from the individuals sense of rapport with the organisation (Kotter 1996), the needs of leaders and individuals to feel that their personal needs are met (Herzberg 1976) and not the least is the capacity of the leader to make sense of the environment for the individuals (Burns 1978). Leaders must have the capacity to harness the energies of the individual into a team of willing workers all striving for a similar goal.

Stogdill (1948, p. 63) captured the essence of leadership when he wrote: "the qualities, characteristics and skills required to lead are determined to a large extent by the demands of the situation in which he is to function as a leader".

To be *entrepreneurial* and successful, today's TAFE colleges must be responsible and flexible, not unlike the organisational characteristics described by Galbraith (1995, p. 5), "their business strategies require state-of-the-art organisation, [indeed] effective organisational design [is] a source of competitive advantage". Its leaders must "attend to culture, behaviour, and mindset including their own" (Anderson and Ackerman-Anderson 2001, p. 20). They must lead by example to create a culture of learning, a culture of preparedness to challenge the future and a culture that encourages a preparedness to embrace change. Creating a supportive organisational culture is a critical variable in enhancing organisational performance (Pascale and Athos 1981, Peters and Waterman 1982, Senge 1990).

In summary it is "clear that there is no best way" (Clegg 1990, p. 184) of transforming an organisation and organisations need leaders whose styles have the capacity to transform those organisations (Burns 1978, Bass 1985, Bennis and Nanus 1985, Tichey and Devanna 1986, Bass and Avolio 1994). Leaders of organisations such as TAFE must have the capacity to operate on multiple levels, managing personal relationships, managing group relationships, the internal environment (eg, tolerance of failure, risk taking, people development) and the external environment (eg, policies, procedures, standards and structures), while seeking to deliver the vision of an efficiently and effectively operated TAFE college.

2.2.3 Creating an Entrepreneurial TAFE College

While there is pressure on TAFE leaders to manage the change process, there is an overarching need to operate an efficient and effective TAFE college. Irrespective of the environmental changes that might be expected in terms of increasing revenues, improving facilities, enhancing flexibilities and leading organisational transformation, TAFE leaders are responsible and accountable for creating "effective" TAFE colleges. It poses the question: what is an "effective" TAFE college? Many institutions and indeed governments perceive that the effective TAFE College is one that is adaptive, innovative, and flexible and pursues the State and National Training Agenda with a passion: in other words one that is *entrepreneurial*. It could be concluded from this that a TAFE

college, which is described as being *entrepreneurial*, is equally one that is effective within the TAFE context. The Australian National Training Authority in its 2001 National Priorities (ANTA 2002, p. 7) suggests that TAFE will be measured for effectiveness through the provision of a quality, national, training system that provides value for money; industry commitment to skill development; development of individuals as learners; vocational education and training professionalism and support for regional development.

While the priority targets above are illustrative of ANTA's efficiency measures, State Governments, through their respective Training Departments, have also developed measures of effectiveness. Each State has developed its own measures of effectiveness in line with its social commitment to the community and the need to develop a skilled workforce. There are many measures of TAFE effectiveness and in large part they reflect the State's political stance, the resources available and the State's perceived role of TAFE in the larger community. While each Australian State and Territory adopt slightly varying measures for effectiveness it is interesting to note the existence of many different measures and frameworks to determine effectiveness. To illustrate the diversity in measures of effectiveness Pounder (2001, p. 284) suggested that there were many different contributors to effectiveness, these were:

1. ***Productivity-efficiency****. This aspect of an organisation's performance has to do with behaviour that reflects the extent to which it is concerned with the quantity of volume of what it produces and the cost of operation.*

2. ***Cohesion****. This aspect of an organisation's performance has to do with behaviour that reflects the extent to which it is concerned with staff morale, interpersonal relationships, teamwork, and sense of belonging.*

3. ***Information management-communication****. This aspect of an organisation's performance has to do with behaviour that reflects the extent of its ability to distribute timely and accurate information needed by its members to do their jobs.*

4. ***Planning-goal setting****. This aspect of an organisation's performance has to do with behaviour that reflects the extent of its ability to set goals and objectives and systematically plan for the future.*

Other measures of organisational effectiveness have been developed by which organisational effectiveness is able to be measured (Keeley 1978, Pfeefer and Silarcik 1978, Aldrich 1979, Burrell and Morgan 1979, Chin and Lynn 1993, Handa and Adis 1996), however, each Australian State and Territory has

measures and benchmarks against which a TAFE college is expected to perform. These range from building social capital, achieving pre-determined student numbers, working within government funding agreements, engaging with minority groups, developing alternative funding sources, internationalising curriculum, meeting the government-funded performance indicators of student numbers, and budgetary targets (ANTA 2002, 2003). In summary organisational effectiveness is defined as the "degree to which an organisation realises its goals under a given set of circumstances" (Keeley 1988, p. 187).

Survival and growth have become the key sentiments for organisational leaders in the last two decades. In other words, growth means survival. The consequences of growth and survival from a TAFE perspective means change: changes to structures, changes to the core ethics of staff, changes to business processes and changes to resource distribution. Leaders with *entrepreneurial* skills are crucial in the development of an *entrepreneurial* organisation. Without enthusiastic leaders the changes necessary to develop an *entrepreneurial* organisation will not eventuate. The question might be asked, why are so many vocational education and training organisations in the process of change? Kotter (1996, p. 171) suggests "changes occur to help make better and better products or services that serve real human needs at lower and lower costs". Can this be true for vocational education and training? Many would argue that vocational education and training is not a commodity but rather a social good and therefore should be treated in a different way and should be provided for by the state (Kosky 2001). Indeed Noonan (2002, p.v) argues, "TAFE institutes have a number of critical broader roles from that of vocational education and training, including helping to build and sustain … diverse communities and to directly and indirectly generate local employment." Over the last two decades education and training, whether tertiary or vocational education and training, has become a commodity, rather than a service, that is provided to the Australian community increasingly on a user pays basis.

Why has education become a commodity? Perhaps the answer is found in the work of Stace and Dunphy (1996, p. 47) who argue that the market forces that have turned education towards a commodity product have been:
- *the internationalisation of markets;*
- *providing customers with choice and diversity in products and services*

- *communication technologies and techniques which provide instant information about new or alternative products or services;*
- *a more educated community will question suppliers and manufacturers about product quality, or demand variations be made to customise and build unique features into the product; and*
- *more ethnically diverse societies with the attendant need to provide product/service diversity to meet cultural preferences.*

As the vocational educational product is commodified, like private corporations the world over, vocational education must meet the expectations of the community and so by implication the quality of the product improves. Many of the changes that are evident in relation to the commodifying of education are related to that well-known concept of the "knowledge society". Indeed, Stace and Dunphy (1996, p. 51) made the same point:

> *"In the switch of the advanced countries from industrial to knowledge-based economies, we are involved in a period of fundamental sea change, not just a dip in the normal business cycle. In a recession, organisations and economies are reshaped; in a renaissance, societies are reshaped. We are in the latter period. Organisations, which stretch beyond their old boundaries and reconfigure, will have a chance of surviving and adding value to society. Those, which do not, will not."*

So what is the new business focus in regard to vocational education and training? Certainly commercial organisations demonstrate their success through increased productivity. Similarly, with the commodification of vocational education and training, there is a similar trend. The new organisations, according to Stace and Dunphy (1996, p. 77) must have a new structure, a structure that reflects:

- *rapid response to stakeholders, customers and environmental influences;*
- *rapid channels of communication;*
- *minimal but sufficient control systems;*
- *broader spans of work control and even self-managing teams;*
- *more authority for local decision making, combined with maximum accountability;*
- *broader job designs and more challenging work; and*
- *de-emphasis of status differences and separation of pay level from hierarchical status.*

As new structures are developed to reshape the organisation to that of an *entrepreneurial* organisation, TAFE leaders face the issues of organisational

change. Pre-eminent in those considerations are the issues of personal values. The leaders of TAFE must attune the personal values, which those individuals carry, to the *entrepreneurial* values of the organisation. If the organisation is to be *entrepreneurial* in its outlook and approach, the staff of the organisation must value *entrepreneurial* endeavour and have a preparedness to embrace *entrepreneurial* activities as a way of operating.

Whiteley (1977, p. 77) in her work on managing toward organisational change, emphasises the need to "work at the values level" of those involved in the change, establishing a vision – a vision that people can look to. Values cannot be understated because they are fundamental beliefs held by people and it is these values that drive and motivate people toward success. Stace and Dunphy (1996, p. 47) argue along similar lines, suggesting, "organisation culture consists of the core assumptions, values, beliefs, norms and ideologies shared by those in the organisation". For successful change to occur, all of these elements must be brought together in alignment. Nadler, Shaw and Walton (1995) also talk of changing the way individuals think and operate within an organisation and says "while part of the challenge for individuals is to learn new ways of working, an even greater challenge is to collectively unlearn the patterns of action that have become embedded and have been reinforced by previous organisation architecture" (Nadler, Shaw and Walton 1995, p.147). In this instance, architecture refers to the structure of an organisation. It is important therefore for TAFE leaders to challenge old and traditional values so that organisational transformation can occur.

A key task of new-paradigm leaders of TAFE is to help employees move toward the achievement of the organisational goals; and these goals will be established through an organisational vision. While changes to organisational directions are sometimes painful for employees, a leader's task is to lead employees from that sense of discomfort to a more comfortable environment. From this perspective it is better that employees receive the truth about the organisation's future, as opposed to a version that is more palpable but dishonest. Regardless of the apprehension and discomfort a truthful vision of the future may cause, "an honest vision is better than no vision or a phoney 'bright future' vision" (Noer 1993, p. 197).

Each leadership situation is slightly different and it is interesting that many observers of western leaders have identified idiosyncratic views of leadership

that in many ways do not take into account the totality of the organisation; rather there is a propensity for western leaders to be focussed on managerial issues and not strategic leadership issues. In contrast Ohmae (cited in Joyce and Woods 1996, p. 15) suggested Asian leaders have a different workplace philosophy to that exhibited by typical western leaders, "they have an idiosyncratic mode of thinking in which company, customers and competition merge in a dynamic interaction out of which a comprehensive set of objectives and plans for action eventually crystallises". As Noer (1993, p. 197) reminds us, "being a leader within the new paradigm requires taking unselfish responsibility for helping others wallow through continuing disequilibrium". This then is the role of the *entrepreneurial* TAFE leader and at the centre of *entrepreneurialism* lies the principle that the "*entrepreneur* is committed to the growth and advancement of their organisation" (Jeffress 1991, p. 14) within a humanistic paradigm.

The section above has provided a historical context of the TAFE environment and identified the tasks associated with leadership, change management and *entrepreneurialism* that are faced by CEO and MLM of TAFE colleges throughout Australia. Technical and Further Education colleges have been in a period of rapid growth since 1975 when they were initially proposed and today they are attempting to manage a State and Federal government business philosophy that is more attuned to the business world then to public service provision; although public service provision remains a cornerstone of TAFE's delivery.

2.2.4 A Model for Effective Leadership

The previous sections of this Chapter have highlighted the changing role and responsibilities of leadership in a TAFE environment that has, and continues to be changing rapidly. As government legislation has changed and community expectations have grown so have the requirements for being a leader in TAFE. Not the least of the challenges confronting these leaders has been to lead the development of a TAFE college environment that adapted the micro-economic and labour market reforms that have been government agendas since 1985 (Pusey 1990). To illustrate the sense of frustration that TAFE staff felt as a consequence of pressures to adopt these reform processes Funnell (1993), who was closely associated with the TAFE operation in Queensland, quotes a middle level manager in TAFE Queensland:

"… TAFE is a great organisation with plenty of potential. I am concerned to see it stuffed around by people with no concept of what it is like to operate in a teaching environment. They are not at all concerned about ascertaining the culture of the organisation so as to develop a culture that will support the things they want to bring about …"

Funnell (1993, p. 8)

As the TAFE Queensland experience demonstrates, to embrace the changes that would corporatise it for the future, the transformation of its leaders was considered to be critical. The Queensland experience was not unique rather TAFE leaders in each of the other states and territories felt similar pressures. The new leaders of TAFE had to embrace a future where "more was done with less" (Funnell 1993, p. 1) while the social structuring of emotional commitment was loosening personal attachment[1] to the organisation (Connell 1987); No longer were staff committed to the organisation because they felt forced to change. As one teacher argues in regard to the necessity to change, "we will dress in the corporate uniform, salute the corporate flag and even sing the corporate song; but what do we have to do differently on Monday than we did last Friday" (Funnell 1993, p. 7). In an endeavour to prepare the new leadership of TAFE, the Queensland Department of Training and Industrial Relations[2], (DTIR) developed a leadership framework, which subsequently underpinned all leadership development and leadership practices.

The leadership framework was predicated on the notion that if all members of the Queensland TAFE community embraced a set of organisational values that were agreed to and clearly understood and concisely articulated then they would develop as a consequence a commonality of purpose. It was the role of the TAFE leader to engender a consensus of values, to gain commitment to the organisational goals, while understanding the need to drive the organisational transformation. The DTIR Leadership Framework (Figure 2.1 which illustrates the primary elements of the Framework) in many ways was a forerunner to the Philosophy (and values), Assumptions, Theory of Organising and Practices (PATOP) model developed by Whiteley in 2003.

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[1]Social structuring is referred to by Connell (1987) as 'cathexis' and reflects the decreasing commitment to the organisations future by the organisations staff.
[2] The Department of Training and Industrial Relations is responsible for the operation of the Queensland TAFE College network.

Leadership within the Department of Training and Industrial Relations

Leaders in a modern organisation need to manage the business of the organisation and shape its culture. Effective leadership requires excellence in both the "rational" business-related sphere and the "non-rational" culture-related sphere. It is the combination of these that will characterise effective leadership in DTIR as we move into the 21st country.

Rational leadership involves the effective management and co-ordination of the Department's business agenda and is concerned with what people do as part of the organisation.

MACRO ENVIRONMENT

RATIONAL INTELLIGENCE QUOTIENT

Strategy
procedures policy standards
technical skills   systems
structures   process

VALUES

trust   allowing
tolerance   risk taking
of   future
failure   focused

sharing   relationship building
people development
mentoring   coaching
learning

NON-RATIONAL INTELLIGENCE QUOTIENT

MICRO ENVIRONMENT

Non-rational leadership concerns itself with declaring and managing basic assumptions about values, reality, truth and deals with effective non-verbal, nonlogical elements of human activity and relationships.

(Adapted from a Department of Training and Industrial Relations training program, 1990)

The DTIR Leadership Framework continues to have relevance today where personal styles and attitudes interact with organisational imperatives while leaders attempt to build relationships (Goleman 2002) in order to motivate (Vroom 1964, Vroom and Yetton 1973, McClelland and Burnham 1995, McClelland and Miron 1979 and McClelland and Winter 1969) TAFE staff to greater levels of effort and endeavour. At the centre of understanding

leadership in TAFE is a comprehensive set of values; not just the values of individuals and groups but also the values that underpin the way the organisation conducts its business. These values underpin organisational decision-making processes and are often the reasons for the individual, personal decisions and actions observable in the behaviours of staff, including the TAFE leaders.

It is values that drive the organisational culture (Jick 1989, 1993, 2001); the organisational culture is a composite of the values that groups, individuals, leaders and staff have and hold in regard to the organisation. Undoubtedly the values that each TAFE leader hold are not insular but made up from societal, personal and workplace assumptions and experiences. In turn these values shape the way TAFE leaders behave and provide some explanation for decisions they might make in the process of leading.

To be successful, TAFE leaders must be able to engage in decision-making based on their personal values set, employing the "soft skills" of relationships (Callan, 2002) and generally building the confidence and trust of employees while working in an environment that is variously described by TAFE leaders as restrictive, competitive and bureaucratic. Leadership in TAFE is a pragmatic process, which constantly evolves, separates and coalesces together. It is one where TAFE leaders have to employ emotional and psychological tools, backed by practical applications "on the ground" that stimulate, initiate and foster organisational change. It is a highly dynamic process in which leaders are the inspirers of change, the architects of change, the facilitators of change (Falk 2000, Falk and Smith 2003) while being the link between the government sponsored policy, and community and industry expectations.

Successful leaders in TAFE will be those that appreciate the critical nature of attitudes, values and assumptions, within the context of leaders leading and working in an environment of rational and emotional paradigms. Leaders by their very nature are required to move and think beyond and between all the elements that make up their organisation (Cacioppe 1997).

The DTIR Leadership Framework provides a model to understand leadership practices in the TAFE organisation. The advantage of the model, in terms of this study, is the model's recognition of multiple variables that may, and do impact upon leadership in TAFE. The model does not specifically reside within a

specific leadership paradigm rather the model seeks to understand the practical nature of leadership in TAFE. The model is presented here because it will provide the basis from which to evolve a more contemporary model of *entrepreneurial* leadership for TAFE subsequent to the analysis of the data collected throughout this study.

The following section of this chapter examines the literature relating to leadership of the change process, motivation and *entrepreneurship*. The primary thrust of the following section of this chapter is focused upon the notion of contingency leadership theory and the theorists that have developed a strong human interaction theme to their understanding of leadership and change management.

2.3 THE DEVELOPMENT OF LEADERSHIP THEORY: A BRIEF SNAPSHOT

The literature surrounding the development of leadership is extensive and spans a range of different theories that have variously commented on the traits (Stogdill 1948, Yukl 1992, Yukl and Van Fleet 1994) inherent in leaders, the behavioural aspect of leaders (Lewin, Lippitt and White 1939, Hersey and Blanchard 1977, 1982, 1996 and Blanchard, Zigarmi and Nelson 1993, Blanchard and Nelson 1997, Blanchard 1999) and a contingency model of leadership (Fiedler 1967, Dansereau 1984, 1998, House 1977, House and Mitchell 1983, House, Howell, Shamir, Smith and Spangler 1994).

The complexity that typifies leadership is increased, as theories of motivation are included in the leadership debate. A number of researchers (Herzberg 1966, 1976, Sergiovanni and Carver 1973, Sergiovanni 1988, McClelland and Burnham 1995) have sought to understand leadership through the capacity of leaders to motivate and the capacity of followers to be motivated. The concept of human relations (Salovey and Birnbaum 1989, Salovey and Mayer 1990, Salovey, Hsee and Mayer 1993, Salovey and Mayer 1994, Salovey, Mayer, Goldman, Turvey and Palfai 1995 and Goleman 2000, 2001, Goleman, Boyatzis and McKee 2002) has also been a lens through which to view leadership.

While the development of human relationships is fundamental to good leadership practice and motivation is central to encouraging staff to accept the organisational vision they are elements found within the contingency model of

leadership. It is the extension of the contingency model of leadership that is fundamental to this research because a consistent theme within TAFE leadership is the development of relationships between the leader and the follower in order to lead and facilitate change. Responsible leaders in TAFE must build positive relationships and provide direction that enthuse and motivate followers. Sergiovanni (1988, p. 6) highlights the importance of relationships and the interactivity between people and leaders when he writes, "it may, ... be less important how a leader behaves than what a leader's behaviour means to followers," and it is this comment that will influence our understanding of leadership in TAFE.

The study of leadership had its beginnings in managerial theory with the classical view of management, which sought to create workplace efficiencies and produce consumer items at lower costs thus extolling management to be more efficient. The most notable researcher associated with scientific management was Frederick Taylor (1947) whose call for changed management practices emphasised the development of time and motion studies that reduced wastage and eliminated inefficiencies. Taylor's work minimised the influence and impact that might be caused by the psychological and sociological variables that we now know to have significant impact on followers and leaders.

Extending the study of managerial practices Henri Fayol (1949) concluded that there were five functions that denoted management and fourteen principles that underpinned the five functions of management. The five functions were identified as:
1. *Planning*
2. *Organising*
3. *Commanding*
4. *Co-ordinating*
5. *Controlling*

The principles that underpinned the five management functions recognised the development of a team approach between follower and leader. This in turn saw the emergence of the organisation as the primary element rather than the centrality of the individual as a means of production.

There have been many different aspects of leadership explored and analysed, all striving to better understand how leadership is able to be developed and nurtured. Barnard (1938), Taylor (1947), Weber (1947) and Fayol (1949) developed leadership theories that related to scientific management, the principles of management, bureaucratic organisations and the concept of the informal organisation respectively.

Similarly leadership theorists Carnegie (1936), McGregor (1960) and Maslow (1987) were developing the notion of leadership from a human resource and human relationship perspective. This perspective of leadership was predicated on the notion that there should be enlightened treatment of followers, and power sharing between leader and follower: it was the start of a humanistic emphasis in managerial practices.

Perhaps one of the most significant notions of a humanistic perspective in leadership appeared in the early 1940s when Lewin, Lippitt and White (1939) reported that when leaders behaved in particular ways, followers would react in different ways. This was one of the earliest articulated notions that the behaviours or styles of leadership tended to generate different reactions from followers. In a study conducted 30 years later, Evans (1970) evaluated the impact of leaders' behaviour on subordinates' goal-path instrumentalities. Evans interviewed 311 workers from a public utility and 88 nurses from a general hospital and identified a positive correlation between the leaders' behaviour and the subordinates' performances on-the-job. These findings corroborated with the results of Lewin, Lippitt and White's (1939) earlier research.

What was evident from the study conducted by Lewin, Lippitt and White was that the leader employed high level motivational skills and tactics to ensure that the organisations' goals were delivered whilst maintaining the subordinates' level of motivation. While it was recognised that different leadership styles influenced follower behaviour, it was the work of Abraham Maslow (1943a, 1943b) that provided an additional dimension to the leadership debate by suggesting that followers are able to be motivated, if the right stimulus is employed.

The seminal work of Abraham Maslow during the 1940s and 1950s hypothesised that there existed five innate human needs that were categorised as:

1. *physiological need such as food, water, sex;*
2. *safety needs such as security;*
3. *belongingness and love needs that include being part of groups and both giving and receiving affection;*
4. *esteem needs through being valued by oneself (self respect) and others (stature, recognition); and*
5. *self-actualisation, that is, the need to fulfil one's potential (what humans can be, they must be).*

Maslow (1987, p. 22)

Maslow's initial work culminated in the development of a *theory of motivation* that did not specifically deal with the workplace environment. Rather, Maslow's work focussed on attempting to understand why people were able to operate at optimal levels given particular circumstances. Subsequent to the publication of Maslow's findings, researchers (McGregor 1960, Alderfer 1969, McClelland and Winter 1969, McClelland and Miron 1979, McClelland and Burnham 1995, Vroom and Yetton 1973) sought to extend his work by examining the role of motivation within the context of *organisational development* and by inference the role of motivation within leadership. In later years Maslow (1987) concluded that the "hierarchies of need" that were central to his theory of motivation would also influence the effectiveness of leadership and organisations, particularly if work management practices were underpinned by his theoretical approach.

In a continuation of research into motivational theory, with a particular emphasis on the workplace, Herzberg, Mausner and Snyderman (1959) undertook to examine the role of attitudinal factors that contributed to satisfied and dissatisfied employees. Herzberg (1966) found that five factors determined job satisfaction, specifically achievement; recognition; work itself; responsibility and advancement.

While the five factors listed are those that workers and subordinates consider being occupational satisfiers, the factors contributing to dissatisfaction in the workplace were found to be, company policy and administration; supervision; salary; interpersonal relations and working conditions (Herzberg 1966, p. 56).

The central implications of Maslow and Herzberg's motivational framework suggest that if leaders are able to motivate staff through recognition of staff efforts then those same staff will have an increase in their self-esteem. At the most motivated level, achievement at work will promote self-actualisation for staff, thus ensuring optimal output, which in turn sees the organisation prosper.

The exploration of leadership during the late 1950s and early 1960s began to be more comprehensive in its embrace, with the emerging realisation that leadership involved the motivation of followers, the behaviours of leaders, the interactions between leaders and followers, the situation at the time and the nature of the environment (Slater 1955, McGregor 1960, Schein 1969). Research undertaken by Slater (1955) revealed the socio-emotional leader, who was a leader attuned to the needs of others and worked to build a team, resolved conflicts, listened, acknowledged others and was supportive of the emotions of followers: Could this be the fore runner of emotional intelligence (Salovey, Mayer, Goldman, Turvey and Palfai 1995 and Goleman 1998, 2001, Goleman, Boyatzis and McKee 2002)?

In 1960 Douglas McGregor suggested that the workplace behaviour of organisational staff was determined by either of two models, which he called theory X and theory Y. Theory Y personality types responded, according to McGregor (1960) to the workplace environment in a positive manner. These personalities are self-motivated and self-directed and strive to achieve, particularly if they are treated appropriately and they perceive their place in the management structure as appropriate. The leader's task in leading Y theory type people must be to link the follower, and their values and attitudes, with the goals of the organisation. The leader's role in this circumstance is to motivate the follower through the enhancement of their role. McGregor, in reflecting upon the Theory Y personage, felt that this personage was a more realistic fit with the relationship between follower and leader and therefore a superior leader.

From the late 1960s to the 2000s increasing levels of analysis, research and psychological studies of cognitive process have been utilised to understand the nature of leadership. Schein (1969) as a consequence of his research identified four behavioural sets related to leadership. The table below lists the leader

type and the right hand column describes the behaviours associated with the leader type:

TABLE 2.2: SCHEIN'S LEADERSHIP TYPES	
Leader Type	**Leader behaviours**
Rational-economic man	Where the leader motivates and controls according to economic incentives
Social man	Where the leader focuses on good relationships
Self-actualising man	Where the leader seeks to move the follower from lower-order needs to higher order needs
Complex man	Where the leader serves as a diagnostician in order to know what the motivations and abilities of his subordinates actually are

(Adapted from Schein 1969)

Schein's (1969) leader types exhibit behaviours that are clearly focused on the development of positive human interpersonal relations as a mechanism to assist in leading. While motivation has provided a lens through which to understand the process of leadership, there was still a need to gain further understanding through a more comprehensive and expansive framework. The following section of this Chapter will explore the notion of contingency leadership theory and its application to the TAFE environment.

2.3.1 Contingency Theory: A Framework for Leadership

In an endeavour to more fully understand leadership, Fred E. Fiedler (1967) proposed the *contingency theory* of leadership effectiveness. The subsequent contingency models of leadership attempted to understand the nature of leadership from the context of the interaction and the relationship between the environment, the leader and the follower. The most common of the contingency theory models are:

- Fiedler's contingency model (Fiedler 1967)
- Hersey-Blanchard Situational theory (Hersey and Blanchard 1977)
- Path-Goal theory (House and Mitchell 1974, House and Dessler 1974)
- Vroom-Yetton Leadership model (Vroom and Yetton 1973)

A significant advantage of the contingency theories is the greater degree of inclusiveness in their approach. The contingency theories began to examine leadership from a more holistic framework. As a consequence no longer was leadership seen as isolated from the surrounding environment, rather leadership was beginning to be evaluated from a perspective that incorporated

the leader's motivation, the sub-ordinate's values, the circumstances of the workplace, and the tasks they had to accomplish.

Leaders, like most workers, are motivated by personal desire, intrinsic and extrinsic rewards, the need for self-esteem and personal recognition (Vroom 1964, Vroom and Yetton 1973, Herzberg 1966, 1976, Herzberg, Mausner and Snyderman 1959). These elements influence and direct the manner in which a leader leads and the type of interaction had with the subordinate. Similarly, subordinates are motivated to strive because of their reactions to the workplace elements. Subordinates are also influenced by the leader's behaviour and in turn their behaviours shape the leader/subordinate relationship (House and Mitchell 1983, House, Spangler and Woycke 1991, House, Howell, Shamir, Smith and Spangler 1994). Workplaces and the practices that occur in workplaces are reflective of the attitudes, values and personalities of those that work within them. They are also significant contributors to the interplay of emotions and interactions that influence the management and leadership practices in the workplace (Goleman 2000, 2001a, 2001b, Goleman, Boyatzis and McKee 2002a, 2002b). Tasks, duties and responsibilities that individuals hold in the workplace contribute to leader/subordinate relationships because often it is tasks, duties and responsibilities that shape the interplay of emotions and the interactions between subordinates and leaders.

Relationships add a new dimension to the task of leadership and the way leaders lead. The contingency model of leadership (Fiedler 1967) has at its heart the nature of the leader/subordinate relationship. Contingency models of leadership embraced a model of leadership that was considerate of leader behaviours, the environment in which the leadership was being practiced, the subordinate and their values and attitudinal sets.
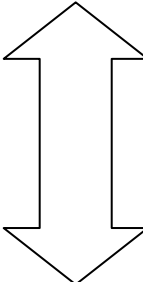
2.3.2 Fiedler's Contingency model of Leadership

Fiedler (1967) stressed that his model of leadership was founded on two assumptions: the leader's ability to motivate followers through personal relationships and the leader's ability to manage the environment and the situation. The management of the environment and situation was determined primarily by three variables; leader-member relations is described as the degree to which a leader is accepted and supported by the group members; task structure is described as the extent to which the task is structured and

defined, with clear goals and procedures; and finally positional power is described as the ability of a leader to control subordinates through reward and punishment (Fiedler 1967, p. 22 – 34). According to Fiedler's Leadership model, leaders could be described in terms of how well they were able to motivate followers to embrace organisational tasks, which at its heart was determined by how well the leaders were able to build interpersonal relationships between themselves and their followers.

2.3.3 Hersey-Blanchard Situational Model of Leadership

A continuation and expansion of contingency theory saw the emergence of situational leadership. Paul Hersey and Ken Blanchard's (Hersey and Blanchard 1982 and Blanchard, Zigarmi and Zigarmi 1985) initial situational leadership model was reviewed in the early 1980s and Blanchard, Zigarmi and Nelson (1985) developed a contingency model of leadership, which emphasised the need for leaders to choose the right leadership style based upon the maturity of the follower. The choice of the right leadership style is predicated upon the job/task maturity and the psychological/developmental level of the follower. The "psychological/development level" of the follower is described as having two components: competence and motivation. The "job/task maturity" level is described as a measure of the technical skills required of the followers to undertake the task. Table 2.3 illustrates the four leadership styles of directing, coaching, supporting and delegating identified by Blanchard, Zigarmi and Zigarmi (1985) and the corresponding actions taken by leaders in congruency with the maturity of the follower.

TABLE 2.3: HERSEY – BLANCHARD'S LEADERSHIP TYPES		
Leadership Styles	**Leader Actions**	**Maturity**
Directing	The leader defines the roles and tells people what tasks to do, and how, when and where to do them. It emphasises directive behaviour	Low level of follower maturity
Coaching	The leader provides directive behaviour and supportive behaviours	
Supporting	The leader and follower share in decision making with the main role of the leader being facilitation and communicating	
Delegating	The leader provides little direction and support	High level of follower maturity

(Adapted from Blanchard, Zigarmi and Zigarmi 1985)

As can be noted from Blanchard's, Zigarmi and Zigarmi (1985) original diagram (Figure 2.2) the actions and reactions of the leaders are predicated on responses from the followers and conversely the followers determine their actions and reactions based upon their perceptions of the leader and the surrounding environment. Blanchard's model highlights the rhythmic nature of leadership and the interactive role played by leader and follower.

FIGURE 2.2: BLANCHARD'S SITUATIONAL LEADERSHIP MODEL

The four leadership styles

(High)

High supportive
Low directive

High directive
High supportive

SUPPORTING

COACHING

S3   **S2**

Supporting behaviour

S4   **S1**

DELEGATING

DIRECTING

Low directive
Low supportive

High directive
Low supportive

(Low) ← Directive behaviour → (High)
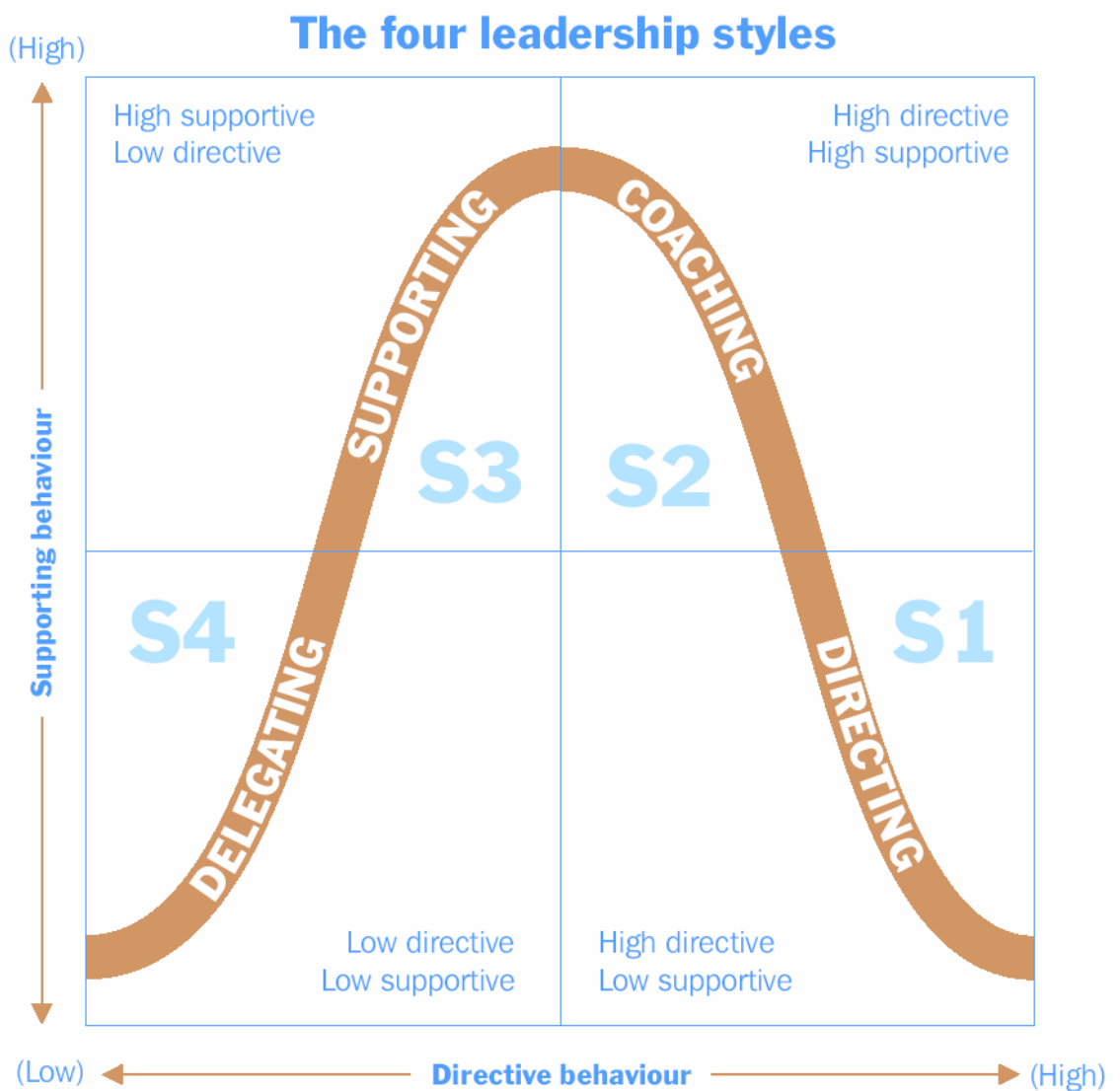
Adapted from Blanchard, Zigarmi and Zigarmi (1985)

The Situational Leadership Theory sees leaders changing their styles to accommodate the needs of the employees or subordinates. Contingency theories have at their centre the development of relationships between the

leader and the subordinate and through these relationships both the subordinate and the leader benefit. Following the notion of relationship development Victor Vroom (1964, 1973) posed the question of what it is that motivates people, because if leaders understand what motivates people then they are better able to establish working environments that are motivating for their staff and followers.

The Blanchard, Zigarmi and Zigarmi (1985) model of leadership seeks to explain and then incorporate the linkages, the interdependencies, the inter-actions and their influence on both the follower and the leader. In the TAFE environment the situational leadership model goes some way to understanding how TAFE leaders manage the development of their staff to align to the organisation's goals.

2.3.4 Vroom-Yetton Model of Leadership

The Vroom-Yetton Leadership Theory took the standpoint of attempting to understand how leaders make decisions and identifies *leader decision-making styles*. The model has as its basis Victor Vroom's (1964) expectancy theory of motivation which argues, "the strength of a tendency to act in a certain way depends on the strength of an expectation that the act will be followed by a given outcome and on the attractiveness of that outcome to the individual" (Robbins 2001).

According to the Vroom-Yetton decision-making framework leaders employ one of five leadership styles in coming to a decision. The table below provides a further explanation of the five leadership styles and the actions that would be observable as leaders use each of the leadership styles:

TABLE 2.4: VROOM – YETTON LEADERSHIP TYPES	
Leadership Style for Decision-making	**Decision-making explanation**
Autocratic 1	Problem is solved using information already available
Autocratic 2	Additional information is obtained from group before leader makes decision
Consultative 1	Leader discusses problem with subordinates individually, before making a decision
Consultative 2	Problem is discussed with the group before deciding
Group 2	Group decides upon problem, with leader simply acting as chair

Adapted from Vroom and Yetton (1973)

The relationship between the leadership styles for decision-making and the situational leadership framework is evident with Autocratic 1 and 2 of Vroom's model reflecting S1 and S2 categories of situational leadership. Consultative 1 and 2 reflect the situational leadership categories S2 and S3 with a slight variation as the model highlights a difference in the leadership requirements for leading individuals and groups. Category S4 of situational leadership framework is reflective of Group 2 of Vroom's leadership model.

The Vroom-Yetton and Hersey Blanchard leadership models are similar in as much as they seek to identify how leaders interact with their followers. The difference between the two is found in the emphasis each model places on the influence of the environment (Hersey and Blanchard's) and the manner of interaction between the leader and follower for decision-making (i.e. Vroom-Yetton).

Another variation of contingency leadership theory is the Path-Goal model. The Path-Goal leadership model follows a similar theme of the leader being supportive as opposed to directional. The Path-Goal leader guides and encourages the followers to move along a particular path, which is aligned to the organisational goals.

2.3.5 Path-Goal Model of Leadership

The primary premise of House's (House and Mitchell 1974, 1983, House and Dessler 1974) *path-goal leadership model* is that the leader provides the direction and guidance necessary for the follower to achieve their goals. Principally the path-goal theory of leadership identifies four types of leadership behaviours and the actions in which these types of leaders may engage in. The leadership actions and the leadership behaviour types are illustrated in the table:

TABLE 2.5: HOUSE'S LEADERSHIP TYPES	
Leadership behaviour types	**Leadership Actions**
The directive leader	The directive leader lets subordinates know what is expected of them, schedules work to be done, and gives specific guidance as to how a job is to be done.
The supportive leader	The supportive leader is friendly and shows concern for the needs of subordinates.

The participative leader	The participative leader consults with subordinates and uses their suggestions before making a decision.
The achievement-oriented leader.	The achievement-oriented leader sets challenging goals and expects sub-ordinates to perform at their highest level.

Adapted from House and Mitchell (1983)

The Path-Goal leadership model itself has its origins in the work undertaken by Evans (1970, 1974) and Vroom (1964) in developing the *expectancy theory of motivation*. The expectancy theory of motivation is premised by three factors: expectancy, instrumentality and valence (that is the alignment of values). Expectancy relates to the expectations followers will have of their leaders and the leader's actions. A major difference between Fiedler's contingency model and the path-goal leadership model is that path-goal leadership theory has an expectation that leaders within the path-goal model are able to adopt any of the entire spectrum of leadership behaviours dependant upon the circumstances of environment, follower motivation and/or technical/task skills. Conversely, leaders operating within the situational leadership (Blanchard, Zigarmi and Zigarmi 1985) paradigm rely heavily upon the maturity of followers to determine the leadership style they will adopt.

The leader, according to the path-goal leadership model, uses leadership styles and actions to create within the follower that sense of motivation, which is then directed toward personal achievement for the good of the organisation. In this way leaders provide and motivate staff toward the goal and the path upon which the leaders anticipate staff will travel. It follows that the more positive the bond between leader and follower, the greater the acceptance by the follower of the leader's requests. Likewise, if the leader respects and admires the follower, then suggestions and advice from the follower are more readily accepted. Common sense suggests that if there is a personal bond between two people then it is much more likely that each person will have a propensity to exhibit a preparedness to accept the ideas and suggestions of the other. If the leader has a personal relationship or is *perceived* to have an understanding of a subordinate's issue, then the bond between leader and subordinate is forged through interaction, understanding and a common sense of purpose.

House and Dessler (1974) through their writing further extended the notion of leadership through relationships, by examining the impact of leadership behaviour on subordinate attitudes and expectations. From House and Dessler's (1974) research three aspects were determined to influence the subordinate's behaviours:

- *the satisfaction of subordinates;*
- *the subordinates' acceptance of the leader; and*
- *the expectations of subordinates that effort will result in effective performance and that effective performance is the path to reward.*

Unlike the notion that leaders have specific attributes (Lewin, Lippitt and White 1939, Stogdill 1948 and Yukl and Van Fleet 1992) that are identifiable and conditional for leaders and leadership, research by Hill and Ruhe (1974) indicated that leaders were adaptable and changed their style and attributes depending on situational circumstances. A crucial finding that underpins the notion of Path-Goal leadership behaviour was found by Hill and Ruhe (1974), which suggests leaders may exhibit one or all behaviours at any particular time dependent upon the environmental circumstance operating at the time. Given the findings by Hill and Ruhe (1974) it is clear that effective leaders adopt multiple behavioural strategies to achieve their goals of managing the leadership of organisations. Subordinates, according to Path-Goal theory, are encouraged and engaged through their relationships with the leader. Leaders manipulate these relationships and situational circumstances to achieve their end goals.

In summary the contingency models of leadership (Fiedler 1967, House and Mitchell 1974, 1983, and Hersey and Blanchard 1982, 1996) have embraced the notion that leaders change their behaviours to suit the circumstances of the moment: the environment, maturity and motivation of followers and the behaviours of the leader determine these circumstances. The contingency leadership framework has derived a number of different leadership models, however within all the models there is an attempt to build an understanding of leadership that is comprehensive and views leadership from multiple points of reference. In many ways it is a leadership style that accommodates a changing and diverse environment, for example a changing TAFE environment because it seeks to understand the influence and impact of the environment, the organisational culture, follower and leader attitudes and values and the decision-making process.

Inherent in the notion that leaders and therefore leadership is influenced and impacted upon by the environment and the people within that environment, research studies by Quinn, Faerman, Thompson and McGrath (1996), Quinn and Spreitzer (1987), Quinn and Cameron (1988) and Cameron and Quinn (1999) have pointed to the notion of an organisational model of competing values. The model is based on a framework that has four "domains" known as concern for people, concern for structure, concern for production and concern for context. The concern for people domain focuses upon coaching, supervising and developing teams, while the domain reflecting "concern for structure" focuses upon the procedures, the roles and functions organisational members have, and the policies which guide their activities. The final two domains are "concerns for context" and "concern for production" which focus upon strategic direction, the external environment and organisational goals and outcomes respectively. Quinn, Faerman, Thompson and McGrath (1996), Quinn and Spreitzer (1987), Quinn and Cameron (1988) and Cameron and Quinn (1999) suggests that within the organisational context there is an understanding that each domain is equally important and essential to the organisation, but at the same time there is continual tension between the domains. To be a successful leader of an organisation requires the leader to understand the dynamics of each domain and value their contribution to the total organisation, but be able to manage the tensions that will invariably exist between the domains.

Fundamental to the contingency model of leadership is an understanding of the external influences on the individual internal psyche of leaders and followers. Leaders in their development of an understanding of the external influences will need to be cognisant of Quinn, Faerman, Thompson and McGrath (1996), Quinn and Spreitzer (1987), Quinn and Cameron (1988) and Cameron and Quinn (1999) domains of competing values and manage their impact and influence on followers. Quinn and Cameron (1999) argue that leadership is the process of balancing the competing values that each of us hold within the structure of an organisation. The competing values framework does not necessarily advocate a specific preferred model of leadership rather the framework is a tool to assist in the identification of the individual values that can then be worked with and developed for the benefit of the organisation.

However, while the contingency leadership theories extend our understanding of leadership, it is emotional intelligence as a model of leadership that seeks to improve leadership capabilities by understanding the personal emotions of leader and follower. To understand the relationships that underpin leadership Salovey and Mayer (1990, 1994) Salovey, Hsee and Mayer (1993), Salovey, Mayer, Goldman, Turvey and Palfai (1995) and later Goleman (2001a, 2001b), Goleman, Boyatzis and McKee (2002b) articulated the notion of emotional intelligence as a model of leadership. The following section of this chapter explores the concept of emotional intelligence and its relationship to other leadership theories and practices.

2.3.6 Emotional Intelligence as a Model of Leadership

TAFE colleges are exceedingly complex environments that have multiple missions. On one hand they are expected to provide the vehicle through which industry gains highly skilled employees, while on the other hand "TAFE's role is part of government and part of the state's economic drive" (Jane Lomax-Smith 2003[3]). Additionally, TAFE colleges should be "creating social opportunity for the community" (Paul Kelly 2003[4]). With a diversity of leadership challenges facing TAFE the capabilities of TAFE leaders is crucial in the cache of leadership strategies for the CEO and MLMs. A significant and underpinning challenge for TAFE leaders is to guide others to focus upon the development of relationships as a strategy for sharing leadership responsibility amongst staff and the empowerment of staff across the organisation. As Ruderman, Hannum, Leslie and Steed (2001) have stated:

> *The manifestations of poor impulse control - such as aggression,*
> *hostility, irresponsibility, and frustration – are highly conspicuous to*
> *colleagues; so learning to restrain impulsive behaviour can do a lot to*
> *improve a manager's interactions at work*
>
> Ruderman, Hannum, Leslie and Steed (2001, p. 7)

Emotional intelligence as a leadership strategy develops and explores these interactions and relationships as a process by which leadership is enabled. It emphasises relationships and the emotions that underpin those relationships. Salovey and Mayer (1990) developed the notion of emotional intelligence as a

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[3] *Jane Lomax-Smith, Minister for Employment, Training and Further Education, South Australia speaking at the TAFE Directors Annual Conference in Adelaide on 2nd May 2003.*

[4] *Paul Kelly, Editor at Large for **The Australian Newspaper** and social commentator speaking at the TAFE Directors Annual Conference in Adelaide on 2nd May 2003.*

primary component of a good leader's modus operandii. Salovey and Mayer (1990, p. 10) suggest that leadership:

> *"involves the ability to perceive accurately, appraise, and express emotion: the ability to access and/or generate feelings when they facilitate thought: the ability to understand emotions and emotional knowledge: and the ability to regulate emotions to promote emotional and intellectual growth".*

Extending the work of Salovey and Mayer (1990), Bar-On (1997, p. 1) says that:

> *"emotional intelligence has been defined as an array of personal, emotional, and social abilities and skills that determines how well the individual functions in his or her given environment".*

Since those early days of the 1990s, there have been three alternative models of emotional intelligence put forward. These are:

- Ability Model (Mayer and Salovey 1997, Mayer, Caruso and Salovey 2000 and Mayer, Salovey and Caruso 2000)

- Non-cognitive Models (Bar-On 1997)

- Competency-based Models (Goleman 1998, 2001a, 2001b)

The three models have been developed and represent slightly different perspectives from which to understand emotional intelligence, however at their centres lie a common goal; that goal being to recognise and regulate the emotions in ourselves and in others. Table 2.6 illustrates the three perspectives of emotional intelligence and overlays each of the perspective's attributes so there may be better understanding of the synergies and congruencies of each. Emotional intelligence as defined by Salovey and Mayer (1990) and Mayer and Salovey (1997) has a strong emphasis on cognition and the development of the individual's cognitive process to improve interactions and leadership practices. The model comprises four levels ranging from the first level where skills are developed to allow the individual to perceive, appraise and express emotions. The individual develops through levels two and three, culminating at level four which is demonstrable by the individual's ability to bring together the emotions of self and others to achieve a common goal. The model emphasises its intelligence foundation and defines itself against the psychometric traditions of being conceptual, correlational and developmental (Mayer, Caruso and Salovey 2000).

While Mayer and Salovey (1997) understood emotional intelligence from the perspective of intelligence Reuven Bar-On (1988, 1997, 2000) saw it from the context of personality theory. Bar-On (1997) indicates that emotional intelligence comprises five domains, these being interpersonal skills, stress management, adaptability, intrapersonal skills and general mood. These domains affect our overall ability to effectively cope with the environmental demands.

Table 2.6 illustrates a matrix that gives understanding to the link between Bar-On's five domains of emotional intelligence and personality theory. The elements numbered as one (1) on the table indicate the overlap with personality subsystems of internal and external needs and levels of importance (i.e. high, middle and low). Goleman's (1998) notion of emotional intelligence unlike that of Bar-On (1988) and Mayer and Salovey (1997) is expressed from the point of view of performance: that is Goleman seeks to identify and predict personal effectiveness in leadership. Again to better understand Goleman's' five primary aspects of emotional intelligence they are included in Table 2.6 against the personality matrix. As can be viewed from Table 2.6 the aspects (Goleman 1998) and levels (Mayer and Salovey 1997) of emotional intelligence are closely aligned and demonstrate a strong compatibility between the definition of emotional intelligence as provided by Goleman (1998) and Mayer and Salovey (1997).

Goleman (1995) and Salovey and Mayer (1989) have defined emotional intelligence as having a number of major aspects and five primary characteristics. The major aspects are appraisal and expression of emotion, the use of emotion to enhance cognitive processing and decision-making, knowledge about emotion, and management of emotions – all of which contribute to effective leadership. The five primary characteristics identified by Goleman (1995) and Salovey and Mayer (1990) embedded within the major aspects of emotional intelligence are:

- *Understanding one's emotions*
- *Knowing how to manage them*
- *Emotional self-control, which includes the ability to delay gratification*
- *Understanding other's emotions or empathy*
- *Managing relationships.*

Table 2.6: OVERVIEW OF PERSONALITIES MAJOR SUB-SYSTEMS

<table>
<tr><td colspan="5">AN OVERVIEW OF PERSONALITY'S MAJOR SUB-SYSTEMS WITH THREE MODELS OF EMOTIONAL INTELLIGENCE</td></tr>
<tr><td colspan="2"></td><td colspan="3">Purpose of the Subsystem</td></tr>
<tr>
<td rowspan="4">Level of Sub System</td>
<td></td>
<td>Satisfying Internal Needs</td>
<td></td>
<td>Satisfying External Needs</td>
</tr>
<tr>
<td>High: Learned Models</td>
<td>Intrapersonal qualities

(1) Intrapersonal skills
(2) Motivating oneself</td>
<td></td>
<td>Interpersonal Skills

(1) Interpersonal skills
(2) Handling personal relationships</td>
</tr>
<tr>
<td>Middle: Interactive Functions</td>
<td>Motivational and Emotional Interactions

(1) Stress Management</td>
<td colspan="2">Emotional and Cognitive Interactions

(3) Perceptions/Expression of emotion   (2) Knowing one's emotions
(3) Facilitating emotion in thought   (2) Recognising emotions in others
(3) Understanding emotion   (2) Managing emotion
(3) Regulating emotion</td>
</tr>
<tr>
<td>Low: Biologically-related mechanisms</td>
<td>Motivational Directions</td>
<td>Emotional Qualities

(1) General mood</td>
<td>Cognitive Abilities

(1) Adaptability skills</td>
</tr>
</table>

Legend	
Bar-on	(1)
Goleman	(2)
Mayer and Salovey	(3)

Adapted from Mayer, Salovey and Caruso (2000, p. 184)

In placing emotional intelligence within a workplace leadership context Goleman identifies four workplace competencies derived from the emotional intelligence framework (Goleman 2001b, p. 27). The first is self awareness which is the ability to understand one's own feelings and accurately self-assess; the second is self management which is the ability to manage internal states, impulses and resources; the third is social awareness which is the ability to read people and groups accurately and the fourth is relationship management which is the ability to induce desirable responses in others.

In further research to clarify the components that make up emotional intelligence, Bar-On (2000) conceptualised the five specific dimensions of emotional and social intelligence as outlined in Table 2.7.

TABLE 2.7: DIMENSIONS OF EMOTIONAL INTELLIGENCE	
Dimension of Emotional and Social Intelligence	Dimensions Explained
Intra-personal emotional intelligence	Representing abilities, capabilities, competencies and skills pertaining to the inner self
Interpersonal emotional intelligence	Representing interpersonal skills and functioning
Adaptability emotional intelligence	Representing how successfully one is able to cope with environmental demands by effectively sizing up and dealing with problematic situations
Stress management emotional intelligence	Concerning the ability to manage and cope effectively with stress
General mood emotional intelligence	Pertaining to the ability to enjoy life and to maintain a positive disposition

Adapted from Bar-On (2000, p. 363)

The table illustrates the dimensions of emotional intelligence and provides a succinct explanation of each of the dimensions. A feature of the explanations is the concern for the interpersonal, valuing the input of others and managing ones own emotions to enable the management of others. In a research study by George (2000), significant work was undertaken to demonstrate the link between emotions, the use of those emotions, and the knowledge about the emotions needed by the leader and the management of those emotions by the leaders. Table 2.8 illustrates the aspects of emotional intelligence and the linkage to leadership skills.

TABLE 2.8: ASPECTS OF EMOTIONAL INTELLIGENCE			
Appraisal and expression of emotion	Use of emotions to enhance cognitive processes and decision making	Knowledge about emotions	Management of emotions
Aware of own emotions	Emotions direct attention and signal focus of attention	Knowing the causes of emotions	Meta-regulation of mood (reflection on the causes,

			appropriateness, and changeability of emotions)
Can accurately express own emotions	Emotions facilitate making choices	Knowing the consequences of emotions	Positive mood maintenance
Aware of other's emotions	Use of specific emotions to enhance certain kinds of cognitive processes	Knowing how emotions progress over time	Negative mood repair or improvement Management of other's emotions
Can accurately express other's emotions – Empathy	Use of shifts in emotions to promote flexibility		

Adapted from George (2000, p. 1035)

The strength of emotional intelligence as a leadership model lies in its understanding of the personal emotions and feelings of both the leader and the follower and the attribution of those feelings and emotions as a mechanism to create effective relationships to serve the leadership process. In support of the role of emotional intelligence in leadership, Gardner and Stough (2002, p. 76) advocate the notion that:

> "the ability of a leader to be able to identify and understand emotions of others in the workplace, to be able to manage their own and others positive and negative emotions, to be able to control emotional states in the workplace effectively, to utilise emotional information when problem solving, and to be able to express their feelings to others, is integral to the leader being effective, putting in extra effort and being satisfied".

As leaders gain a thorough understanding of the emotional intelligence framework they are better able to manipulate their environment and strengthen their leadership processes. Through the judicious use of these workplace competencies leaders are able to:

> "improve decision-making via their knowledge and management of emotions, and those who are able to accurately recognise emotions are more able to determine whether the emotion is linked to opportunities or problems and thus use those emotions in the process of decision-making"
>
> Gardner and Stough (2002, p. 70)

Caruso, Mayer and Salovey (2002) supports the notion of improved leadership through a comprehensive understanding of emotions when it is argued that leaders who are able to use emotions to guide decision-making are able to motivate subordinates by engaging in activities facilitated by emotions, and are able to

encourage open-minded idea generation, decision-making and planning, because they can consider multiple points of view.

The importance of managing emotions in a leadership role cannot be overstated. While the contingency leadership theorists of Hersey and Blanchard (1982), Evans (1974), Vroom and Yetton (1973) and House, Howell, Shamir, Smith and Spangler (1994) focused on various aspects of leadership, underpinning the success of each aspect is the leader's capacity: a capacity that inherently employs elements of emotional intelligence. Significant work has developed the notion that emotional intelligence underpins most, if not all, leadership practices. In recent work, Gardner and Stough (2002), Bass and Avolio (1990, 1993) have provided substantial evidence that clearly links emotional intelligence to transformational leadership.

The transformational leader is one who encourages risk-taking, is trusting of followers and is capable of leading in an unflustered and unhurried manner. In exploring the elements that make up emotional intelligence it is interesting to review Bass and Avolio's (1990, 1993) work on the characteristics and elements that typify transformational leadership. According to Burns (1978), Bass (1985) and Bass and Avolio (1990) transformational leadership is a model of leadership that visualises leadership and leaders as inspirational and used effectively is able to establish and gain commitment to a vision and is empathetic.

Barling, Slater and Kelloway (2000) concur and have concluded that emotional intelligence is positively related to four elements inherent in transformational leadership, namely: idealised influence, inspirational motivation, and individualised consideration and contingent reward (a component of transactional leadership). The link between emotional intelligence and transformational leadership is found in the notion that emotional intelligence is a primary characteristic of transformational leadership. Bass and Avolio hypothesised that the four "I's" of emotional intelligence characterise transformational leadership. These are:

- *Individualised Influence (i.e., followers idolise and emulate the behaviours of their trusted leader);*
- *Inspirational Motivation (i.e., followers are motivated by attainment of a common goal);*
- *Intellectual Stimulation (i.e., followers are encouraged to break away from old ways of thinking and are encouraged to question their values, beliefs and expectations); and*

- *Individualised Consideration (i.e., followers' needs are addressed, both individually and equitably).*

Bass and Avolio (1990)

Similarly Gardner and Stough (2002, p. 70) suggest that,

"Leaders high in the emotional intelligence component of understanding emotions are more likely to accurately perceive the extent to which followers' expectations are raised, and this is related to the transformational sub-component of inspirational motivation."

Research conducted by Yammarino, Spangler and Bass (1993) Yammarino and Dubinsky (1994), Sivanathan and Fekken (2002), Palmer, Walls, Burgess and Stough (2001) and Gardner and Stough (2002) has linked elements of transformational leadership to elements of leadership within emotional intelligence. The findings suggest transformational leaders motivate their followers to achieve the organisational goals through the empowerment of staff by visioning and a clear enunciation of the goals. Ashforth and Humphrey (1995, p. 97) note "transformational leadership [is] largely dependent upon mobilisation of emotions, evocation of emotions and the framing of emotions within the organisational context."

Gardner and Stough (2002, p. 68) in their research examining the utility of emotional intelligence in predicting effective leaders have found that "transformational leaders orient their subordinates towards performance beyond established standards and goals [by] emphasising employee empowerment rather then dependence". Further findings from Gardner and Stough's (2002, p. 74) research corroborate this and indicate that there exists a "strong relationship between transformational leadership and emotional intelligence". Transformational leaders use emotional intelligence behaviours to motivate their employees to do more than is expected (Yammarino, Spangler and Bass, 1993) by arousing heightened awareness in a group or organisation and de-emphasising narrow self-interest and rationality.

Further illustrating the linkage between emotional intelligence and transformational leadership Sivanathan and Fekken (2002, p. 199) have "conceptually and empirically linked emotional intelligence, moral reasoning and transformational leadership behaviours". Gardner and Stough (2002) and Sivanathan and Fekken (2002) have reported that emotional intelligence underpins the functioning of

transformational leadership. Palmer, Walls, Burgess and Stough (2001) and Yammarino and Dubinsky (1994) have indicated that transformational leadership is more emotion-based than transactional leadership and therefore there is a stronger affiliation between emotional intelligence and transformational leadership than with transactional leadership. Palmer, Walls, Burgess and Stough (2001) like Gardner and Stough (2002) agree that there is a strong correlation between transformational leadership and emotional intelligence. These authors found that the ability to monitor, and the ability to manage emotions in oneself and others were both significantly correlated with the "inspirational motivation and individualised consideration" components of transformational leadership.

It is evident from the literature that emotional intelligence is a critical aspect of leadership and the change management process. Through the careful and responsible use of emotional intelligence, leaders are able to be more effective in building coalitions of individuals to drive the change agenda. It is thus pertinent that leaders embrace the new leadership mantra that focuses upon bringing people along the change journey, not through hierarchical control but through inspiration and emotional congruency.

In this section of the Chapter the author has emphasised the point that leaders influence followers through relationships. It is important to realise that relationships and the way those relationships are managed is fundamental to successful leadership. Birnbaum (1992) re-emphasises, effective leaders are those best able to manage relationship development. Indeed Birnbaum (1992, p. 10) asserts "leaders may exert influence less through planning, decision-making and related administrative activities than through affecting others' perceptions of institutional life," in other words building emotions.

In summary the literature review so far has provided a brief overview of the development of a specific set of leadership theories. It has emphasised however, the contingency models of leadership because of their apparent inclusiveness and relevancy to the TAFE college environment. Primarily, however a major tenet has been the fundamental significance of relationships in applying effective leadership processes. While the contingency models of leadership have focused upon relationships, the successful management of those relationships through positive emotions determines the success of those relationships. Understanding the principles of positive relationship development is found in the leadership frameworks of emotional intelligence. Equally evident from the literature is a

synergistic relationship between emotional intelligence and the paradigm of transformational leadership.

A number of primary themes have been evident in the contingency theories: these have been the importance of motivation within the leadership process and the need to provide clear direction in order that self-motivated staff with minimal supervision might undertake their responsibilities. Equally important is the influence of the environmental variables on the process of leadership for the purpose of directing and leading the change process.

2.4 MOTIVATION: A KEY ASPECT OF LEADERSHIP IN TAFE
2.4.1 The Motivation of Subordinates and Followers

Motivation and the capacity to motivate is a dominant theme in recent and emerging leadership theories. In this section, an exploration of motivation will be made. Motivation, and the motivation of followers, is linked explicitly to the organisational vision. Consequently, how the organisational vision is articulated for followers is very important because it is this interaction between leader and follower that initiates meaningful alignment between the individual's actions, attitude and values, and the goals of the organisation. Myers (1964) suggested that individuals in an organisational environment are motivated by a desire to use their problem-solving skills. Subordinates have an intrinsic, innate desire to use the totality of their skills and seek to be involved in the organisation's development. Subsequently the successful leader seeks to understand those needs and cater for them through his or her leadership. Reinforcing the centrality of motivation within the study of leadership Herzberg (1966) and Herzberg, Mausner and Snyderman (1959) intimated that individuals have internal motivating factors within their psyche and suggested that an individual's real motivation comes from a sense of their own accomplishment with given tasks.

Herzberg, Mausner and Snyderman's (1959) motivational theories provide an insight into how individuals are motivated or de-motivated by the levels of satisfaction or dissatisfaction they perceive at a point in time in their workplace. Through an understanding of the elements of satisfaction and how these elements motivate people, we know how to develop an organisational environment where staff are self-motivated and leaders are effectively stimulating that environment through participative, interactive relationship-driven management practices.

Central to Herzberg, Mausner and Snyderman (1959) and Herzberg's (1966) model, from a leadership perspective, were the motivational factors of achievement, responsibility, possibility of growth, work itself, status and recognition. Leaders who understood motivation were now able to develop work environments that provided a stimulus for increased worker motivation and productivity. Providing follower satisfaction is a primary motivational element within a leader's repertoire of skills and the leader will draw upon these skills to increase the potential of the followers to follow.

Herzberg, Mausner and Snyderman's (1959) and Herzberg (1966) believed that a leader was able to engage a follower by minimising those elements that were dissatisfying, while increasing the factors that followers found satisfying. Herzberg, Mausner and Snyderman (1959) claimed that, provided a workplace environment could be developed that recognised individual achievement and gave the follower a sense of interest and responsibility of tasks and planned for personal growth, then employees would be encouraged to work harder toward organisational goals.

It is a fundamental premise of this research that in order to create a culture of *entrepreneurship* within TAFE, the TAFE leader is required to motivate, enthuse and direct staff through the change process. These leaders will lead by creating a "vision [that] appeals to customers, stakeholders and employees alike" (Kotter 1995, p. 63 - 64). The vision however should be popular, and must also "be strategically sound [and] … also evocative enough to generate widespread emotional appeal" (Jick 1989, p. 103). These leaders will need to formulate visions that subsequently are embodied in their leadership behaviour in a way that communicates the vision to others, engages others, models behaviours and mobilises followers and their energies toward the vision's realisation (Burns 1978, Bennis and Nanus 1985, Kanter 1983, Kanter, Stein and Jick 1992, Tichey and Devannna 1986).

The formulation of a vision, while imperative for guiding the future direction of TAFE, is only as successful as its implementation by the organisational members. To develop a vision, to promote its implementation, leaders, staff and subordinates must emotionally engage with the vision. The facilitation of that engagement is through the clear and unambiguous promotion of the vision. Leaders capable of providing such a vision for the future and with the ability to create changes in the environment are perhaps heroic (Nadler, Shaw and Walton 1995), charismatic (Bass 1998, Klein and House 1998, Conger and Kanungo 1998a, 1998b, Conger,

Kanungo and Menon, 2000), transformational (Bass 1990, 1998, 1999 and Avolio, Bass and Jung 1999) and/or emotionally intelligent (Salovey, Hsee and Mayer 1993, Salovey and Mayer 1994, Salovey, Mayer, Goldman, Turvey and Palfai 1995 and Goleman 2000, 2001a, Goleman, Boyatzis and McKee 2002). The best person to sell the vision is one who is admired and respected: a leader, not an "ordinary" leader but a heroic leader, a leader with charisma. The following section explores the literature relating to the leader who is charismatic and through that charisma is able to attract followers to the organisational change and its new direction.

Nadler, Shaw and Walton (1995) referred to the *heroic leader*. The heroic leader is one who promotes and leads the change process through envisioning, energising and enabling staff. Nadler et al's leader places significant reliance upon the "development of a very personal bond between the leader and the people in the organisation" (Nadler, Shaw and Walton 1995, p.218). Followers perceive the heroic leader as an individual to be looked up to and their personal inclination is to follow.

A hero is defined as "a person noted or admired ... for outstanding achievements" (Macquarie Dictionary, 1990). But what is it that draws followers to the hero? Charisma is the essential element that is the attraction to the hero's followers. Klein and House (1998, p. 3) said, "charisma is a fire, a fire that ignites followers' energy and commitment, producing results above and beyond the call of duty". Klein and House point out that charisma is an intangible element that is likely to occur when there is:

- *a leader who has charismatic qualities;*
- *followers who are open or susceptible to charisma; and*
- *an environment conducive to charisma*

<div align="right">Klein and House (1998, p. 3)</div>

The attributes and characteristics that make up the charismatic leader are identified by Conger and Kanungo (1988), House et al (1991, 1994) and Bass (1998) as self confidence, the need for social influence, moral conviction, pro-social assertiveness and concern for the moral exercise of power. These are the character attributes of the charismatic leader and therefore it is hypothesised that these are the leaders that are able to motivate their followers.

The charismatic leader is looked upon as an individual who has the capacity to arouse within individuals the motivation to transform (House, Spangler and Woycke 1991, House, Howell, Shamir, Smith and Spangler 1994, Bass 1998, and Conger and Kanungo 1988) to another state: this being a state of acceptance and compliance with the charismatic leader's vision and direction. Followers under the enchantment of the charismatic leader are subsequently induced to exert extraordinary effort in striving to achieve the organisation's vision as articulated by the leader. Nafe (1930), in a very early work, described this leader as a "dynamic-infusive leader", capable of energising a group to move toward a particular level.

Smith (1935) following a similar line of thought, touched upon the notion of the leader endowed with charisma when he used the term "the management of inter-individual tensions" to describe the type of leadership being observed in his research. In an apt description of the charismatic leader at work, Lindesmith and Strauss (1949, p. 492 - 493) make the following comments:

> The (leader) must be dramatic; he must strive for drama, cajole by turns. Whatever he says must fit into his listeners' categories of experience, must be couched in their language. To arouse them he must utilise their own stereotypes, slogans, emotions and memories, but he must subtly shape them for his own ends.

The charismatic leader manipulates the emotions of others (the followers) to engage compliance and acceptance for a common vision and agreed goals in order that organisational objectives are attained. Followers for their part look to the actions and verbal signals of the charismatic leader for direction and guidance. In so doing, followers (Block 1993, p. 147) "yield sovereignty with the expectation that those in charge of us will care for us in a reasonable and compassionate way". Leaders, for their part, accept the responsibility of leading the followers to a future: a future that has its design articulated by the leader.

Contrary to the general enthusiasm to embrace the charismatic leader, we know that leaders work in different ways and we are aware (Greenleaf 1996, p. 294) that "some people seem to be able to lead well in any environment they enter, but most of us do much better in some situations and not so well in others". Indeed Kimberley and Miles (1980) have soberly suggested that the so-called charismatic leadership is only suitable when an organisation is in crisis (eg crisis of control, *entrepreneurial* crisis, and the crisis of decline).

It is clear from the literature that motivation plays a significant role in effective leadership. Regardless of whether it is heroic, transformational, charismatic or path-goal, leadership requires a motivated leader who must motivate the follower. Leaders must understand their own emotions in relation to motivation and use that understanding to motivate their followers. Leaders must use their knowledge (intuitive or learned) of motivation to motivate staff to work toward the stated organisational goals. The ability to "identify and understand the emotions of others in the workplace is important for leaders, so they might influence the feelings of subordinates to maintain enthusiasm and productivity" (Gardner and Stough 2002, p. 77). Nadler and Lawler (1983, p. 73) remind us of the importance of developing effective organisational leaders when they state:

> *"...performance of individuals is a critical issue in making organisations work effectively. If a manager is to influence work behaviour and performance [they] must have any understanding of motivation and the factors, which influence an individual's motivation to work".*

A description of a highly skilled leader who understands the influence of motivation is "one who ... helps subordinates feel strong and responsible, rewards them properly for good performance and sees that things are organised so that subordinates feel they know what they should be doing" (McClelland and Burnham 1995, p. 127). McClelland and Burnham found through their research that leadership was heavily predicated upon the leaders capacity to motivate followers.

Leaders are accountable in regard to the "environment, which is often the source of danger and the source of unhappiness" (Herzberg 1976, p. 51). Leaders must accept responsibility to reduce the unhappiness created by the environment. As workers become happier, they subsequently become far more productive; therefore, the primary goal of leaders should be to ensure that an organisation is successful through its motivated workforce. Sergiovanni and Carver (1973), in a study on the motivational drivers of academic staff corroborated the work of Frederick Herzberg when they concluded that achievement and recognition were powerful motivators for academic staff accompanied by work, responsibility and the potential for growth.

David McClelland and David Burnham (1995, p. 14) corroborated Sergiovanni and Carver (1973) research findings when they said that many followers "have an intense need to achieve. Leaders have a responsibility to ensure the needs of workers are met because in meeting those needs, workers are then able to focus upon the broader issues of achieving the organisational needs". The pattern of

meeting the basic needs of followers before being able to focus on the attainment of organisational goals is a re-occurring theme that appears in a number of theorist's writings (Herzberg 1966, 1976, Herzberg, Mausner and Snyderman 1959, Sergiovanni and Carver 1973 and Kotter 1990).

Similarly, communication and relationship development is at the heart of follower motivation. Effective leadership requires "people who can correctly assess the personal and situational variables with which they are confronted and who have the behavioural repertory necessary to act appropriately and efficiently in their efforts to influence others" (Tannenbaum, Weschler and Massarik 1961, p. 209). In order to motivate the followers, the leader cannot rely upon the traditional hierarchical structures, base level rewards (eg, position, power, remuneration) and employment contracts. The work of Bennis and Nanus (1985) captured the attributes of leaders as being the ability to command respect, and apply a vision that is owned by staff. Coupled with this, Bennis and Nanus (1985, p. 82) found that successful leaders were able to engage with subordinates "the feeling of being at the centre of the social order" and further stated "leaders influence particular subordinates by reinforcing their self-worth" (cited in Mumford, Dansereau and Yammarino 2000, p. 313).

Successful leaders demonstrate behaviour, which is closely correlated to the sense of motivation a follower might have towards the organisation. The effectiveness of leader behaviour on the goals of subordinates has been the focus of researchers such as Dansereau, Cashman and Graen (1973) and Mitchell (1970) who have sought to identify how the leader affects subordinates' expectations and how those expectations influence and motivate subordinates to achieve within the context of the organisation.

Evans (1970, 1974) in his study to determine the subordinates perceptions and expectations in the path-goal theory of motivation found that the relationship between leader and subordinate is predicated on the perceptions each has for the other; in other words the perception(s) the leader has of the subordinate and visa versa. Evans concluded there was a positive correlation between leaders who were viewed as supportive, when those leaders provided guidance and direction to their followers. The evidence reported by Evans (1974) has established a definitive link between subordinates' performance ratings and leadership behaviour. Similarly, research associated with the development of group learning for teachers found that group development is directly related to the degree to which members of the group

become engaged emotionally and it has subsequently been a dimension with which almost all theorists have been concerned (Miles 1959, Miles, Saxl and Lieberman 1988).

Covey (1992) touched upon relational leadership when he commented that leadership must embrace the needs of the individual, build strong interpersonal relationships, and manage effectively to achieve a win-win situation and build organisational productivity. While Myran, Zeiss and Howdyshell (1996, p. 25) stated, "all staff must continuously increase their capacity to connect what they see in the environment to what they do" and went on to conclude that leader/follower relationships were critical in this process.

The effectiveness of the leader's motivational skills is variable and influenced by the situational circumstances (the environment) and the individual's condition (behaviour and relationship) at the time. Indeed, the need for personal "achievement does not influence behaviour under just any conditions or any routine task, but only when the situation offers a personal challenge" (Stewart 1982, p. 68) and even then the "powerful emotional, motivational, and interactional phenomena of the group profoundly affect its determination to do group tasks well" (Likert and Likert 1976, p. 127).

In 1964 Victor Vroom sought to gain a comprehensive understanding of motivation and reported that people's behaviour is rational and anticipative (has expectations) of events that are likely to occur with predictable outcomes and consequences. Vroom concluded that the assumptions of motivating expectancy are:

> *Assumption 1* – people do not just respond to events after they occur; they anticipate (or expect) that things will occur and that certain behaviours in response to those events will probably produce predictable consequences. Expectancy theory suggests then, that individuals are highly proactive and not merely reactive.
> *Assumption 2* – humans usually confront possible alternative behaviours (and their probable consequences) in rational ways.
> *Assumption 3* – through experience, individuals learn to anticipate the likely consequences of alternative ways of dealing with events and, through this learning, modify their responses.

A major finding from the literature is that motivation is integral to good and effective leadership. The motivation of followers is integral to that process, but leaders will only be effective as leaders of change if they manage the motivation of

their followers. Within the process of learning to lead effectively, leaders must understand their own drivers: what is it that motivates and drives leaders to manage change through their followers?

2.4.2 The Motivation of Leaders

Experienced leaders are aware that institutional effectiveness and success is determined in large measure by the quality and effectiveness of subordinates. The more committed, enthusiastic and motivated organisational staff are, the greater the progress toward success for the organisation. To achieve the commitment and enthusiasm of staff requires leaders to lead. A primary element of that leadership is the development of leader/follower relationships and the application of motivation.

Those leaders in the best position to exploit the emotions of others are those that understand their own motivational prompts. Goleman (1995a, p. 117) and Salovey and Mayer (1990, p. 122) coined the term *emotional intelligence* in reference to gaining an understanding of oneself and one's emotions. David Goleman (1995a, p. 113) characterised emotional intelligence as:

- *Understanding one's emotions*
- *Knowing how to manage them*
- *Emotional self-control, which includes the ability to delay gratification*
- *Understanding other's emotions or empathy*
- *Managing relationships.*

A primary premise of emotional intelligence is to understand oneself. Only through understanding oneself is the leader able to understand and manage others. Palmer, Walls, Burgess and Stough (2001, p. 126), in a trial involving 43 participants assessed their leadership abilities against an emotional intelligence framework using a Trait Meta Mood Scale and concluded there were several significant correlations between a number of leadership theories not the least of which was transformational leadership and emotional intelligence. More importantly, Palmer, Walls, Burgess and Stough (2001) identified the "ability to monitor" and the "ability to manage emotions in oneself" and others as being closely correlated with "inspirational motivation and individualised consideration" components of transformational leadership.

Personal leadership attributes however, do not ensure subordinate acceptance or compliance. Most individuals accept that "leadership always involves attempts on the part of the leader to affect (influence) the behaviour of the follower or followers in situation" (Tannenbaum, Weschler and Massarik 1961, p. 24). This by no means assumes individuals will become followers. In order to achieve an effective following the:

> "ability to control emotions experienced at work is integral to effective
> leadership. A leader needs to maintain a positive appearance to subordinates
> in order to instil feelings of security, trust and satisfaction and thus maintain
> an effective team".

> Gardner and Stough (2002, p. 77)

In a recent study to determine whether emotional intelligence was associated with transformational leadership, 49 managers were investigated by Barling, Slater and Kelloway (2000, p. 159) and from that study it was found that "individuals with high levels of emotional intelligence [knowing the needs of the individual] are seen by their subordinates as displaying more leadership behaviours". McClelland and Burnham (1995, p. 126) have concluded that extremely successful leaders are highly "motivated toward the institution and not toward their own aggrandisement and power".

In order to lead and grow the organisation, the leader seeks to understand the driving force within. McGregor (1960) identified *institutional leaders* as those who are motivated by power and achievement. Specifically, McGregor calls this *institutional leadership*. McClelland and Burnham (1995, p. 126) comment that:

> "... institutional ... [leaders]... are high in power and motivation, low in
> affiliation motivation, and high in inhibition. These leaders care about
> institutional power and use it to stimulate their employees to be more
> productive".

They strive to build a workplace environment, in which followers feel able to contribute and compliment the leaders supportive and participative behaviour.

The concept of the institutional leader is derived from a study that included surveys of managers and leaders from many countries including the United States, India and Colombia. McClelland and Miron (1979), McClelland and Winter (1969), Stahl (1986) and McClelland and Burnham (1995) suggest good leaders express a desire for power to influence followers and the desire to influence followers outweighed the leader's need to be liked. As McClelland and Burnham (1995, p. 126) reiterate, these managers have a "need for achievement, the desire to do something better

or more efficiently than it has been done before". Indeed, these leaders did not seek personal aggrandisement, rather their desire for control is linked to creating benefit and growth for the institution, hence the categorisation as "institutional leaders".

The principle of supportive relationship "places a heavy demand upon the institutional leader. To apply it effectively, leaders must be relatively sensitive persons with a reasonably accurate insight into the reactions and behaviours of others" (Likert and Likert 1976, p. 110).

McClelland and Burnham's (1995) institutional leader is one who believes the role they play is for the "good of the organisation". The effort required to achieve this is not inconsequential and we must ask why an individual (the leader) would seek to engage in this "motivational" activity each day. A typical business day in the life of this leader is one burdened by a continual application of diligence to working, with constant effort to motivate.

In an attempt to understand the motivational drivers of this leader, Stewart (1982, p. 60) reminds us that motives are biological, motivate habitual behaviour, and partake of the "form of the organic" that may be captured in the logic of dialectics or homeostasis of the biological sciences. The answer lies in the leader's internal psyche, the leaders own internal motivational system. As McClelland and Burnham (1995) explain, whilst power is the motivation behind good leaders, it is power that is used to stimulate and energise followers. Of McClelland and Burnham's (1995) three managerial types (i.e. institutional managers, affiliative managers and personal-power managers) the institutional manager is motivated "to sacrifice some of their own self-interest for the welfare of the organisation they serve" (McClelland and Burnham 1995, p. 138).

Explaining the nexus between leaders and the environment, it was said that "corporate culture, like the human body, is an eco-system of independent relationships, and these must be balanced synergistically" (Covey 1992, p. 252) with the rest of the workplace environment. The "institutional [leader] is the most successful in creating an effective work climate. Subordinates, operating within the institutional leader program feel that they have more responsibility; they feel empathy toward the manager and are prepared to strive under that leadership. Also these kinds of managers create high morale because they produce the greatest

sense of organisational clarity and team spirit" (McClelland and Burnham 1995, p. 140). The highly successful leader is accordingly described as:

> *"... somehow their positive self-image is not at stake in their jobs. They are less defensive, more willing to seek advice from experts, and have a longer-range view. They accumulate fewer personal possessions and seem older and wiser. It is as if they have awaked to the fact that they are not going to live forever and have lost some of the feeling that their own personal future is all that important".*

<div align="right">

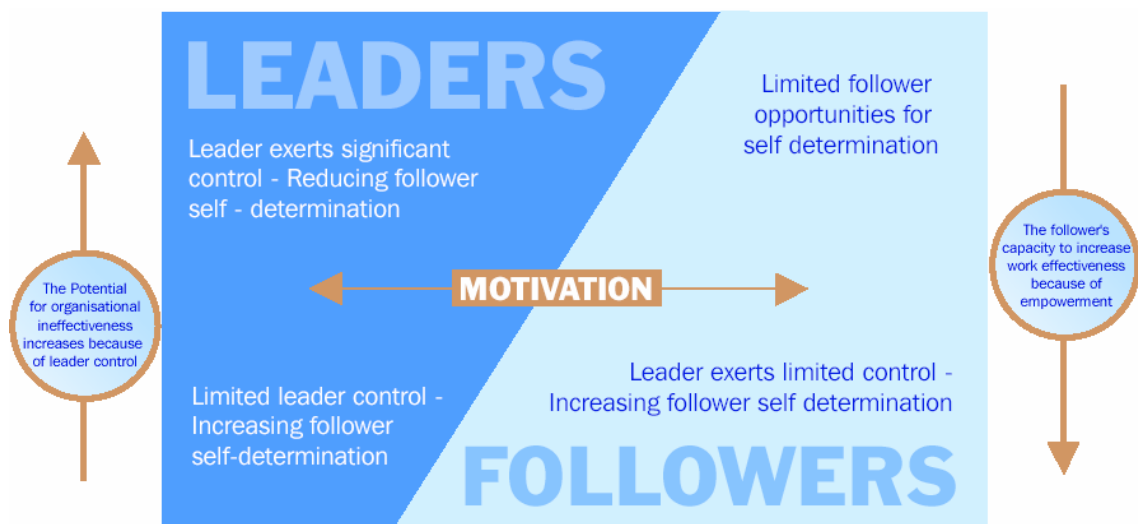McClelland and Burnham (1995, p. 138)

</div>

Research suggests that the institutional leader is a classification of leader that is intrinsically motivated to achieve an effective organisation (McClelland and Winter 1969, McClelland and Miron 1979, McClelland and Burnham 1995). It is the institutional leader who is able to empower and motivate followers in regard to the achievement of organisational goals. From the follower's perspective the institutional manager is focussed not on personal positioning but rather on the promotion of the organisation (McClelland and Burnham 1995). It is this sort of sentiment and perceived action that motivates followers within the workplace. Similarly, followers react to this motivation in a manner that can have positive or negative effects on the organisation.

Central to motivational leadership is the leaders capacity to "connect" with their staff which they do through relationships founded upon trust and rapport: an assumption being that the greater the levels of trust, the greater the level of subordinate motivation (McClelland and Burnham 1995). These leaders connect with their staff's emotions because of their understanding and mastery of their own emotions (Goleman 2000, 2001a, 2001b, Goleman, Boyatzis and McKee 2002a, 2002b, Mayer, Salovey and Caruso 2000, Mayer, Caruso and Salovey 2000).

To better illustrate the interplay and interaction between empowerment, organisational effectiveness, leaders control, worker efficiency, trust and rapport Figure 2.3 is provided. At the centre of successful leadership is the level of motivation that is felt by the staff, encouraged by the leader and is developed within the organisational environment (Figure 2.3 has at its centre motivation which is directly attributable to the relationship between the leader and the follower). The level of motivation that is exhibited by staff results in either the empowerment of staff by the leader or the establishment of stringent controls by the leader (As can be seen within Figure 2.3, greater empowerment by the leader results in less leadership control and an increase in the level of semi-autonomous

decision-making undertaken by the followers). Conversely as the leader takes greater control of the organisation there is a significant reduction in the capacity of the followers to self-determine. The arrows in Figure 2.3, on each side of the centre rectangle illustrate the follower's capacity to work effectively and the potential for organisational ineffectiveness because of a leader controlled environment and the disempowerment of staff. A key feature of successfully leading organisational transformation is the management of the relationships of trust, rapport and empowerment of subordinates. A feature of powerful successful leadership is built around the notion of motivation and the leaders capacity to motivate subordinates (Goleman, Boyatzis and McKee 2002a, 2002b).

FIGURE 2.3 EMPOWERMENT THROUGH MOTIVATION

Adapted from Goleman (2002), McClelland and Burnham (1995)

The interplay of trust between leader and follower motivates and encourages leader and follower to strive, and as trust increases so there is a transition of power and control to the follower – which in turn further motivates the follower. Therefore the task of the leader is to achieve organisational effectiveness by empowering others. Followers will on the other hand be motivated because they are further empowered to control their environment and will therefore become more effective in the way they work (Greenleaf 2002). Central to success in this model is motivating the follower through building positive relationships.

Effective leadership is predicated on many variables, each of which influences and impacts on the environment, on the leader and follower in different ways. While many would appreciate the concept of a "one size fits all" relational model between

the leader/follower, the reality is that leader/follower behaviour is variable (House, Spangler and Woycke 1991). Just because a situation appears, to the observer, to be similar and followers are similar, and the leader has particular characteristics, does not mean that similar responses will be recorded from the followers. One of the interesting and unpredictable features of leader-follower relationship behaviours is its variability through time and circumstance (House, Howell, Shamir, Smith and Spangler 1994).

This chapter has demonstrated the complexity of leadership from a TAFE college perspective: It might possibly be summed up by suggesting that motivated leaders and motivated followers are at the centre of the creation of organisational effectiveness. With motivated followers enthusiastically working for the organisation, there is positive productivity, a keenness to achieve the goals of the organisation and a strong focus on meeting the expectations of the client. The motivation of followers is largely dependant on the leader's skills to motivate their followers.

Leaders are able to motivate their followers through creating the environment that followers find highly satisfying. The greater the follower satisfaction the greater the level of motivation exhibited by the follower. Leaders have a responsibility to enhance the levels of follower motivation by building and managing their relationships with their followers. Leaders are enabled in the relationship building processes by their capacity to manage their own and others emotions. The better leaders in TAFE will be those capable of understanding and applying the principles of emotional intelligence, because emotional intelligence is a psychological and cognitive tool that has the capacity to generate powerful relationships.

Leaders in TAFE cannot assume that emotional intelligence is the definitive leadership stratagem, but they must be cognisant of the situation in which they operate and they must be able to provide a goal (vision) and a path (direction) to achieve the results; In other words, understanding the framework of contingency leadership. Only by accepting that all the elements of leadership, emotional intelligence and motivation are necessary for leadership in TAFE will leaders be highly successful.

2.5 ENTREPRENEURIALISM AND TAFE

2.5.1 TAFE and the De-regulation of the VET Market Place

This chapter has previously examined the literature on leadership with an emphasis on the contingency models of leadership, the role of motivation and emotions used by leaders in managing the change process. The intention now is to examine the literature on *entrepreneurship* because it is the development of an *entrepreneurial* culture in TAFE that provides the outcome of the change process lead by the CEOs and MLMs and is of specific interest to the researcher.

It is the contention of this study that TAFE leaders will employ the knowledge and skills of *entrepreneurship* underpinned by the competencies of emotional intelligence, motivation and change management in their leadership of TAFE institutes and colleges. As these leaders transform their institutes, it is suggested that emotional intelligence, leader - member exchange and goal – path leadership frameworks will be the instruments used to instil within TAFE staff the importance of *entrepreneurship* in their future growth. The thrust of TAFE's *entrepreneurship* will be upon innovation, flexible delivery, new product development and the expansion of VET into the market place.

Already the tide is shifting, with the *entrepreneurial* dynamic becoming more apparent in "full-fee marketing in higher education, in the growth of the training market, and the commercialisation of research; These areas are characterised by rapid and apparently open-ended growth" (Marginson 1997, p. 33). Unfortunately, while there are educational and training *entrepreneurs* in the training and education environment, their numbers are small and their overall impact is minimal. It may be suggested that the return on investment that these *entrepreneurs* are achieving is not keeping pace with the government's direct funding reductions; neither are the generation of new business opportunities enough to sustain existing organisational costs (Marginson 1997). As Gettler (1998, p. 18) says, "unless we change, unless we are a dynamic innovative organisation, we are going to be on a pathological downward curve. We will get weaker rather than stronger". This is not to suggest that the Australian VET environment has been stagnant in its chase to build a nationally competitive product, rather the comment suggests that there is a need for improvement. In Australia, "international education now exceeds wheat as an export earner" (Taylor, Rizvi, Lingard and Henry 1997, p. 73). Indeed, Jeffress (1991, p. 13), sees "*entrepreneurship* gaining momentum as the basis of

change at the organisation level". The drive to see TAFE environments more responsible for generating revenue and being responsive to their clients invariably heralds a dramatic need for TAFE leaders to be highly *entrepreneurial* and dynamic.

Across all sectors of education there has been a partial move away from public provision:

> *"in schooling and training, governments now encourage the growth of the*
> *private services, and the proportion of school students in the government*
> *sector has fallen to 71 percent. Fees have been reintroduced in both*
> *universities and TAFE colleges; full fee marketing to international students*
> *is a major export industry and, between 1983 and 1993, the government*
> *share of university funding had declined from 91 percent to 62 percent".*
>
> Marginson (1997, p. 5)

While it is easy to suggest that TAFE institutions need to generate revenue, one is conscious that many of the same institutions are hobbled by restrictive legislative requirements, bureaucratic structures, audit accountabilities and restrictive industrial relations practices. As Deitrich and Robertshaw (1994) said, TAFE institutions are increasingly interested in selling courses, but

> *"buying can be a slow and frustrating process since apparently sellers do*
> *not see normal marketing strategies as appropriate. However, a course is*
> *no different to any other product - a buyer needs to know what exactly it*
> *contains, what its limitations and potential are, how it is best used, what is*
> *needed to use it, its price, what after sales service is provided and to be*
> *reassured of its quality".*
>
> Dietrich and Robertshaw (1994, p. 76)

The trend in VET, as in education generally, is to promote the growing use of self-managing institutions, whether public or private, and self-managing individuals. The future education systems are being conceived as "...competitive system-markets, although no less subject to government rules, obligations and legislation. It is expected within this changing environment that the norms of public service [are being] replaced by those of competition, efficiency and customer demand" (Marginson 1997, p. 64 - 65). Whereas TAFE management practices and attitudes of the 1970s and 1980s were focused on due process requirements, TAFE colleges of today must pursue *entrepreneurial* activities. There is increasing pressure on TAFE colleges to change because "leaders of states … attribute great importance to education as part of the means of achieving social transformation" and it is "expected to be the primary vehicle for the developing and training skills to ensure

that the next generation in society is adequately prepared for the specific tasks that the society expects of it" (Carnoy and Samoff, 1991, p. 7). To manage within this environment requires institutions to be *entrepreneurial* and highly flexible and adaptable to a changing environment.

Similarly, TAFE's charter lies in supporting Australia's growth through the improvement of the knowledge and skills of its people. As Bakkeng (1997, p. 20) said of successful nations, "to succeed we need to utilise, make the most of, mobilise and develop our employee's total value-producing competence … competence and culture is non-copiable". Good business processes suggest that quality leaders will be integral to success and therefore it is crucial that leadership skills in TAFE are successfully developed and exploited. As Neil Fernandez[5] recently informed leaders of the TAFE Colleges of Western Australia, "TAFE is a strategic instrument of government policy".

Governments in more recent years have engineered quasi-market systems in government schools, TAFE and higher education, in which institutions compete for public and private funding. Within these "quasi-markets" there may be islands of full market activity, which are identified with full fees and more *entrepreneurial* behaviours; as is in the markets for international students" (Marginson 1997, p. 38). The notion that education and training is independent of discussions on economic rationalisation is erroneous. However, there is recognition that VET is firmly entrenched in the inter-relatedness of Australia's economic performance. Marginson (1997) reinforces the entwining of VET and Australia's economic performance when he states:

> *"Education and training is implicated in economic discourse; in strategies for population management; in the preparation of labour for work and it's training; and programs for unemployment. The management of education is shaped by economically defined objectives and methods, and increasingly is driven by competitive economic pressures."*
>
> Marginson (1997, p. 13)

This was reinforced when Gettler (1998, p. 17) stated, "it is now standard for corporate and public institutions to strike educational alliances" in order to effectively deliver training. It will be through these alliances and strategic partnerships that the economy of VET provision will be secured. It is equally wise to realise that the "reality" of the business world and the changing nature of the

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[5] Neil Fernandez, Deputy Director General – Training, Western Australia. Speech to Managing Directors of TAFE Western Australia on 8 February 2004.

training market means, "educational policy analysis needs to take account of the fact that these days, educational policy is made elsewhere than in departments of education" (Taylor, Rizvi, Lingard and Henry 1997, p. 74).

In order to engage the future, TAFE leaders must be able to harness the resources of the college and be able to establish an accepted vision for the future. To achieve and meet the obligations of a changing TAFE environment, TAFE leaders require a repertoire of leadership skills that will allow them to create an *entrepreneurial* TAFE culture. While there have been and will continue to be a profusion of leadership theories the TAFE leader must adopt a pragmatic view that enables an eclectic approach to be taken to leading in TAFE. A primary feature of leading in TAFE will be the leader's capacity to build an *entrepreneurial* culture in the TAFE environment. Proceeding upon the assumption that TAFE leaders are to become more *entrepreneurial* in order to embrace the future, the next section of this Chapter explores the concept of an *entrepreneur* and how *entrepreneurship* is conducted.

2.5.2 The TAFE Leader as an Entrepreneur

The word *entrepreneur* gained its first prominence in the writings of Cantillon (1755) when it was used to describe "one who exercises business judgement in the face of uncertainty". Sometime later Schumpter (1934a, 1942) defined the *entrepreneur* as one who "uses innovation to change the framework of business". Langlois (1994, p. 122) characterised *entrepreneurs* as "stepping outside existing cognitive frameworks".

The notion of the *entrepreneur* has been variously linked to terms such as "building businesses, creating wealth, being innovative and doing business on one's own account and at one's own risk" (Clark 1998, p.54). Stopford and Baden-Fuller (1994) have identified three types of *entrepreneurship*, the first of which is associated with intrapreneurship (Burgelman 1983, Kuratko, Montagno and Hornsby 1990, Block and MacMillan 1993); intrapreneurship being the *entrepreneurial* use of resources that are not owned by the *entrepreneur*. The intrapreneur operates from within established organisations and deploys resources to maximise benefits to the organisation. The second form of *entrepreneurship* is that commented on by Schumpter (1934) and Stevenson and Gumpert (1985). Schumpter's *entrepreneur* is the innovator who implements change within a market environment. Schumpter did not consider those operating within organisations as *entrepreneurs*. Schumpter equated *entrepreneurship* with innovation in a business

context and by bringing together of resource combinations. The third category of *entrepreneurship* is that identified by Kanter (1983a, 1983b), Beer, Eisenstat and Spector (1990), which focuses on the transformation of organisations and it is this concept of *entrepreneurship* that is of specific interest to the researcher. While all of the identified types of *entrepreneurship* are different, a common theme within all is risk taking, innovativeness and self-assuredness.

For many researchers of *entrepreneurship*, the *entrepreneur* is very adept at making quality decisions because of the availability of information and more importantly, the cognitive processes the *entrepreneur* applies to the information (Casson, 1982), which subsequently creates innovation. Drucker (1985, p. 59 - 64) corroborated Casson's work when he defined *entrepreneurship* as an "act of innovation that involves adding new wealth producing capacity to existing resources". Kirzner, Hannah, McKendrick, Vinson, Wickenden, Knight, McFadzean, Henderson, McRae and Pearce (1980) described *entrepreneurs* as being "alert" and the creators of fundamental change and "innovative, flexible, dynamic risk-takers and creative" (Stevenson and Gumpert 1985).

Some early work undertaken by Abbe Nicholas Baudeau defined the *entrepreneur* as a "decision-making individual who clearly bears risks because of the nature of his activities, but also invents or innovates in order to reduce costs and therefore raise profits" (cited in Hebert and Link 1982, p. 25). Continuing the theme of economics and profitability Coles (cited in Hebert and Link 1982, p. 7) says that the "study of the *entrepreneur* is a study of the central figure in economics". *Entrepreneurial* leaders are identified as being responsive to the environment in which they operate. Lydall (1992, p. 73) suggests there is always a need for *entrepreneurial* activity "even when there are no revolutionary changes in technology, every business is constantly faced with changes in its environment and in its own composition and these changes require new *entrepreneurial* decisions if the business is to prosper".

Shackle (1982, p. 82) further defines the *entrepreneurial* act as:
> *"... the indispensable psychic act, which gives ... meaning ... [to the use of]*
> *as resources? It is imagination [that is] the ultimate creative act of thought*
> *in which men are tempted, with some excuse, to find their apotheosis, to*
> *see themselves as plenipotentiaries of divine power".*

While the definition of *entrepreneurship* by Shackle borders on the evangelistic, Casson (1997, p. 199) provides a simplistic description of the work that was undertaken by an *entrepreneur*:

> *"…in Prato where most of the small firms were subcontractors working for impannatore – entrepreneurs with no fixed capital of their own who procured raw materials, and put them out, using a special contract, for them to be made up into finished products according to their own designs. A typical impannatore would put out work to a favoured group of main contractors, each of whom would in turn subcontract to smaller firms who were already known to them"*.

A number of researchers (Burgelman 1983, Kanter 1983a, 1983b, Stevenson and Gumpert 1985, Beer, Eisenstat and Spector 1990, Block and McMillan 1993, Stopford and Baden-Fuller 1994, Clark 1998) have discussed the notion of *entrepreneurs* and what constitutes the development of *entrepreneurship*. A strong theme that underpins this discussion is the emphasis on the psychological values held by the *entrepreneur*. While the generation of profit and the sourcing of improved business opportunities is considered central to the role of the *entrepreneur* they, none the less, exhibit a value-set that has many common elements regardless of the definitions of *entrepreneurs* postulated by different researchers. These values are a propensity to be individualistic, they strive to achieve, are open to change, self-motivated, highly creative and willing to act in an independent manner. Michael Palmer (1987, p. 46) further describes the successful *entrepreneur* as:

> *"… that individual who can correctly interpret the risk situation and than determine policies which minimise the risks involved, given a particular goal aspiration. Both functions are essential for successful entrepreneurship"*.

Taking a very commercial focus Kirzner (1978, p. 76) wrote that the "focus of the *entrepreneurial* leader is on profit because the notion of *entrepreneurship* is inseparable from the opportunity for profit". Kirzner believed that the *entrepreneur* is able to recognise opportunities in the market place and then act upon them to take advantage of the situation. While the thrust of this research is the development of *entrepreneurial* leadership in TAFE, its *entrepreneurial* focus is not exclusively upon the generation of profit. Rather the focus of *entrepreneurial* leadership in TAFE is upon the development of the *entrepreneurial* values of risk-taking, innovation, self-motivation, creativeness and a desire to achieve, in order to transform the TAFE environment.

Lydall promotes *entrepreneurs* as focused on business management as he describes their characteristics through his statement that the "*entrepreneur* must have a strong sense of commitment, and be prepared to work extremely hard" (Lydall 1992, p. 77). He also states, "everyone is a potential *entrepreneur* provided that he/she has the necessary quality of alertness to profitable opportunities" (Lydall 1992, p. 70). Lydall concludes "in order to generate a strong sense of economic development, *entrepreneurship* is a critical factor" (Lydall 1992, p. vi).

Many definitions have been developed and applied to the *entrepreneur* and their activities since the middle 1800s. The table below provides some insight into the diversity of perspectives that researchers have brought to the notion of *entrepreneurship*.

TABLE 2.9: HISTORICAL DEVELOPMENT OF THE ENTREPRENEUR		
Research Date	**Researcher / Author**	**Entrepreneurial Characteristics**
1848	Nill	Risk bearing
1917	Weber	Source of formal authority
1934	Schumpter	Innovation, initiative
1954	Sutton	Desire for responsibility
1959	Hartman	Source of formal authority
1961	McClelland	Risk-taking, need for achievement
1963	Davids	Ambition, desire for independence, responsibility, self confidence
1964	Pickle	Drive/mental, human relations, communication ability, technical knowledge
1971	Palmer	Risk management
1971	Hornaday and Aboud	Need for achievement, autonomy, aggression, power, recognition, innovative/independent
1973	Winter	Need for power
1974	Borland	Internal locus of control
1974	Liles	Need for achievement
1977	Gasse	Personal value orientation
1978	Timmons	Drive/self confidence, goal oriented moderated risk taker, internal locus of control, creativity/innovation
1980	Sexton	Energetic/ambitious, positive reaction to setbacks
1981	Welsh and White	Need to control, responsibility-seeker, self confidence/drive, challenge taker, moderate risk taker
1982	Kunkelberg and Cooper	Growth oriented, independence oriented, craftsman oriented.

Adapted from Carland, Hoy, Boulton and Carland (1984, p. 8)

Further work on the characteristics of *entrepreneurs* has seen Timmons (1994) identify the characteristics of *entrepreneurial* people as having drive and energy, self confidence, problem-solving determination, initiative taking and responsibility acceptance, ability to accept failure, self imposed standards, tolerance and ambiguity, and an internal locus of control. Similarly Casson (1982) suggested that *entrepreneurs* were personnel who specialise in taking judgemental decisions and who are responsible for decisions about the coordination of scarce resources. Lydall (1992, p. 78) identified the characteristics of *entrepreneurs* as a willingness to bear uncertainty, the possession of sufficient resources, a knowledge of the relevant technology, special abilities, such as alertness to business opportunities, good judgement, self confidence, leadership, ambition and drive, a large current input of work and worry, and good luck.

This research has focused on attempting to quantify the leadership attributes and competencies required to achieve an *entrepreneurial* TAFE organisation and this chapter touches upon the *entrepreneur* and *entrepreneurialism* in TAFE. However, other researchers have sought to differentiate the conduct of *entrepreneurship* in private enterprise and *entrepreneurship* in the government sector. These are defined as, *entrepreneurship* and intrapreneurship respectively.

In 1986 Gifford Pinchot introduced the concept of the "intrapreneur, which was an *entrepreneur* within an already established organisation" (Pinchot 1987, p. 7). Jennings (1994, p. 192) argues, "intrapreneurs are concerned with both designing products and projects and then being personally involved in the implementation process". While there are similarities between the *entrepreneur* and the intrapreneur, Bird (cited in Jennings 1994, p. 271) emphasises the differences as:

> *"Intrapreneurs operate under some form of corporate accounting system, with reporting relationships to hierarchical superiors; entrepreneurs stand-alone. Intrapreneurs do not personally face the financial risk that entrepreneurs do; they for-see the same rewards."*

If profits motivate the *entrepreneur* within the private sector, other benefits, such as achievement and social justice, motivate the public sector intrapreneur. Public sector intrapreneurs personally achieve their "*entrepreneurial* reward through a lack of stakeholder guilt and enhanced self satisfaction from being prime movers within their social and market environments" (Boyett 1996, p. 49). By way of example, Boyett (1996, p. 42) points to the example of the tertiary sector's Vice Chancellor "who takes risks, backs hunches, creates and seizes opportunities. But they must also be a motivator and leader, creative resource investigator, communicator and

ambassador, while at the same time possessing a clear vision, objectives and strategic plan".

Some have argued that the public sector does not produce *entrepreneurs*. Boyett found in examining the public sector that *entrepreneurs* were at work and Boyett (1996) went on to describe the characteristics of the public sector *entrepreneur* as:

- *Vision*
- *Ability to allocate resources for quality service*
- *Ability to delegate*
- *Ability to organise*
- *Ability to reduce individual and team stress*
- *Ability to think long term*
- *Accepts responsibility of leadership*
- *Ability to motivate at all levels*
- *Ability to select a good team*
- *Ability to develop a good team*

Boyett (1996, p. 42)

It is interesting to note that many of the elements that are identified by Boyett (1996) as being values and attributes of *entrepreneurship* are also found in the practice of good leadership. Goleman (2000) is his writing identified that leadership is underpinned by building good relationships that motivate staff and develop team harmony. Dansereau (1998) highlighted that an element of leadership was to provide direction, organisation and delegation. House (1983) presented a theory of leadership, which had the leader establishing the path through the allocation of a vision and the provision of resources. It is clear the leadership attributes identified by Goleman (2000), Dansereau (1998) and House (1983) are mirrored in Boyett's (1996) *entrepreneurial* leader.

Demonstrating that public sector *entrepreneurs* (intrapreneurs) were similar to private sector *entrepreneurs*, Eggers and Smilor (1996) conducted a comparative analysis and found that the skills of the *entrepreneur* and the intrapreneur were strikingly similar. In order to be successful, *entrepreneurs* and intrapreneurs must have the requisite skills of:

- *financial management*
- *communication*

- *motivating others*
- *vision/direction/focus*
- *motivating self*

<div align="right">Eggers and Smilor (1996, p. 32 – 33)</div>

For the purposes of this research the terms intrapreneur and *entrepreneur* are used inter-changeably because the focus of this research is upon the values that are attributable to the *entrepreneurial* leaders within TAFE, with less of an emphasis being placed upon the need to generate profits. Indeed the skills and attributes identified by Eggers and Smilor are similar to those needed by the TAFE leader to achieve a highly motivated staff cohort, competitiveness in the training market place and organisational effectiveness (Kantor 1983, Beer, Eisenstat and Spector 1990). For the purpose of this research both the *entrepreneur* and intrapreneur (Burgelman 1983, Block and MacMillan 1993, Kuratko, Hornsby, Naffziger, Montagno 1993) are considered similar with little to differentiate the two. *Entrepreneurship* for the purposes of this research is defined as having the same characteristics and attributes as described by Boyett (1996).

In the TAFE environment the leaders do not necessarily handle the resources that they control, rather the successful TAFE leader applies a different perspective to those resources and encourages others to optimise their usage. The *entrepreneurial* leader in TAFE is defined because of their manipulation of the sources. Indeed "it is where flows of information are concerned that the *entrepreneur* comes into their own" (Casson 1997, p. 216). It is the information and the manner in which the *entrepreneur*'s imagination takes advantage of the information to create success that is of importance. What distinguishes the *entrepreneur* from other managers is their capacity to analyse those imperfections and harness the available resources to achieve the necessary outcomes.

In summary, *entrepreneurs* and intrapreneurs initiate innovation and *entrepreneurial* activities which:

> *"…[are] a dynamic process, which requires linkages or relations between key components of the process. Unlike neoclassical economic theories that view entrepreneurs as rational and isolated decision-makers, social-psychologists believe entrepreneurs do not make decisions in a vacuum, but rather consult and are influenced by significant others such as family, friends, suppliers, and casual acquaintances".*

<div align="right">Alizadeh, Perry and Riege, (1997, p. 3)</div>

Entrepreneurs have the ability to "direct the goals and direction of their organisation in order to influence the overall mission and strategic direction of the business" (Bateman and Grant 1993). The *entrepreneurially* led organisation according to Miles and Snow (1978) will search the market place for new products, services and technologies. Organisations [such as these] are the creators of change in their industries. The literature indicates that leadership and *entrepreneurship* are inextricably linked with many of the core values and attributes of leadership and *entrepreneurship* being very similar and in many cases the same. It can be concluded from this evidence that successful leaders will exhibit many of the values and attributes inherent in *entrepreneurs* and visa versa. Therefore successful *entrepreneurial* leaders in TAFE should have the temperament that embraces risk-taking, innovativeness, and creativeness, are self-motivated and exhibit a desire to achieve, in order to transform the TAFE environment.

In a recent study that linked leadership and *entrepreneurship*, Bateman and Crant (1993) used 412 participants to determine the level of personal disposition toward proactive behaviour, which established a positive correlation between elements of *entrepreneurialism* and transformational leadership and this in turn had a tendency to effect environmental change. One might conclude from this study that successful transformational leaders are inclined to be *entrepreneurial* in outlook and behaviour. In a later study it was found that company presidents who were *entrepreneurially* inclined were able to lead the transformation of their companies (Becherer and Maurer 1999). It is noteworthy that the *entrepreneurial* paradigm includes the skills of motivating others, motivating self and providing vision, direction and focus (Eggers and Smilor 1996), these same skills are identified by Goleman, Boyatzis and McKee (2002a, 2002b) as a component of emotional intelligence.

The literature highlights the similarity between elements of emotional intelligence, contingency leadership, the stimuli for motivation, the development of *entrepreneurship* and transformational leadership. The development of successful leadership in TAFE cannot be summed up within a singular concept; rather leadership in TAFE is an eclectic gathering of internal and external elements. A feature of successful leadership in TAFE is the leader's capacity to pragmatically apply all the skills and knowledge inherent within emotional intelligence to manage the emotions and motivations of followers. They equally must be able to manage the development of a personally satisfying environment that motivates followers.

It is significant to note that with the changes that have occurred within the TAFE network of Australia and the competitive environment in which they operate, there is a clear demand for, not just leaders, but *entrepreneurial* leaders. The skills of the *entrepreneur* as described may well be the characteristics that underpin the leadership skills required of leaders within TAFE.

Whilst TAFE leaders may think of themselves as *entrepreneurial*, a great deal of work needs to be undertaken to improve the TAFE leader's understanding and skills in *entrepreneurship*. To be truly *entrepreneurial*, governments must free TAFE colleges from the legislative confines that restrict *entrepreneurialism* and embrace the elements that constitute *entrepreneurialism*; Quinn (1985, p. 79) defines these elements as "atmosphere and vision". For Quinn (1985), Quinn and Cameron (1988) and Quinn, Faerman, Thompson and McGrath (1996) innovative organisations have a clear vision of, and recognise, the need to support an innovative atmosphere and they are oriented to market.

Innovative organisations according to Quinn (1985) tie their visions to the realities of the marketplace; they have what is termed "Skunkworks" (Quinn 1985, p. 79) which means highly innovative enterprises use groups that function outside traditional lines of authority. This eliminates bureaucracy, permits rapid turn around, and instils a high level of group identity and loyalty. Inter-dependent and interactive learning is a key feature of the innovative organisation. *Entrepreneurial* leaders in this environment typically encourage several projects to proceed in parallel development thus facilitating learning and investigation of ideas, which cuts across traditional functional lines and organisational boundaries. As one CEO[6] of a New South Wales TAFE Institute soberly reminds us:

> "We'll never be *entrepreneurial* so long as the government tries to run TAFE as a government department. You see, they [government] want the benefits of a corporation but want the control because it is an instrument of government."

Mr Neil Black, Chief Executive Officer – North Coast Institute of TAFE, Speaker at Australian Vocational Education and Training Research Association (AVETRA) Conference. 2003

In summary, this chapter has explored the TAFE context as well as contingency leadership models, elements of *entrepreneurship*, emotional intelligence as a foundation for building relationships and motivation as a stimulus for leaders and followers. This chapter has also touched upon transformational leadership because of the similarity of elements that characterise transformational leadership, emotional intelligence and *entrepreneurialism*. The review of the literature in this chapter has set the context for the research into the actions and behaviours of CEOs and MLMs in TAFE colleges.

Chapter Three: Methodology

3.1 INTRODUCTION

The purpose of this chapter is to provide a rationale for choosing a qualitative research methodology within which to explore the practice of leadership in TAFE. The study was interested specifically in leadership which might help shape the development of an '*entrepreneurial*' culture in TAFE. The chapter will explain the decision to conduct the study in the natural setting of the TAFE respondents. Throughout many years there has been a growing understanding of the merits of research within a natural setting and indeed many researchers and authors have commented on the growing support for research studies conducted in the natural setting (Lincoln and Guba 1985, 1986, 2000; Marshall and Rossman 1995).

The purpose of the research was to investigate how TAFE leaders influence the creation of an '*entrepreneurial*' culture in TAFE. The study sought to gain an understanding of the competing and complementary relationships that exist between elements of the TAFE organisation. These include organisational structures, degrees of '*entrepreneurialism*' and the nature of interpersonal relationships within the publicly funded TAFE environment. The study attempted to identify the leadership strategies and considerations enacted by TAFE chief executive officers and middle level managers.

The study was carried out within the context of the Australian vocational education and training environment, which is represented by the Technical and Further Education (TAFE) training institutes/colleges of a number of states in Australia. TAFE was referred to in various states of Australia as TAFE (Technical and Further Education), TVET (Technical, Vocational Education and Training) and VET (Vocational Education and Training). The reasoning for the differences in nomenclature between the various Australian states was not investigated as part of this research.

Technical and Further Education is an important and significant sector of the Australian educational community because TAFE is the destination for many Australians who might not have succeeded in achieving the appropriate tertiary examination score for university entrance, or for those who wanted to acquire and/or update their trades and professional qualifications. It was also a sector that is part of the government-supported superstructure of educational provision. As

such and discussed in chapters one and two, its history was one of bureaucratic design rather than the '*entrepreneurial*' type reported from the private sector. The common thread of all institutes and colleges studied was a continuing strong reliance on state and federal governments for funding and a commonality of purpose to achieve the objectives established by the Australian National Training Authority (ANTA) for the purpose of guiding Australia's VET sector. In a similar way these institutes and colleges had the mandated responsibility to fulfil each States' and territories' aspiration for vocational education and training.

In terms of leadership in these environments a primary consideration in understanding the nature of the phenomenon of '*entrepreneurship*' was to explore the critical role that the Chief Executive Officers (CEOs) and Middle Level Managers (MLMs) play in initiating and developing organisational '*entrepreneurship*'. The Chief Executive Officer (CEO) is the person responsible to a Board, Council or the State Government Minister, for the effective and efficient operation of the TAFE College. These CEOs, depending upon the legislative framework in which they operate, report either to the Director General or the Minister of the respective state government instrumentality responsible for Technical and Further Education. In some states the CEO was directly accountable to a Council/Board for the operation of the TAFE College, which in return was responsible to the Minister.

Middle level managers (MLMs) throughout the TAFE college network make use of many different titles ranging from Director, Assistant Director, Associate Director, General Manager, Program Director, Faculty Director and Executive Manager. The common objective among this cohort of individuals is that their position within the organisational structure is directly responsible and accountable to the CEO for the effective and efficient delivery of the TAFE college services. The MLMs are responsible for portfolios as diverse as International and Commercial Development, Organisational Effectiveness, Academic Delivery, Corporate Services, Education and Training Services, Faculty Directors, Information and Marketing Services, Program Directors and Enterprise Development. The researcher sought to interpret and understand the leadership process adopted in TAFE through dialogue with TAFE leaders (CEOs and MLMs) and an examination of publicly available documentation (for example, Strategic Plans, marketing brochures, Annual Reports, staff job descriptions, position papers developed by college personnel) in order to give meaning and understanding. Specifically, the researcher sought to understand how TAFE leaders were able to engage TAFE staff to be active partners in the

organisational transformation process to achieve an '*entrepreneurial*' culture within a TAFE environment.

3.2 THE SEARCH FOR A RESEARCH APPROACH

Essentially, this study sought to investigate the meanings that leaders in the TAFE environment attributed to various aspects of their roles. The process of interpretation and understanding of the leadership relationship and interdependencies was central to the study. Guba and Lincoln (1994) and later Lincoln and Guba (2000) illustrated some of the different characteristics of 'alternative inquiry paradigms' whose assumptions led to the choice of positivist, postpositivist, critical, constructivist (and later participatory) ontologies, epistemologies and methodologies (See Table 3:1).

TABLE 3:1: BASIC BELIEFS OF ALTERNATIVE INQUIRY PARADIGMS				
Item	*Positivism*	*Post Positivism*	*Critical Theory*	*Constructivism*
Ontology	Naïve realism - "real" reality but apprehendable	Critical realism – "real" reality but only imperfectly and probabilistically apprehendable	Historical Realism - A virtual reality shaped by social, political, cultural [and other] values over time	Relativism – local and specific constructed realities
Epistemology	Dualist/objectivist Findings true	Modified dualist/objectivist Critical tradition … Findings probably true	Transactional/ subjective value-mediated findings	[Interpretive] subjectivist/ created findings
Methodology	Experimental/ Manipulative; verification of hypotheses; chiefly quantitative methods	Modified Experimental/ Manipulative; Critical multiplism falsification of hypotheses; may include qualitative methods	Dialogic/ dialectical	[qualitative and interpretive and] Hermeneutic and dialectic

Adapted from Guba, E. S. & Lincoln, Y. S. 1994, 'Competing Paradigms in Qualitative Research', in N. K. Denzin & Y. S. Lincoln, (eds.), *Handbook of Qualitative Research*, Sage, California, p. 105 - 117.

Lincoln and Guba (2000, p.167) suggest that 'meaning making' activities are of central interest to studies employing the constructivist paradigm. It is, they say, "the meaning-making, sense-making/attributional activities that shape action (or inaction)". The paradigm chosen as a framework for the study was the constructivist paradigm. The assumptions were that leaders and other respondents saw the world in a perceptual way and constructed their own versions of 'reality'.

Epistemologically, an interpretive approach allows that the researcher is re-representing the perceptions of respondents. In other words, the researcher is dealing with interpretations. Secondly, the relationship of the researcher to the sought knowledge is (problematically) intersubjective (Gubrium and Holstein 2000).

Methodologically, the qualitative approach was an appropriate one to use in order to fit with the constructivist ontology and the interpretive epistemology. Qualitative researchers are interested in documenting the process by which social 'reality' is expressed and interpreted by members within a defined social context. As Bergsjo (1999, p. 560) writes, qualitative research focuses on the "interplay of data gathering, handling and interpretation." In qualitative research the work of the researcher is to "interpret their findings as the project" (Bergsjo 1999, p. 560) evolves and develops.

To a modest extent also, the researcher attempted to employ a process of data collection and analysis that contributed to the sort of historical analysis employed by critical hermeneutic scholars such as Kincheloe and McLaren (2000). Two of their comments resonate with this study. The first is that "interpreters seek the historical and social dynamics that shape textual interpretation" (Kincheloe and McLaren, 2000, p. 286). The second is that "... the interpretive frames that [researchers] bring to their research are historically situated" (Kincheloe and McLaren, 2000, p. 287). The transition of TAFE from a bureaucratic government-supported entity to one which was expected to become more 'entrepreneurial' in nature was an important historical backdrop to the study and in part formed the rationale for investigating how this transition was being interpreted and enacted by those in a position of leadership. One last premise from Kincheloe and McLaren (2000) also applied to the study. They cite Rosen, (1987) and others when suggesting that the critical hermeneutic tradition "holds that in qualitative research there is only one interpretation, no matter how vociferously many researchers may argue that the facts speak for themselves" (Kincheloe and McLaren, 2000, p. 285). An aim of the study was to arrive at an understanding of the sense-making employed by leaders within the TAFE environment. In other words understanding how humans (TAFE leaders) choose multiple possible explanations of sensory (eg, staff attitudes, organisational traditions, etc) and other inputs (eg, the TAFE environment) in order to respond to the world around them (Weick 1995 and Dervin 1998).

Qualitative research is underpinned by a number of axioms or universally accepted principles. These were constructed in the earlier work of Lincoln and Guba (1985,

1986). The axioms define and shape the philosophy of qualitative research and it is these axioms that guide the qualitative researcher's epistemological and ontological assumptions. In their later work Lincoln and Guba (2000, p.169) strengthen the place of values and ethics and argue, "if we had it to do all over again, we would make values, or more correctly, axiology, (the branch of philosophy dealing with ethics, aesthetics, and religion) part of our basic philosophical dimensions of paradigm proposal". The first axiom of naturalistic inquiry (in the sense of research conducted within its natural setting) is to understand the existence of multiple realities that, knowing and understanding the multiple realities, allows understanding of the whole. Prediction and control are highly unlikely because multiple realities continually diverge (Van Maanen, Dabbs and Faulkner 1982, Lincoln and Guba 1985, Yin 1989) and there is no 'real' apprehendable world for the researcher to discover (Lincoln and Guba 2000). It is possible, due to the interactions that are integral to their roles that TAFE staff and their leaders construct differing 'realities' according to (but not restricted to) the relational contexts within which they find themselves. In a similar way TAFE leaders may make meaning of their environments from their interactions with TAFE staff and these in turn may be influenced by the philosophical values that underpin the leaders' reasons (eg, the search for power, the desire to make a difference, being in the right place at the right time, etc) for being within their occupations. The consequences are that each individual's reality is different and their responses to those realities are, by nature, often individualistic.

Leaders in TAFE seek to understand their environment from the perspective of the interactions that centre around their responsibilities and that for which they are accountable. They need to achieve, through others, performance targets. They need to pursue the state and federal government's training agenda. At the same time they need to engage in activities aimed at transforming their organisations to emphasise the 'entrepreneurial' ethos, which was discussed in Chapter Two.

Thinking of the opinions and ideas central to critical hermeneutic writers (i.e. these writers have a holistic perspective; so they view the world while trying to understand the inter-relationships and inter-relatedness of all the elements) the TAFE organisation (countrywide) must be seen in light of the larger VET agenda and it is in this context that TAFE is seen as a strategic tool of government. The 'entrepreneurial' impulse is a part of wider public sector reform. What this means to the researcher is an awareness that the TAFE environment is continually changing to meet the political ideologies of the day. Within this constantly changing

environment this research is attempting to understand the role of the TAFE leaders in relation to the creation of an '*entrepreneurial*' organisational culture or a culture capable of meeting the expectations of political agendas of the day.

The second axiom that underpins qualitative research is an understanding that the interviewer (researcher) and the respondent (subject) constantly interact to influence and shape the thoughts of one another. The outcome of the interaction is data for the interviewer (Crowson 1987, Tuckman 1988). Within the context of the interview process the research recognises that the discussion within the interview provides the opportunity for the interviewer and the interviewee each to raise, discuss and reflect upon their commentary. This is not unproblematic as the inherent risk is that the ensuing data may begin to reflect the views of the researcher with the interviewees gradually taking up the role of a sounding board. This caution was well heeded by the researcher. Throughout the data collection process a conscious attempt was made to be mindful of this issue.

The third axiom is that the inquiry method of research seeks to find meaning in phenomena (Bogdan and Biklan 1982, Merriam 1988) while developing an idiographic body of knowledge. The research undertaken in this study has sought to understand the phenomena of leadership and '*entrepreneurship*' in a changing TAFE environment.

The fourth axiom of qualitative research is predicated in the understanding that the essence of research conducted in the natural setting rests on having an awareness that entities and actions are continuously interacting with each other to create new knowledge and situations. The search for cause and effect relationships would not be in alignment with the dynamism implied in qualitative research (Van Maanen, Dabbs and Faulkner 1982, Yin 1984, Lincoln and Guba 1985). The researcher is aware that the environment we work and live within is constantly in the process of change and the progenitor of that change is the interactions, influences and impacts that are created as a consequence of colliding values and assumptions.

The fifth axiom stresses that research conducted within the natural setting recognises that qualitative research is values bound through the interaction of subject and researcher. As Lincoln and Guba (1985) explain, naturalistic inquiry is values bound through:
- *the influence of the inquirer*
- *the influence of the choice of paradigm to guide the study*

- *the influence of the choice of theory used to guide the collection of data and the interpretation of the findings*
- *the influence of the values found within the context of the study*
- *the influence of agreement or disagreement of values between problem, the paradigm theory and context.*

As discussed above, in their later work Lincoln and Guba (2000) reinforce this idea of the influence of values in a paradigmatic and philosophical way. The researcher recognised, however, that care needed to be taken to minimise (or bracket) his own values when engaged in the data collection activity. An example was the reluctance or refusal to express personal attitudes and opinions during interviews. During the interviews every endeavour was taken to remain 'objective' while fostering and encouraging interaction. On many occasions the contribution of the researcher's knowledge of the TAFE environment could have extended the discussions but the researcher was mindful of the potential dilution of the data if this knowledge was offered during the interview process.

Naturalistic Inquiry (introduced as such in the Lincoln and Guba work of 1985 but later, expressed as constructivism [Schwandt 1994, p.128]) had an early introduction to the social sciences and found its way into social research through the works of Dewey (1916), Piaget (1937, 1970) and Vygotsky (1997). The constructivist approach was selected for this research because of its qualitative paradigm and its capacity to inquire and make meaning of the everyday circumstances and activities in which TAFE leaders operate. It allowed the researcher to appreciate that within the responses provided by TAFE leaders, no singular response was either right or wrong but rather their stated experiences wove a complex and rich narrative, which described TAFE leaders in action who were striving to develop an '*entrepreneurial*' organisational culture.

The adopted approach was able to capture the varying and ever changing TAFE environment characterised by McGettigan (1997, p. 376) who said "the world is far too encompassing, evolving, and complex an environment for researchers to ever assume that they have arrived at any of its final truths". Naturalistic inquiry is guided by thirteen underpinning characteristics, which define the actions of the researcher in the preparation, implementation and presentation of this research and it was these that were applied throughout the research. The concepts and characteristics enunciated in 1985 by Lincoln and Guba's (See Table 3.2) work are still useful in expressing some of the characteristics of the constructivist approach.

TABLE 3.2: CHARACTERISTICS OF NATURALISTIC INQUIRY	
1	The researcher conducts his/her research in a natural setting [in this case within the context of the TAFE organisation]
2	The primary data gatherer is a human instrument (the researcher)
3	Naturalistic inquiry uses tacit (intuitive or felt) knowledge in addition to knowledge that is gained from expressed language
4	Qualitative methods are more sensitive and adaptable to multiple realities, value patterns and mutually shaping influences encountered in naturalistic inquiry
5	Naturalistic inquiry allows for purposive sampling to uncover the full array of multiple realities
6	Inductive data analysis is preferred because it does not pre-suppose theme, categories or patterns rather those that emerge from the data
7	Substantive theory [may] emerge from the data
8	The design of the total research will emerge from the progressive collection and analysis of data
9	The boundaries of the research may expand and change as data emerges
10	The interpretation and findings are negotiated with the human [and other] data sources
11	Naturalistic inquiry provides rich, contextualised description of the situation and interactions that are occurring in the situation.
12	Data and interpretations draw ideographical conclusions and/or tentative application
13	Replacement of conventional quantitative concepts of rigour (internal and external validity, objectivity and reliability) with the concept of trustworthiness (credibility, transferability, assumptions and, as a result of these rigour activities, a sense of trustworthiness). • Authenticity – (credibility) use of recorders to capture the actual words of respondents • Audit trail – records were kept of each step of the research procedure • Replicability – (transferability) using the audit trail, it would be possible, within the constraints of other contexts to replicate much of the research process and data collection methods • Researcher assumptions – the researcher was constantly aware of the benefits but also dangers of being close to the research context.

The axioms and the characteristics of naturalistic or constructivist inquiry have guided this research process. As the researcher and the respondent have engaged in dialogue, the exchange, refinement and re-exchange of data provides a clearer picture of the TAFE leaders' leadership activities and their engagement with TAFE staff in the transformation of the TAFE environment.

3.3 ONTOLOGY

Ontology refers to a set of common understanding related to the discourse terms and their meaning (Lincoln and Guba 1986, Lincoln and Guba 2000). As discussed earlier and aided by the analyses of Guba and Lincoln (1994) and Lincoln and Guba (2000) the ontology associated with this research was constructivist.

Constructivism as a research paradigm has many orientations (Lincoln and Guba 2000). One such orientation is a phenomenological orientation whereby the focus of the enquiry is on the nature of reality and meaning. Constructivism according to Guba and Lincoln (1989, 1990) and Lincoln and Guba (2000) represents a viable paradigm for the study of human interaction. It is interesting to note that in many discussions concerning research the terms 'naturalistic' and 'interpretative' are used interchangeably with 'constructivist' (Stewart 2003). The importance of this comment is understated as we recognise that the action under each of the nomenclature culminates in building "up our knowledge in stages, in bits and pieces" (Spector 2000, p. 523) until a total picture portrays meaning.

A primary premise of constructivism is that as people we develop knowledge, values and beliefs, which we subsequently interpret on the basis of their contribution toward viability, rather than to some external validity (Guba and Lincoln 1989). Therefore, constructivism sees people being the creators of their own realities within the world in which they live and work.

For the purposes of this research, constructivism as an ontological paradigm informs us that the CEOs and the MLMs create their own perspectives of the TAFE environment and mould the environment for their followers. The research interviews therefore sought to construct their realities of their environment in order to fully understand the CEO's and MLM's influences and impact in the creation of an '*entrepreneurial*' TAFE environment. This is best summarised by Deetz (1977, p. 59) when, in commenting on constructivism he stated "ones historical and linguistic prejudices, rather then being suspended, [in the research] become resources for understanding since they are part of the very existence to be understood". This was an important decision to make because the choice defines the vocabulary to be used in such data collection activities (interview) and the discourse between the interviewer and the interviewee. The interviewee and interviewer share the language of common association: that being an understanding of the TAFE culture and environment (the dangers of this common understanding have been referred to earlier). Through this common understanding the interviewer and interviewee are able to communicate and understand the circumstances of each other and are thus able to describe how leadership in TAFE occurs. The researcher's aim of gathering respondents' perceptions of leadership within the TAFE environments was helped and supported through the sharing of a common language and a common understanding of the environment.

3.4 EPISTEMOLOGICAL PARADIGM

There are two elements to Epistemology. One is the nature of knowledge to be addressed. The other is the relationship between the researcher and the phenomenon that is being researched. Cruz (2003, p. 23) states "epistemology is an attempt to make sense of the possibility, nature and limits of human intellectual achievement". DeRose (2003) suggests that epistemology deals with questions concerning the nature, scope and sources of knowledge.

To know and understand requires making meaning from the words that are exchanged as part of data collection activities (in this case interviews). In other words, a researcher actively seeks to interpret meaning. The epistemological approach adopted for this research is interpretative in nature and this is in harmony with the constructivist ontology. Deetz (1977, p. 140) reminds us that "interpretation is not added to the world: it is the world". Radford (2002) in his writing has emphasised that explanations are based on interpretation while Ricoeur (1974) suggested human action should be considered a type of text and its meaning interpreted in a hermeneutic manner.

The research is further categorised as phenomenological in the sense that it is interested in leadership as experienced by the interviewees. In other words, it is leaders in their life worlds that are of interest to the study. It is recognised that meanings can only be "described, interpreted, explained and understood within the situational context in which they were constructed" (Higgs 1998, p. 189). Within the context of understanding the "leadership" phenomenon as experienced by the TAFE leaders it is recognised within this study that it is not located in time and space in an objective and autonomous world external to the detached observer. Rather it is experienced as an objective/phenomenon within the leader's consciousness (Radford 2002) within the context of the TAFE organisational environment.

To gain the most information and a deeper understanding from the interviews the epistemology of *hermeneutic phenomenology* (Deetz 1982, Deetz and Kersten 1983, Higgs 1998, Holliday 2002) was employed during the research. It provided an approach to understanding where "philosophical hermeneutics rejects the … attempt to find one single … version of the truth" (Ezzy 2002, p. 24). In this regard the researcher recognised the constant of change and the dynamics of a world influenced and shaped by many divergent and competing forces. An important activity of the phenomenological researcher is to 'bracket' or attempt to put to one

side as many preconceptions as it is possible to know. This required a reflexive approach by the researcher where he was able to stand back and reflect on his assumptions and values and how they may be bracketed (i.e., excluded from influencing the process) when interviewees were sharing their worlds of meaning with him.

To understand the interviewees' interpretation of the complexities, variables and influences that shape TAFE leaders' actions and perceptions, it was important to use an approach that allowed for understanding to be gained from the interactions, influences and impacts inherent in a wider organisational view. The approach adopted and described here fulfilled that requirement.
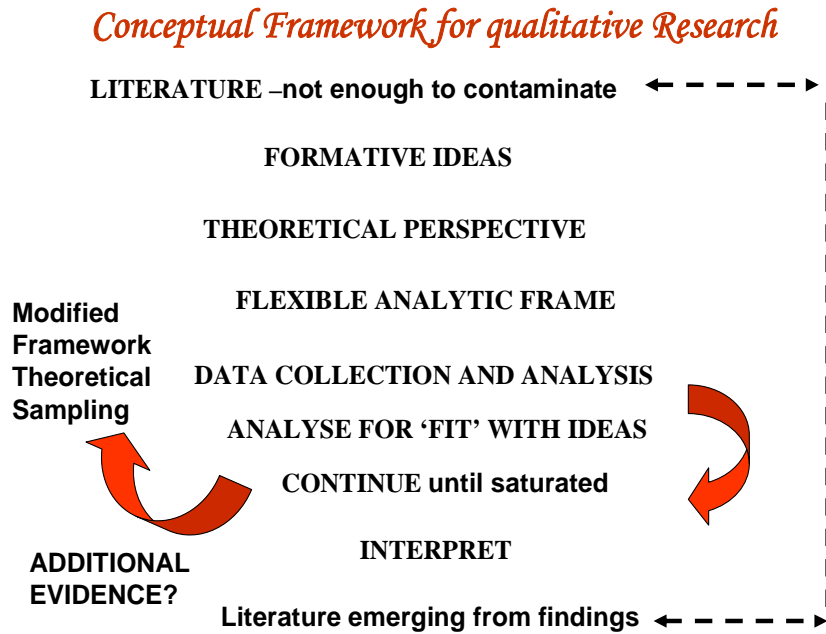
3.5 RESEARCH DESIGN

3.5.1 Framework for Qualitative Research

The research was undertaken with the ultimate goal of understanding how it might have been possible to achieve an organisational transformation that would allow staff of TAFE to operate '*entrepreneurially*' or more appropriately within a market driven economy. To undertake the research the researcher chose a research framework. The goal of the framework was to enable the development of the research in an orderly manner and thus enable the research results to be presented within the context of a logical framework. The framework chosen was that identified by Whiteley (2002), which was previously adapted from Ragin's (1994) development of a conceptual framework for qualitative research. Figure 3.1 illustrates the framework that guided this research process.

Whiteley (2002) suggests that the objective of a research design is to choose the research activities that will connect each part of the research elements together in an appropriate and systematic way. Within this study, the research revolved around leadership perceptions within the context of TAFE as an '*entrepreneurial*' culture. The initial stage of the study was the conduct of a general literature review. The purpose of this was to become conversant with leadership theory; and not delve deeply into theoretical premises. The initial literature review was later amplified by the addition of '*entrepreneurship*' in connection to leadership. The theoretical perspectives chosen were constructivism, interpretivism and phenomenology. In terms of researcher orientation, a hermeneutic approach was taken. In keeping with the hermeneutic approach, an historical analysis of the TAFE environment was conducted. Following this a purposive sample of senior TAFE officers was selected and interviewed.

FIGURE 3.1 CONCEPTUAL FRAMEWORK FOR QUALITATIVE RESEARCH

Conceptual Framework for qualitative Research

LITERATURE –not enough to contaminate

FORMATIVE IDEAS

THEORETICAL PERSPECTIVE

FLEXIBLE ANALYTIC FRAME

Modified Framework Theoretical Sampling

DATA COLLECTION AND ANALYSIS

ANALYSE FOR 'FIT' WITH IDEAS

CONTINUE until saturated

ADDITIONAL EVIDENCE?

INTERPRET

Literature emerging from findings

Whiteley 2002Adapted from Ragin 1994

Adapted from Whiteley (2002)

3.5.2 Formative understanding of TAFE

The TAFE environment has been continuously undergoing change and similar to other government-owned statutory authorities or government departments, there has been a continual shift by government to reposition government agencies within the market-driven economy that has been shaping the Australian economy for the past two decades. This shift has been occurring to a greater or lesser extent depending on the ideologies of incumbent governments and their respective desires to operate their departments within the maelstrom of the market economy. TAFE colleges/institutes have not been exempt from these forces of change.

At the heart of this research is a belief in the notion that TAFE has been at the forefront of much of this change because of its strong links with the industry sector, which it is expected to serve. Further, the extension to that notion is the belief that the successful TAFE colleges/institutes (i.e. those that have been able to align their

operations to that enunciated by industry) must have leaders and middle level managers who understand what is required of their institutes/colleges and are '*entrepreneurially*' adept at taking and developing opportunities within the market-driven economy. Underpinning this belief is the notion that in order to developmentally transform a TAFE organisation high-level leadership and change management skills are required

The interlinking complexities involved in transforming a traditional government bureaucracy to one that is capable of meeting the demands of a market economy requires leaders capable of providing a powerful vision. More importantly it requires leaders who can interpret the traditional bureaucratic rules to bring about positive '*entrepreneurial*' results for their colleges/institutes. It further requires those leaders to be able to harness the energies of staff by motivating and encouraging them to embrace a value-set that is not reflective of traditional 'public sector' values. It necessitates TAFE leaders to develop powerful relationships, which then underpin their leadership practices, to enable them to achieve an organisational structure that thrives in the market-driven Australian economy.

3.5.3 Selection of Institutes and Participants.

To better appreciate the environment that is TAFE in Australia, the researcher initially sought to document the evolution of TAFE since its inception in 1972. The illustrated history that follows is the result of reading and collating of many public records and TAFE documentation. Technical and Further Education (TAFE) colleges/institutes were introduced to the Australian educational landscape in 1972 and since that time they have undergone many changes in terms of their charter and placement within the various state governments' educational and training infrastructure. While there are many configurations of TAFE colleges that provide vocational education and training (VET), the "single entity" TAFE College was the focus of this research; by definition these are TAFE colleges whose primary and majority business lies with the delivery of SCH[7] funded through State government grants.

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[7] SCH is abbreviation for Student Curriculum Hours, which is a measurement of the number of hours a student engages in study for and is a key performance measurement for TAFE institutes across Australia. The measurement is not unlike EFTSU (Equivalent Full Time Student Unit) that is used in the higher education or university sector to determine institute performance.

Other variants of TAFE Colleges that are not single entity TAFE Colleges are equally found as component parts of many university structures (eg, Curtin University of Technology, Royal Melbourne Institute of Technology, Swinburne University of Technology, University of Ballarat and Charles Darwin University); similarly TAFE providers also form part of a number of co-located senior secondary environments (i.e., Morton Institute of TAFE, Wide Bay Institute of TAFE, Curtin University of Technology – Kalgoorlie Campus). These institutions have not been included in this research and were not part of this study.

Single entity TAFE colleges were selected for this study. Excluded from this study were those TAFE organisations that operated within a university environment because they have divergent structures and corporate obligations, which extend beyond the delivery of technical and further education programs. To include those organisations within the research would have added characteristics that would reshape and change the focus of the research. Similarly, TAFE colleges that are closely aligned to secondary education institutions have been excluded from this study because of significantly different demands upon the leadership structures – which would have introduced a range of alternate values and attitudes to the research study.

The single entity TAFE institutions chosen for this study are located throughout Australia with representation from New South Wales, Queensland, Western Australia and Victoria. While all states or territories are not represented in this study the researcher believes that the institutions selected provide a cross-sectional perspective that is representative of TAFE operations in Australia. The states chosen represented 87.5% of all the Australian state's funded delivery in vocational education and training (ANTA 2002). Victoria alone is responsible for 27.6% of all delivery in Australia, while New South Wales accounts for 34.82% of total delivery, Queensland provides 15.68% of total delivery and Western Australia delivers 9.4% (NCVER 1998). The research sites were further divided into the categories of Metropolitan, Large Urban, and Regional Centres. Table 3.3 indicates those institutes and the location of each institute within a geographic category (i.e., metropolitan, large urban centre and regional).

TABLE 3.3: SINGLE ENTITY INSTITUTIONS BY GEOGRAPHIC DESCRIPTION		
Metropolitan (Identified as a Capital city in Australia)	**Large Urban Centre** (Identified as a TAFE College or Institute serving a community population in excess of 90.000 people)	**Regional** (Identified as a TAFE College or Institute serving a population more then 100 kilometres from a capital city)
Southbank, Qld	Logan, Qld	North Coast Institute, NSW
Holmesglen, Victoria	Gordon, Victoria	Bendigo, Victoria
West Coast, WA	Hunter, NSW	South West, WA
Sydney, NSW	Gold Coast, Qld	Central West, WA

There were twelve individual colleges, which were involved in the research. This representation realised four TAFE colleges located within a regional setting, four TAFE colleges from the metropolitan centres and four colleges to represent the large urban centres. These sites were chosen because Australian TAFE colleges are distributed throughout many centres and locations and each works slightly differently within a unique geographic and community context. A genuine desire of the researcher was to ultimately produce a document that resonated with the information TAFE leaders required to assist them in leading their organisations. As one of the objectives of the research was to develop a written document, which would harmonise with Australian TAFE leaders' ideas concerning organisational and cultural transformation, it was important to obtain the most extensive picture of TAFE as was possible within the limitations of the researcher's resources. From these three categories of institutions the data gained from the interviews would be more representative and indicative of the national TAFE environment (bearing in mind the values of constructivist research which included a high level of contextual meaning).

3.5.2 Recruitment of Research Participants

The selection of institutes and colleges was critical because the researcher attempted to develop a documented process that reflected a large proportion of the Australian TAFE environment. Significant thought was given to the selection of TAFE staff who would be most appropriate in terms of gaining information and 'inside knowledge' about organisational transformation. Whilst consideration was given to involving institutionally-based academic staff, they were excluded because their involvement across the breadth of the TAFE organisation was not extensive enough nor were they directly involved in leading the organisational change process. This does not suggest that they do not play a role in organisational transformation; rather, the extent of their capacity to promote organisational transformation is less than that of the CEOs and MLMs.

Similarly, state government officers directly responsible to Ministers for the purchase of training from within the Western Australian Department of Education and Training, the Victorian Office of Training and Tertiary Education, the Queensland Department of Training and Industrial Relations and the New South Wales Department of Education and Training were not included because they were not considered change leaders in the TAFE environment.

The selection of the interviewees was made on the basis that those interviewed would have to be either Chief Executive Officers and/or Middle Level Managers and as such would be leaders within the TAFE college/institute environment. The important criterion for their selection was that they interfaced with leaders and were responsible for communicating the leadership culture within their organisations. Purposive sampling resulted in forty-seven Technical and Further Education (TAFE) senior officers participating in the study. The senior staff members were selected from TAFE colleges/institutes identified in Table 3.3.

A systematic procedure was employed for the contact and confirmation of interviewee participation. The transparency of the process was designed with the rigour objective of replicability of process in mind. In the first instance participants in the research were contacted verbally and requested to participate. Where proposed participants chose not to take part in the research no further contact was made. Of those who verbally consented to participate in the research, a letter of introduction (Appendix C) from the researcher's supervisor, consent forms (Appendix D) and a participant's information sheet (Appendix E) were sent prior to the conduct of the interview. This allowed the participant the opportunity to reconsider their involvement in the research prior to the researcher planning for the activity.

To ensure that participants understood the processes involved a duplicate set of forms were provided to the participants at the time and place of the interviews. The researcher further explained in detail the information provided within the forms and requested participants to sign a consent form. This ensured that each participant was well aware of the commitment and obligations involved in being part of the research program. Once the consent forms were completed and signed, the researcher proceeded with the interview.

As illustrated in Table 3.4 the breakdown of the figures show the number of females operating at the CEO level is significantly reduced in terms of the ratio of

females to males operating as senior officers within TAFE colleges. In addition to the twelve CEOs who were interviewed, thirty-five senior staff members, known for the purposes of this study as Middle Level Managers (MLMs), constituted the remainder of those interviewed.

	TABLE 3.4: BREAKDOWN OF PARTICIPANTS INTERVIEWED FOR THIS RESEARCH					
	Total CEO and MLM		Total CEO		Total MLM	
	Numerical Count	Percentage	Numerical Count	Percentage	Numerical Count	Percentage
Male	28	59.6%	9	75.1%	19	54.3%
Female	19	40.4%	3	24.9%	16	45.7%
TOTAL	47	100%	12	100%	35	100%

At any time during the interview the participant may have chosen to terminate the interview and/or request that elements and comments not be recorded. This was in accord with the voluntary nature of the participant's involvement in the research and commensurate with Curtin University of Technology, Human Research Ethics Committee (HREC) guidelines for the ethical conduct of research.

3.5.6 Participant Interviews and Data Collection

Face-to-face interviews yielded the largest quantity of data (which is understandable) and provided the underpinning base for the development of the codes and categories within this study. It was also recognised that it was important to gain a range of contrary perspectives from CEOs and MLMs because these views would present a more balanced over-all perspective to be presented. Within the context of presenting a balanced perspective, data derived from the interviews alone should not be the sole determinant of valid research. In order to test and triangulate data the research sought to understand the history that has shaped the TAFE environment and correlate that understanding with publicly available documentation. This was a holistically inclined approach in the sense that a wide variety of sources were sought.

As Glesne and Peshkin (1992, p. 147) reiterate, to achieve the best results requires a multi-faceted approach:

> *"The triangulation of observation, interview, and questionnaire data corroborate this point. Without such tactics, it is sometimes difficult to know how much of what researchers see are a product of their earnest but conscious wish to see it."*

Very often, as above, a valued complementary data source is that of observation. However, observation was not employed as part of the study due primarily to the logistics of location, time and the limited availability of resources. Although an extension to the observation of leadership may have enhanced the study, it was not practicable due to the time consumed travelling between each site and the extra resources that would have been required. The researcher therefore chose to visit all sites for the initial interview in preference to an extended period for observation. Whether the results of the study would have significantly changed as a consequence of prolonged observation is unknown.

While extra resources and a greater allocation of time would have possibly yielded enriched data the researcher did use, within the available resources, multiple data sources; these included combinations (Snow and Thomas 1994) of:

> a) two types of interview (one face to face and a second by telephone to clarify comments and points made during the face-to-face interviews);
> b) scrutiny of public documents (strategic plans, discussion and positioning papers, marketing materials);
> c) the review of archival documentation (letters, staff position descriptions, performance indicators [KPI and KPA]) and change management plans; and
> d) access to colleagues with expert status within the TAFE environment, (these experts included the Director General and Deputy Director General of Training, and CEOs of TAFE Institutes, all of whom held senior positions and/or had significant long-term experience within the vocational education and training field).

Mostly the interviewees provided the documentation used within the research, although some were available through public access (eg, libraries, internet, etc). The combined interview process allowed corroboration and correlation of the interview content. This approach was adopted because:

> *"human beings are not physical objects, but rather, conscious decision-making and often irrational beings. Order is often unstable and changeable. Cause and effect are artificial concepts, which oversimplify complex, continuous processes of metamorphosis and ambiguity. Social science [research] should indeed go out into the world but with only a desire to listen and participate".*
>
> Kellehear (1993, p. 27)

The supporting telephone interviews helped to ensure that the rigour of the research underpinned its authenticity. In this way the interviewees were able to check and authenticate the transcriptions produced as a consequence of the face-to-face interviews. It was important to check with respondents in this way because, as Van Maanen, Dabbs and Faulkner (1982, p. 16) describe:

> "Human actions are intentional, mediated by what people think they are accomplishing. To ignore these meanings and the contexts within which they are situationally relevant is to impose structure rather then discover it."

The researcher was conscious of the minimal time afforded to undertake face-to-face interviews because of the logistics of organising and scheduling interviews throughout Australia. However, the researcher recognised that it was "critical that the researcher [should have] had significant time to develop a measure of trust with the respondent that would allow the discovery and disclosure of pertinent information" (Owens 1982, Lincoln and Guba 1985, 1986). To achieve worthwhile dialogue the interviews spanned a minimum of one hour and on two occasions the interviews extended beyond two hours. Initial analysis of the data demonstrated a need to seek clarification of some sections of the data material. In addition to the initial interview, telephone interviews were conducted to elucidate aspects of the data and provide additional expansive information and add new commentary. While the researcher was concerned at the effectiveness of the telephone interviews these concerns were proven to be unfounded. This conclusion was drawn from the apparent willingness on the behalf of the respondents to expand and provide comments that would clarify issues and concerns.

Lincoln and Guba (1985, 1986) and Owens (1982) said of interviews; "the richness of the research data is [often] preserved through the researcher taking the opportunity to explore issues and ideas that have been uncovered through the interview process". While the interview process was guided by the primary questions (Appendices A and B), the researcher was conscious of the richness of the narrative as the interviewees examined issues not directly related to the questions but certainly associated with the organisational themes being discussed. This commentary introduced concepts and issues, which culminated in further depth, diversity and richness being added to the interpretation of the data from the interviews. The advantage of encouraging and allowing for an open interview process is that the information often allowed the researcher to confirm previous

statements made by the interviewees and lead the researcher to otherwise unrecognised areas of interest and discussion.

The collection of information was achieved through an interview process that consisted of a one-on-one, face-to-face interview undertaken at the respondent's college and lasted on average one hour twelve minutes. The initial interview was open-ended and allowed the respondent and interviewer to explore and clarify comments made during the course of the interview. The use of open-ended interviews, where primary questions were utilised as "initiators of discussion" allowed the researcher to emulate Glaser and Strauss' (1967, p.31) notion, that a discussional form of interviewing allows easier comprehension and tends not to "freeze" the theory in a set of propositions. The imperative during the data collection (interviewing) phase was to build a relationship of trust and openness, which would facilitate commentary explaining how interviewees were transforming their organisations.

To ensure that the interview process were similar across the breadth of all the interviews the researcher established an interview protocol (McCaslin 2002) that included a preliminary statement that set the context of the interview, the reason for the research study and how the outcome of the research might assist leaders of TAFE for the future. In addition to the "scene setting" the researcher used previously developed questions (Appendices A and B), which provided a basis for the interview. As the researcher began the questioning the researcher consciously used "probing" (Glaser 1978) questions to demonstrate and foster trust that culminated in the interviewee responding with more in-depth answers. Examples of the probing questions included "I think that's very interesting, could you give me another example" and "do you think that this experience would work in another environment?" In showing interest and an appreciation of the topic the interviewee responded positively, and extended the explanation to add clarity.

Subsequent to the first interview a second interview was carried out with eight CEOs and six MLMs using information communication technologies[8] (ICT) to clarify and extend the comments and responses made during the initial interview. While the researcher had initial reservations about the effectiveness of the telephone interviews, these concerns were seemingly unsubstantiated. The telephone interviews proved to be very successful with the contribution by the interviewees

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[8] Information, communication technologies (ICT) refer to the use of telephone, videoconferencing, audio graphic conferencing, and other technology mediated communication tools.

being open and frank. The subsequent telephone interviews proved successful because of the relationships that developed during the initial communication. In some minor ways, the researcher's background and experience enabled discussion to occur about TAFE, and training generally; this in turn enabled the establishment of a degree of trust and a measure of rapport between the interviewer and the interviewee which culminated in more free-flowing discussion.

It is fair to say that some of the most fruitful information was gained as a consequence of the interviewer demonstrating a preparedness to share some of his own TAFE experiences. The result was the building of a rapport, which encouraged fuller participation by the interviewee during the interview process. Rapport generally evolves through a number of stages, from apprehension, to exploration, to cooperation and finally to participation (Spradley, 1979, p.79). It is at the participation stage that there is a level of trust established and a flow of information, as both the interviewer and the interviewee feel positive about the relationship, resulting in a greater desire to share experiences. The researcher felt confident that the participants were fully engaged during the course of the interview; upon reflection the researcher was amazed at the lack of reticence displayed by the participants as they shared confidential information.

Fundamental to the research were the transcribed interviews, which contained the thoughts and comments of the interviewees. To achieve this the recorded interviews were transcribed by administrative support staff contracted by the researcher. A critical aspect of the interviews was their correct transcription and an assurance that the content reflected the interviewee's comments. To validate the accuracy of the transcriptions, a random sample of six transcriptions were checked by the researcher to ensure that the transcribed material matched the audio recording of the interview. After checking the transcriptions these were then returned to the interviewee to enable the interviewee's verification of the transcription before being returned to the researcher for inclusion within the research. As the interviewees checked the transcriptions it was not unusual for the interviewees to enrich the research by expanding upon and sometimes clarifying their comments.

Before and after the interviews publicly available documents (e.g. Strategic Plans, brochures and prospectus) were collected and in this way the philosophies underpinning the documentation was sought and corroborated through the interview process. In addition to this material, the interviewees provided other

documentation in the form of internal memoranda and internal documents that detailed the organisation's position on particular issues. These documents added to the interviewee's commentary and description of their respective TAFE environments and enhanced the description of 'entrepreneurial' leadership in TAFE. In this way the data in its final interpretation was as clear as possible of distractions and improper interpretations, thus the interpretations and findings were able to demonstrate reliability of the research.

3.5.7 The Search for Fit

To test the veracity of the research findings the researcher engaged with other TAFE CEOs and MLMs outside of those included within the respondent cohort and sought their views and comments to test the legitimacy of the findings and the conclusions drawn from the research.   Shortly after the commencement of the research, the researcher contacted three CEOs of TAFE Institutes and asked if they would be prepared to offer advice and support to the researcher throughout the research project. Subsequently, ideas, concepts and suppositions that were of interest to the researcher, were discussed with this group.

The task that this research has set itself is to understand how leaders (CEOs and MLMs) in TAFE manage and lead to create an organisational culture that is able to effectively operate within the Australian market-driven economy; An economy which influences and impacts upon the TAFE college/institute environment. It is evident that the TAFE environment has changed significantly since its inception. Some TAFE colleges/institutes have been singularly successful whilst others have struggled to meet the needs of a market-driven economy. It is often said, by the interviewees, that those that are successful at adapting to the new way of operating are 'entrepreneurial' and 'innovative' in the way they conduct their business.   The researcher was informed by the interviewees that 'entrepreneurial' people are quite often, highly respected by their staff and peers because of their 'entrepreneurial' outlook, and therefore expected to lead these organisations.

This research sets out to examine the way these leaders operate. Specifically the research explores how these leaders work and manage their staff in order to create a culture (and underpinning processes) in which staff are capable of developing and operating an 'entrepreneurial' TAFE environment. From this understanding a theory will emerge to explain the behaviours of these leaders and then allow future researchers to predict the type of behaviours necessary to create an 'entrepreneurial' TAFE environment. It is anticipated that the researcher will not

provide a "perfect description but [rather] develop a theory that accounts for much of the relevant behaviour" (Glaser and Strauss, 1967, p.30) of the TAFE leaders who are successful in their organisations.

The focus of the research in this paper was to explore the actions and processes in which CEOs and MLMs were involved, with a view to understanding the causal relationship between these actions and processes and the consequential culmination of the development of an '*entrepreneurial*' organisation. The researcher followed the approach of Glaser et al (1994), which was not to conduct the research within the context of a singular TAFE college/institute, but to explore the processes and actions the CEOs and MLMs had adopted in leading within the TAFE environment. It became obvious that powerful relationships (and processes) were developed and nurtured by CEOs and MLMs which in turn were used to generate organisational (unit) change that ultimately culminated in the development of an '*entrepreneurial*' TAFE college/institute. Thus the stated focus of the research is congruent with the interviewees' stated assumptions and beliefs about their role within the TAFE organisation as one of a holistic, seamless integration of actions and processes; similarly the theory that attempts to extend understanding and develop should be as seamless as possible (Glaser, 1978).
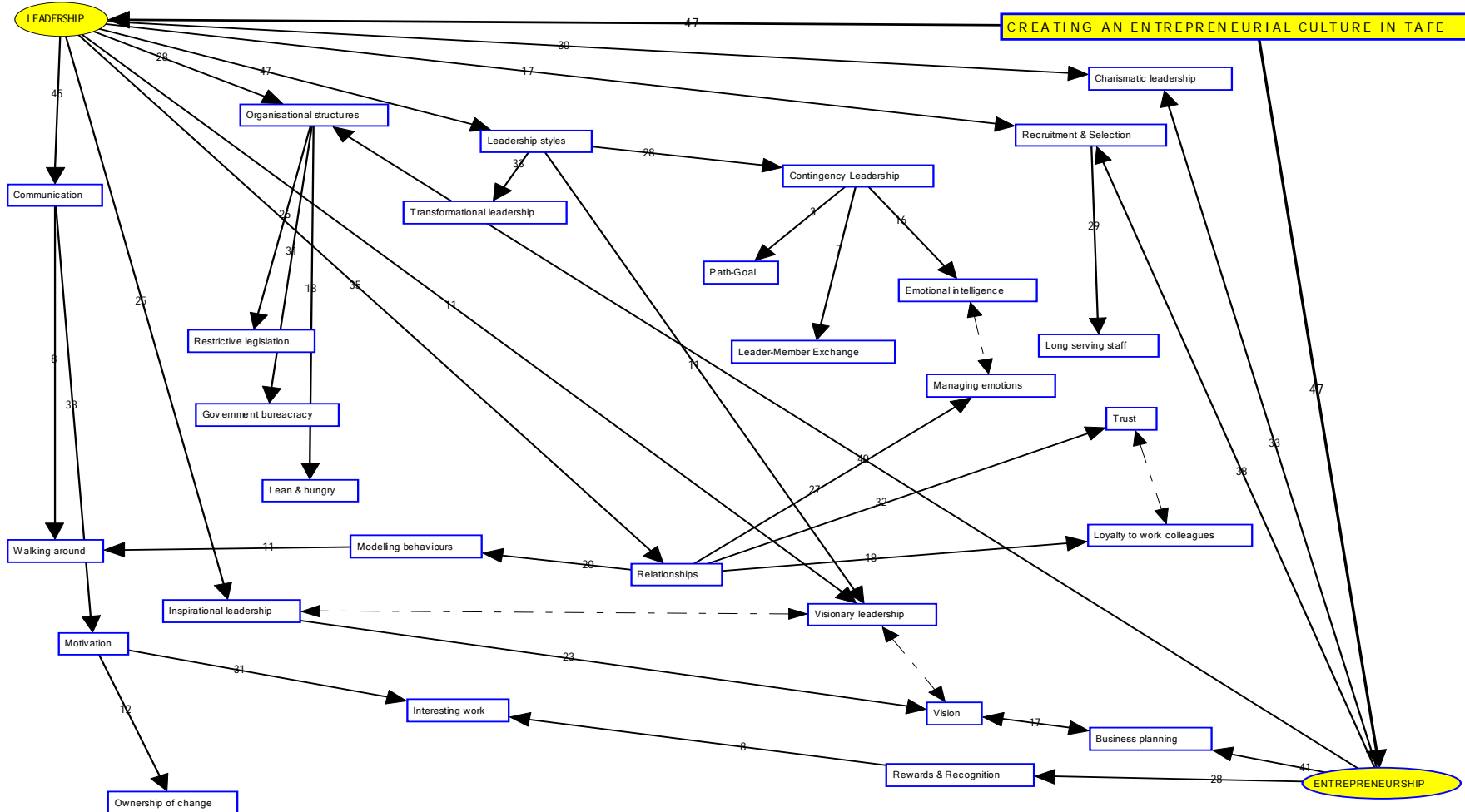
The TAFE CEOs and MLMs have developed methods and processes that have been employed to "exploit" their relationships. This is not necessarily in a deliberate and malicious manner, with an intention of harm but rather where actions are aligned to achieving organisational goals, the end result may have detrimental effects upon individuals within the organisation. This research does not pretend to identify deleterious effects, nor make comment as to ethical or morale correctness of the leader's actions. Rather the research focuses on the application of the approach, to achieve organisational goals, by the CEOs and MLMs.

There are a number of concepts associated with the Glaser et al (1994) notion of qualitative research. Primary amongst these concepts is the activity of coding which is the building block of grounded theory (Strauss and Corbin, 1998). It is also the element of activity that is central to de-mystifying the data so that it may be categorised and labelled. From this categorisation will emerge a theory, which through development, may allow extrapolation of the CEOs and MLMs experience into other environments.

Upon completion of the interviews and transcripts this research utilised an open coding process. Each sentence within each transcription was analysed and codes allocated. Each code represented a concept, which generally described the characteristics of leadership attributes of each of the TAFE leaders. These were codes (words and phrases) that described the leadership styles/attributes of each of the CEOs and MLMs and how these leadership styles/attributes were influential within their organisations. During the categorisation into concepts, the researcher was mindful of Glaser's (1992, p.5) warning that "any forcing of concepts and their connections is an indication that an analyst has ignored the most important component of the research: the participants."

Every element that was initially identified was sited within a concept map (see Figure 3.2) that illustrated the first phase of the coding. The concept map sought to illustrate the inter-connectedness and inter-relatedness of the elements that CEOs and MLMs felt had contributed to their organisations' changing ethos. That is, the transformational process that underpinned the transition of a traditional TAFE to one that was able to operate successfully in a market-driven economy. Further analysis and fit for ideas drew out the notion of two primary themes; the notion of 'entrepreneurship' and the notion of leadership. While the analysis seemed to suggest that there were two discrete emergent themes [notions], the analysis also highlighted that elements were not strictly identified as belonging within a singular theme. Rather, a number of the elements were evidenced within both themes. For the researcher the recognition of elements evident within both themes emphasised the inter-relatedness of both leadership and 'entrepreneurship' as contributors to organisational transformation within TAFE

FIGURE 3.2: CONCEPT MAP

LEADERSHIP

CREATING AN ENTREPRENEURIAL CULTURE IN TAFE

47

30

17

Charismatic leadership

29

47

Organisational structures

Leadership styles

28

Recruitment & Selection

Communication

32

Contingency Leadership

26

Transformational leadership

3

16

31

Path-Goal

29

13

35

Emotional intelligence

Restrictive legislation

11

Leader-Member Exchange

Long serving staff

Government bureaucracy

Managing emotions

Lean & hungry

Trust

25

8

40

33

Walking around

27

32

18

Loyalty to work colleagues

11

Modelling behaviours

20

38

Relationships

33

Inspirational leadership

Visionary leadership

Motivation

23

31

Interesting work

Vision

17

Business planning

12

8

41

Ownership of change

Rewards & Recognition

28

ENTREPRENEURSHIP

To establish a level of trustworthiness a number of interrater[9] reliability (Bourden 2000) checks were undertaken to add to the plausibility of the researcher's coding. The method was as follows, three transcriptions were selected; one from a metropolitan TAFE, one from a large urban TAFE and the last from a regional TAFE centre. This process provided a balance of geographic locations and locality perspective. Of these three transcriptions, two were selected from the CEO cohort and the third from the MLM cohort. The majority were selected from the CEO cohort as it was considered that they had the capacity to be more influential and a greater propensity to create impact within their respective organisational transformation process.

The three transcriptions were then provided to three colleagues (two colleagues from Curtin University of Technology and one from a Western Australian TAFE College). These colleagues had a range of experience and knowledge of the Australian VET sector, which included extensive service and senior positions. Each was given instructions to code the transcriptions of the interviews using coding protocols determined through a process of discussion and debate. Subsequent to concurrence of the coding protocols by the researcher and the three colleagues, the aforementioned three transcriptions were provided to the three colleagues for coding; a positive comparative agreement between each of the researcher's colleagues and the researcher, produced results of 73%, 86% and 90% respectively. The variability between 86% and 90% was considered to be negligible, however it was determined necessary to examine the 73% outcome. Consequently, it was found that the variability was a result of a colleague's differing perception and categorisation of an interviewee's comments as opposed to that of the researcher. Specifically, the differential centred upon comments that described the characteristics of TAFE leaders' styles of leadership; the colleague felt that the descriptors used to characterise these leadership styles could have equally described a different leadership style and had opted for one not chosen by the researcher. However, based upon the overall coding, the average comparative coding represented an 83% compatibility with the researcher's original coding. It was therefore concluded that this categorisation and allocation of data (i.e. chunks of information) to codes was defensible for the purposes of this study.

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[9] Interrater reliability refers to the extent to which two or more individuals agree.

In developing the labels for each code, each code's definition and characteristics was considered. Some of the definitions that differentiated each of the codes were in alignment with the theoretical positions adopted by well-known researchers while other cadres of codes were identified by a set of characteristics that did not align with established theorems. For example the code "transformational leadership" (Appendix F) was defined by the vernacular used by the CEOs and MLMs; In other words when a CEO and/or MLM indicated that their style of leadership was transformational, this assumption/statement was not challenged by the researcher, rather the researcher accepted the fact that transformational leadership was the individual's modus operandi. Similarly in circumstances where the interviewee did not comment in regard to a specific style of leadership the researcher sought to identify the style of leadership through the interviewee's description of their leadership role. This form of coding is identified as the open coding (Strauss and Corbin 1990) process as it seeks to find and explore elements within the transcribed interview text.

To illustrate this point the interviewees made reference to the attributes of their leadership as being role modelling behaviours for their colleagues and subordinates, motivating staff, being creative and innovative and mentoring their staff; they were then coded/categorised as being transformational leaders. This classification was adopted because the characteristics described by the interviewees were congruent with the characteristics identified by Bennis and Nanus (1985) as describing transformational leadership. To further corroborate the assertion that the attributes mentioned by the interviewees fitted within the category "transformational leadership" the interviewer's colleague (i.e. JK) evaluated the transcripts for fit. The exchange between JK and the researcher is captured within a memo (See Appendix G) of 30 June 2003. The response from JK confirmed the appropriateness of the labelling process and reaffirmed the correctness of the data allocation (coding). This colleague was called upon because of the experience within the TAFE sector which has included representation on National and State wide committees for the development and implementation of policies; in addition this colleague has held senior positions in the TAFE sector in two states of Australia. Coupled with this background is research experience focusing upon pedagogical aspects of VET teaching.

Conversely "restrictive legislation" was the code label employed to cover any/all forms of governmental legislation and/or acts, enacted parliamentary bills and/or departmental processes and policies that in the view of the CEOs and MLMs were

legislative inhibitors to their activities. The research did not assess the accuracy of the interviewees' statements; rather the comments were accepted verbatim and allocated to the code "restrictive legislation"; while the notion of *legislative* in terms of restrictive legislation might suggest or imply acts/legislation in this case a more liberal interpretation in taken. Each of the codes was treated in this way; a detailed description of the codes, their definitions and characteristics is contained within Appendix F.

Understanding the attributes of each of the coded categories has contributed to a greater appreciation of the influence of the code's attributes in transforming the TAFE environment. Similarly, there emerges from within the categorisation process an insight into the complexity of organisational change in TAFE and the capacity of the CEOs and MLMs to influence that transformation. Perhaps more importantly is the realisation that CEOs and MLMs manage and lead within a multi-faceted environment that often is shaped by the attitudes towards transformation held by those same CEOs and MLMs. In other words, the capacity of the CEOs and MLMs to understand the intricacies of their environment appears directly proportional to their capacity to initiate and facilitate organisational change.

Recognising the need to ensure that the codes and themes portrayed all the ideas and concepts raised through the CEO's and MLM's interviews, the researcher explored the nature of the codes until it was felt that further analysis would not have brought to light any new information – in other words the analysis was saturated. During the interviews and subsequent discussions with colleagues, it became obvious that whilst the interviewees were talking about elements that impacted upon their capacity to transform the organisation (Appendix F) they were also associating these elements within the context of categories that were significant drivers of transformational change. It was emerging that all those elements used to describe '*entrepreneurship*' and leadership in TAFE were also agents of change within the TAFE context.

While the notion of leadership and change seem to be readily understood within the TAFE environment it is appropriate within the context of this research to (again) raise the issue of '*entrepreneurship*' because of its problematic nature. As the results of the analysis emerged it became increasingly clear that the term '*entrepreneurship*' as used (and therefore defined) by the CEOs and MLMs when compared with the writings of *entrepreneurial* theorists (Schumpter 1934, Kanter 1983a, 1983b, Burgelman 1983, Stevenson and Gumpert 1985, Beer, Eisenstat and

Spector 1990, Block and McMillan 1993, Stopford and Baden-Fuller 1994, Clark 1998) was significantly ambiguous and its meaning lacked definition within TAFE. While *entrepreneurial* theorists apply a particular definition to '*entrepreneurship*,' the applicability of that definition within the TAFE context is somewhat problematic. Indeed a discussion with others (See Appendix H and I) highlighted this dichotomy. The dilemma for the researcher has been the continued and regular use of the term by the TAFE leaders as they describe their work, their desire to achieve a changed culture and in a number of cases their own personal ethos. Recognising the definitional issue but also appreciating the term's frequent usage within TAFE it was determined to be appropriate to continue to use the term for this research with the caveat that the term's use is problematic.

Through continuing analysis, there emerged three super-categories, which were ultimately labelled *external transformational drivers*, *internal transformational drivers* and *impediments to organisational transformation*. The emergence of these super-categories was the result of drawing from the interviewees' information that was categorised and re-ordered. To achieve this result required the "breaking down of the data, conceptualising and re-assembling the data in new ways" (Strauss and Corbin, 1990, p. 57) and making re-connections between the elements that were initially categorised within either the '*entrepreneurship*' and/or leadership categories.

The re-assembling was guided by a process of selective integration (Strauss and Corbin 1990) which saw the super-categories emerge to create a theoretical framework for understanding how TAFE leaders influence and lead organisational change that resulted in being able to operate in a market-driven economy. These super-categories became central to the development of a concept of leadership in TAFE (see Figure 5.3). Indeed, in the final analysis, the super-categories stand as central pillars of the leadership framework in TAFE and are reflective of Strauss and Corbin's (1990, p. 23) notion that researchers "begin with an area of study and what is relevant is the area that is allowed to emerge."

Throughout the process the researcher was very mindful of subconsciously pre-conceiving (Glaser 1978) categories. To overcome any potential biases the continual reflection through the researcher's memos (see Appendix F), and discussion with colleagues, ensured the researcher took a neutral stance. This diligence and the re-packaging of the categories (i.e. selective coding [Strauss and Corbin 1990]) saw the gradual emergence of a concept of a leadership framework

as the categories were clarified and re-defined to form connections and inter-relationships, which in turn formed the core of a framework to better understand (Glaser and Strauss 1967) TAFE leadership.

3.6 METHODOLOGICAL LIMITATIONS

Naturalistic inquiry has, as its primary tenet, investigation in a natural setting, which the researcher determined was most appropriate for the investigation of the phenomena of leadership in TAFE, the development of relationships and the influences exerted by TAFE leaders to create a culture of '*entrepreneurship*'. Naturalistic inquiry provided an appropriate framework and methodology for the research.

The research has been conducted with specific personnel within their workplace environment, within a specific time frame. Geographic limitations prohibited the researcher spending a longer period of time with the respondents to the study. While the researcher understands that greater information may have been able to be gleaned from the respondents had greater time been available, the location of the TAFE institutes spread throughout Australia limited the opportunity for the researcher to have extended periods with the respondents. The researcher was, however able to spend an average of three days in each institution which did allow useful interaction to occur. The interaction was extended through the use of telephone and video conferencing to facilitate communication after the completion of the face-to-face interview. This enabled the researcher to illicite greater clarity in respect of the interviewee's perspectives.

A limitation of this study is the number of TAFE leaders actually involved in the study. Forty-seven TAFE leaders took part in the study and this number represents a small cadre of TAFE CEOs and MLMs compared with the total number of TAFE leaders throughout Australia. Irrespective of the inherent limitations of this study the data does point to trends that do influence leading in TAFE. It highlights the perceptions and the personal realities that TAFE leaders have of their role in leading and managing the TAFE environment in Australia. The following Chapter presents the information drawn from the interviews and provides the reader with an insight into the TAFE environment and specifically the roles of leaders within that environment

Chapter Four: Findings and Discussion

4.1 INTRODUCTION

This chapter presents the data from interviews with twelve CEOs and thirty-five MLMs who are leaders working within the TAFE environment. The data is provided in the form of commentary drawn from open-ended interviews with each of the participants. It was evident from the commentary that each of the participants identified similar issues within their respective organisations that both facilitated and impeded the creation of an *entrepreneurial* TAFE environment. Two primary themes became evident as the data was coded, namely leadership and the creation of an *entrepreneurial* culture in the TAFE environment. While the elements in each of the themes were discrete to that theme, it was apparent that some elements are duplicated within both themes. For example the TAFE leaders identified the *recruitment and selection* of appropriate staff as a key strategy in leadership development and creation of *entrepreneurship* within TAFE. Conversely *business planning* was identified as a key strategy necessary for *entrepreneurship* but a low-key requirement for successful leadership.

To further explain the data collection, Figure 3.2 is a diagrammatic representation of a concept map that illustrates the linkages between the coded data after the initial analysis was concluded. Dominant in the interpretation of the data are the linkages and inter-dependencies that TAFE leaders perceive between the elements that influence the transformational process. The depicted concept map provides a glimpse of the competing and complementary relationship that exists between organisational structures, degrees of *entrepreneurialism* and interpersonal relationships and the strategies employed by leaders in TAFE to transform their environment.

In terms of leading the transformation process that will culminate in an *entrepreneurial* culture, the TAFE leaders have identified through their transcribed commentary leadership and *entrepreneurship* as the primary themes. Cascading from the primary themes are a number of sub themes. By way of example the sub-themes of leadership are identified as inspirational leadership, relationships, leadership styles, communication, and recruitment and selection. The TAFE leaders identified the sub-themes that underpin *entrepreneurship* as charismatic leadership, rewards and recognition, organisational structures, and business planning.

The coding procedure used the primary responses drawn from the interviewee's commentary as the first point of reference. For example when the interviewee commented that "trust" was a crucial aspect to leadership in TAFE, it was accepted that the use of the word "trust" was given similar meaning by any/or all CEOs and MLMs using the word "trust." No attempt was made to ensure that each CEO and/or MLM using the word "trust" defined it in exactly the same manner. In this way the words used by the interviewees became the primary discriminators for the coding and transcription of the data. The codes that were directly attributed to the words' usage by CEOs and MLMs were, trust, loyalty to work colleagues, relationships, modelling behaviours, walking around, communication, interesting work, rewards and recognition, organisational structures, lean and hungry, government bureaucracy, restrictive legislation, business planning ownership of change, motivation, long serving staff, charismatic leadership, *entrepreneurship*, and leadership styles.

To further check the veracity of the coding process of the researcher requested colleagues to code a sample of the data. These colleagues were provided with the word codes previously identified by the researcher through the interview process and requested to sample a number of the transcribed interviews looking to add additional word codes to the current list and/or corroborate the researcher's listings. From that process it was evident that the colleagues word codes corresponded to the researcher's coding. This provided a measure of confidence that the coding reflected the issues raised by the interviewees during the course of the interviews.

In addition to the words that identified issues for the CEOs and MLMs, evidence of leadership and *entrepreneurship* styles was sought, either through the interviewees direct use of a word to describe the CEOs and MLMs particular leadership and *entrepreneurial* style or a description of the leadership attributes held by other CEOs and MLMs. The characterisation of particular leadership style was drawn from definitions found within the literature on leadership paradigms and *entrepreneurship* and included transformational (Bass and Avolio 1990), emotional intelligence (Goleman 2001), leader-member exchange (Dansereau and Yammarino 1998), contingency (Fielder 1967), path-goal (House and Mitchell 1983), inspirational leadership (Conger and Kanungo 1998) and *entrepreneurship* (Boyett 1996).

The interviewees description and the underpinning information shaped the process of coding and the subsequent arrangement of the findings on this study. In order to better present the findings the remainder of this Chapter has been organised under the headings of:

- *Entrepreneurship* and TAFE
- Leadership in TAFE
- Leadership of the Change Process in TAFE
- Inspiration as a Leadership Strategy in TAFE
- Leading to Create an *Entrepreneurial* Culture in TAFE.

This reflects the primary concepts that have emanated from the coding process and have underpinned the emergence of the categories.

While a number of researchers have explored the concept of *entrepreneurship* a recent researcher to touch upon *entrepreneurship* has been Robert Sadler from Chisholm Institute of TAFE (2001). Sadler has explored the notion of *entrepreneurship* within the public sector and has implored future researchers to continue the exploration of *entrepreneurship* within the public sector. In his most recent writing he argues that *entrepreneurship* in education can flourish, this will result because of the changing culture and the increasing freedom afforded by the education sector. While the focus of this research is not *entrepreneurship* perse it is non-the-less focussed on the organisational issues that leaders would have to address in order to create a culture of *entrepreneurship* – these issues in fact could be extrapolated to represent the issues that would have to be addressed within the TAFE environment. As a result of Sadler's research there is reference throughout the following discussion to Sadler's work – this does not suggest agreement or is a validation of Sadlers research rather it reflects Sadlers contribution to the following discussion.

4.2 ENTREPRENEURSHIP AND TAFE

4.2.1 CEO's Perspective on Characteristics of an Entrepreneurial TAFE

Why should a TAFE institute be interested in being *entrepreneurial*? In a study initiated by the International Association of Universities and completed by Burton Clark into *entrepreneurship* in the university sector it was commented that the purpose of "effective collective *entrepreneurship* … [is that it] can provide resources and infrastructure that build capability beyond what a university would otherwise have, thereby allowing it to subsidise and enact an up-market climb in quality and reputation" (Clark 1998, p. 5). The researcher has found that Australian TAFE colleges' engagement in *entrepreneurial* activity is undertaken to

enhance the learning environment by building better facilities and providing better resources for student learning. When questioned during the interviews it was found that leaders in TAFE express similar reasons for engaging in *entrepreneurial* work as did their university colleagues.

Some of the reasons given for the TAFE CEO engaging in *entrepreneurial* activities were:

"Our commercial activities have allowed us to do international work, establishing international networks and that sort of thing."

and others said,

"because the institute has engaged in *entrepreneurial* work we have been able to build this library facility with our own money and the government only contributed a third".

"It's doing business that generates something back to the institute and it's something that we can use."

On a more intrinsic level some CEOs saw being *entrepreneurial* as the opportunity to enhance their staff's capacity and said that being *entrepreneurial* means:

"That it gives people the freedom to take risks and to explore opportunities and to have more business acumen and, I guess it encourages people to get out and become *entrepreneurial*."

and when describing a staff person who is *entrepreneurial* one CEO said:

"I think an *entrepreneurial* person would be someone who really went out of their way to develop a full range of skills for a variety of educational tasks [in my mind] *entrepreneurial* staff [person] would be one that really was developing their capacity."

The CEO saw *entrepreneurship* in their institutions as very beneficial primarily because it brought additional and much sought after resources to the institute. In large part the demand for additional resources, according to the TAFE leaders' responses to interview questions reflected a view that there had been a general reduction of resources provided by governments to the TAFE institutes for their operations. To compensate for a shortfall in government provided resources, TAFE colleges have turned to the competitive market place to exercise their capacity to

engage in *entrepreneurial* endeavours. Institute CEOs described an *entrepreneurial* institute and *entrepreneurialism* in TAFE as:

> "an institute that takes advantage of any situation that arises and uses that to meet client expectations in a different sort of way"

> "being *entrepreneurial* to this Institute is being out there, building business, looking for opportunities and developing those opportunities"

> "getting out there with industry looking for opportunities and maximising them"

> "being more flexible and customised then what we are now and [providing] a lot more choice for clients"

> "it's got a spirit of adventure, it's a risk-taking organisation, which is quite open to new ideas"

> "your focus is on servicing the client and making them happy and all of those sorts of things"

While the comments demonstrated a strong focus upon meeting client expectations and the behaviours that an *entrepreneurial* TAFE might exhibit, other CEOs were mindful of the *entrepreneurial* use of their available resources and commented:

> "*entrepreneurship* as being how you use the resources that you have at hand; to use those resources to get maximum benefit for the Institution and through the Institution to the constituents, the students that you are actually there to provide the services for"

> "it's about how you use your resources and I don't think we are anywhere near using our resources effectively"

> "*entrepreneurial* in our environment is not just about making money, it's also about developing new ways and getting those to happen within the institute"

"I think being *entrepreneurial* is not just about being commercial, I think it's about behaviour, it's about understanding about business and it's also about having intent and motivation to go out and lead and taking a leadership role and operational role in developing the business. So *entrepreneurialism* is about business, about developing business, but it's also about driving that business"

To be *entrepreneurial* in the TAFE environment requires a multi-faced faceted approach to the utilisation of resources. It is not enough to manage physical and financial resources well, included within that must be the quality management of people. It is the staff in the TAFE environment who must embrace the ethos of *entrepreneurship* and use that ethos as the foundation to guide their everyday practices in meeting the needs of their clients. To achieve an *entrepreneurial* culture in TAFE the people that work in that environment are critical. TAFE CEOs said of TAFE staff:

"if you look after the people, then being *entrepreneurial* will look after itself and that was very much what happened"

"passion probably the first and commitment, passion without the commitment and not a lot is going to happen, and I don't believe you can have any success in *entrepreneurial* activity without a good degree of passion and commitment"

While all the TAFE colleges visited operated a number of fee-for-service activities there was not a demonstrable standard manner of operating fee-for-service activities. Some colleges had set up independent businesses that operated as propriety limited companies, others operated within the TAFE structure guided by the same rules that dictate the delivery of government sponsored training, while others operated semi-autonomously within the TAFE structure. The notion of particular organisational structures that foster and generate an *entrepreneurial* organisation have long been debated. Graham and Harker (1996) have consistently argued that within the public sector the organisational structures will be an impediment to the spontaneous emergence of *entrepreneurship*. From the information gained from the interviews there appears to be limited systemic organisation of *entrepreneurship* within the TAFE sector, none the less *entrepreneurship* has in various form emerged. Perhaps the work of Behn (1988) best describes the emergence of *entrepreneurship* in TAFE as an interactive process that "gropes" along moving ever closer toward *entrepreneurship*. In a similar

manner Borins (1998) recognises the notion of "groping" along however stresses the point that planning also plays a role in the emergence of *entrepreneurship* in the public sector. While the interviews reflect a TAFE system that is becoming *entrepreneurial* in a less-than-systemic manner it is non the less increasing the levels of *entrepreneurship* and each of the CEOs and MCMs are working in their own ways toward the development of an *entrepreneurial* culture. This corroborates with both Borins (1998) and Behn (1988) notions of spontaneity and planning and goes someway toward describing an emerging *entrepreneurial* TAFE environment.

However, according to three CEOs fee-for-service activities were often seen as separate from the primary business of providing government funded training and this was inappropriate as students in government funded training were treated differently from those who were full-fee-paying students. The CEOs expressed the view that all our students should be treated the same with the highest level of service provided. One CEO saw *entrepreneurial* TAFE colleges as having a number of characteristics:

> "A key characteristic [of being *entrepreneurial*] would be that they [the staff of TAFE] would [in conducting their business] blur the boundary between state government and the rest. They would be essentially educators involved in the education of whoever, the different funding of education wouldn't create distinctions".

One of the TAFE CEOs observed that because of the pursuit of *entrepreneurship* in the institute "there is a lot more shared knowledge" and staff "show pride from the start in what they're doing". The pursuit of *entrepreneurship* is credited not only with providing additional resources to the institute but also increasing communication between units within the college: "they never used to talk to one another and you could never get resources across from one another [now] there seems to be more lateral movement in the place than there previously was".

It is interesting to note the commentary from the CEOs who believe that the pursuit and emergence of *entrepreneurship* has "blurred the boundaries" and "fostered communication across the TAFE organisation". In the same way Sadler (2001, p.12) observes that the "incongruities and vagaries of objectives, in conjunction with public sector hierarchical structures, may facilitate opportunities to achieve *entrepreneurship*". The open communication and the blurring of boundaries are characteristics of a developing *entrepreneurial* organisation. With the notion of TAFE and its ambiguous social, business and educational outcomes confusion might

be the result, however Cornwell and Perlman (1990) suggest multiple, conflicting and ambiguous goals may inspire *entrepreneurship*.

4.2.2 MLM's Perspective on Characteristics of an Entrepreneurial TAFE

The results of the interviews with this cohort of people identified that their definition of an *entrepreneurial* organisation was similar to the CEOs definition although it was evident that there existed a strong element within the value-set of the MLM a commitment to "social justice". The characterisation of "social justice" according to eleven of the MLMs is one where education and training should be available and equitable for all and should be of minimal cost to the student, in other words the responsibility of government. While the discussion on social justice centred on the cost of education many MLMs felt the move to "flexible delivery" (ie, using on-line technologies, video conferencing etc) as a teaching methodology was a mechanism designed to decrease costs for the TAFE colleges for teaching. They emphasised this by pointing out that human interaction (eg, face to face delivery) was necessary for good learning to occur.

While there are many TAFE leaders who saw an *entrepreneurial* TAFE as being one that is focused upon the generation of additional revenues there was a strong cohort that interpreted an *entrepreneurial* TAFE college as being innovative: not necessarily *entrepreneurial*. Typical of these descriptors were the comments that highlighted the *entrepreneurial* emphasis on community service:

> "So long as we're providing an innovative solution to the community, I think that's *entrepreneurial*."

> "If the locals want on-line courses and we provide those, then isn't that the same as being *entrepreneurial* – its just a different way of looking at being *entrepreneurial*."

> "You know all this new technology, on-line delivery, training in the workplace – well that can be *entrepreneurial*."

> "Being *entrepreneurial* in this college is about being aware of the regional trends in employment and making sure we provide training to suit."

> "See I don't think you have to make money to be *entrepreneurial* – it all depends on the type of students you have."

A dichotomy in terms of attitudes and values was evidenced from twenty-one of the thirty five MLM's in that while most shared the CEO's commitment to an *entrepreneurial* TAFE environment and they also believed that an equitable educational philosophy should apply. While these MLMs are senior managers responsible for engaging with the CEO's vision but underpinning this notion is an equally strong personal commitment to social justice and equity in educational provision. These leaders attitudes and values are best expressed in the comments made by four MLMs:

> "I don't believe students should have to pay for their training – the government should remember that these people are contributing to Australia's growth."

> "Charging students through a fee-for-service or full fee paying arrangement is anti-Australian."

> "Why should students have to pay, isn't it what we all pay our taxes for?"

> "VET students are grossly penalised because universities are over-funded, particularly when you think that less then 20% of students ever go to uni."

The underpinning theme that pervades these comments is what might be called the "traditional educational philosophy" that suggests education and training should be an equity and access issue whereby it is essentially free to the Australian community and funded by the government. When one considers these comments from the MLMs it is obvious that they support the notion that education and training is a government responsibility.

It is also evident that a large proportion of these MLMs believe that being *entrepreneurial* in TAFE is strongly linked to the building of social capital and enhancing student learning. It is equally evident [while not directly part of this study] that those MLMs making these comments have been involved in the TAFE system for periods exceeding ten years.

While there were many MLMs who were advocates of the traditional approach to education and training, fourteen of those interviewed indicated an *entrepreneurial* TAFE environment should be one that is operated more along business lines rather than educational lines. A critical feature of the thoughts of these MLMs was that education and training should operate along the same business lines as those

private enterprise business principles. The notion of offering fee-for-service programs was considered by these MLMs as an appropriate way of doing business. This cohort also expressed attitudes that may have exhibited the frustration of being *entrepreneurial* in a TAFE environment. The following comments typify the blasé attitude that is adopted by some MLMs:

> "Governments expect us to straddle public provision and fee-for-service course provision."

> "Governments think that *entrepreneurial* activities will provide additional revenues for the TAFE to operate."

> "Its difficult enough, trying to be *entrepreneurial*, and you're not really appreciated for it."

In view of the drive to *entrepreneurialism* in TAFE Sadler (2001), in his paper "A framework for the Emergence of *Entrepreneurship* and Innovation in Education" describes "moderate personnel turnover", traditional committee structures and the inflexibility of the education sector "as inhibitors to the emergence of an *entrepreneurial* culture. Refecting upon the comments (see below) from some MLMs it is apparent that TAFE is in a transitional phase of development with many MLMs striving for a new working context whilst a number of MLMs clutch the past.

It is noteworthy that the larger proportion of MLMs, who appear to propagate the fee-for-service (*entrepreneurial*) approach, are those that have been working within TAFE less than ten years and are new to the business of training and education. Indeed, some of these more pragmatic MLMs have come to TAFE, having owned their own businesses (eg media and marketing, engineering and the development of photonics, secretarial college, hydroponic garden development) and they obviously bring to the TAFE environment a willingness to step outside the traditional TAFE setting.

When asked to comment on the characteristics of an *entrepreneurial* TAFE environment, these MLMs said:

> "Running fee-for-service courses should be part of our normal way of operating."

"I think that business around here understands that customised training will always cost more and if it's good enough, you can charge what the market will bear."

"The trouble with being *entrepreneurial* in this place is that there's not enough of us [*entrepreneurial* people]."

"I think I'm prepared to take risks, so long as I can measure that risk against some potential success."

"Being *entrepreneurial* in TAFE is easy, because no-one else is doing it very well."

"We should value our training more than we do – our clients are prepared to pay – all we have to do is make sure we provide quality."

"At this Institute the CEO makes sure that we are *entrepreneurial* and therefore we take risks with the view of value-adding to the Institute and increasing our potential to success in the future."

A number of MLMs, in discussing *entrepreneurialism*, saw the need for *entrepreneurs* in TAFE to be appropriately rewarded within the parameters of the environment in which they work. However, as pointed out by Sadler (2001, p.7) with relatively rigid pay scales and limited opportunity to use motivating mechanisms "it is difficult to inspire, encourage and reward *entrepreneurial* staff". The environment (eg TAFE Teacher's industrial awards, legislative obligations, auditor-general requirements etc) posed many problems in the eyes of the MLMs, particularly the capacity for TAFE staff to be *entrepreneurial*. As one MLM said:

"How can you be *entrepreneurial*, when there are no rewards for being *entrepreneurial*?"
and
"In private industry you would be rewarded for getting work. Here, you can't even share the rewards."

The rewarding of *entrepreneurial* behaviour is an issue for many MLMs and they would argue that rewarding success is an important aspect of the new TAFE

environment and yet "the public sector is a particularly unforgiving environment which punishes mistakes but does little to reward success" (Sadler, 2001, p. 8).

Risk taking is a primary characteristic of *entrepreneurship*, however many MLMs saw a contradiction between risk taking and working within a government agency. The notion of jeopardising taxpayer funding for *entrepreneurial* risks was a contravention of most public policy direction. Middle level managers were acutely aware of the difficulties in enabling staff's *entrepreneurship* because of taxpayer funding and the attendant accountabilities associated with such financial arrangements. Typical of those restrictions that TAFE MLMs saw in relation to developing *entrepreneurs* was the need for approvals to travel. As one MLM said:

> "I can't take advantage of China opportunities because the Minister needs three months and a thousand reasons [to approve my travel]."

Another said:

> "You can't invest because this government sees that as being anti-competitive with the private sector [but it still goes around encouraging competition]."

While another MLM suggested that,

> "You've got to be ultra-conservative with government money because [regardless of what is said] no-one wants to risk government monies."

4.2.3 Entrepreneurship in TAFE

As mentioned previously the TAFE leaders involved in this study, with one or two exceptions, thought of themselves as *entrepreneurial*. Callan (2003, p. 29) in writing about vocational education in Australia suggested that:

> *"Entrepreneurship involves business skills that include an ability to recognise business opportunities, and a desire to manage appropriate risk-taking activities to bring such opportunities to their full potential."*

At an operational level Callan (2003) further stated that the TAFE *entrepreneur*:

- *uses marketing skills to identify different segments and product mixes for potential customers*
- *operates as an educational entrepreneur*

- *promotes to customers the skills and expertise of staff in the organisation*
- *demonstrates to customers the partnering potential of people in the organisation*
- *knows how to close a deal*
- *encourages a sharing of ideas about sources of new business*
- *views business processes from the ultimate customer perspective*

By comparison Casson (2000, p. 93) suggests "*entrepreneurship* signifies an adventurer's approach to business, involving a willingness to take risks and an ability to improvise … [*entrepreneurship*] is associated with flair and dynamism". Meredith, Nelson and Neck (1982, p. 1) say that "being *entrepreneurial* means combining personal characteristics, financial management and resources within your environment" and "they [*entrepreneurs*] take calculated risks and enjoy challenges that involve moderate risks" and *entrepreneurs* "strongly believe in themselves and their ability to make good decisions" and "*entrepreneurs* are action-oriented, highly motivated individuals who take risks to achieve goals".

Upon closer examination between the responses from the interviewees and the research undertaken by Callan (2000) there exists a dichotomy. The work of Callan seems to suggest that strong *entrepreneurship* exists within TAFE however the CEOs and MLMs are indicating through their commentary the need for greater levels of *entrepreneurship*. While Callan's (2000) research found evidence of *entrepreneurship* in TAFE, the CEOs and MLMs comments would lead to the conclusion that the level of *entrepreneurship* is insufficient. The CEOs and MLMs clearly think that there is a need to expand the range of *entrepreneurial* activities and increase the *entrepreneurial* behaviours of TAFE staff. Further research may explore the specific reasoning underpinning the dichotomy in the future, but in large part the dichotomy lies in degrees of *entrepreneurialism*, not in whether it exists or does not exist.

To gain greater understanding of the characteristics and traits that should be exhibited by the *entrepreneurial* TAFE CEO and MLM, the research examined the characteristics and traits that were identified at an International Labour Office workshop (Table 4.1) on *entrepreneurship* conducted in Honolulu in 1977 (Meredith, Nelson and Neck 1982).

TABLE 4.1: CHARACTERISTICS OF THE ENTREPRENEUR	
Characteristic	**Trait**
Self confidence	Confidence Independence, individuality Optimism
Task-result oriented	Need for achievement Profit oriented Persistence, perseverance, determination Hard work, drive and energy Initiative
Risk taker	Risk-taking ability Likes challenges
Leadership	Leadership behaviour Gets along well with others Responsive to suggestions, criticisms
Originality	Innovative, creative Flexible (open minded) Resourceful Versatile, knowledgeable
Future-oriented	Foresight Perceptive

Adapted from Meredith, Nelson and Neck (1982)

While it is obvious that an "*entrepreneur*" will not necessarily rate highly on every single trait, it is expected that most *entrepreneurs* will achieve a high rating on self-confidence, risk-taking ability, flexibility, independence and a strong need to achieve (Meredith, Nelson and Neck 1982, Casson 2000, Gatewood, Shaver, Powers and Gartner 2002). Further characterising *entrepreneurship* Smilor and Sexton (1996, p. 15) recounted that:

> "*Entrepreneurs upset the status quo, disrupt accepted ways of doing things, and alter traditional patterns of behaviour. It is often impossible to predict which venture will succeed because of the dynamic nature of the entrepreneurial process.*"

Smilor and Sexton (1996) defined *entrepreneurship* as having many paradoxes, which are expanded upon in Table 4.2. Further, leaders of *entrepreneurs* are faced with the dilemma, as a CEO respondent suggests:

> "You have a more difficult time managing … because they are people that take things on, they challenge you and they come up with ideas, they are lateral thinkers. It's not something you can easily contain, its like herding cats; they're all over the place. But it's the sort of people you need."

Entrepreneurs seem to be able to operate in a paradoxical environment and are "thought to differ from the rest of the manager population as regards to risk-taking

propensity, innovation, and the need for achievement" (Carland, Hoy, Boulton and Carland 1996, p. 6). To move forward (ie; to be *entrepreneurial*) organisations need highly professional employees; indeed Hage and Aiken (1970) found that organisations with a high percentage of professional employees tend to be more innovative. The lesson for TAFE may lie in the enhancement of *entrepreneurship* through a deliberate attempt to increase the level of professionalism in its staff.

TABLE 4.2: ENTREPRENEURIAL PARADOXES	
Paradoxes facing the entrepreneur	
Order	Chaos
Letting go	Holding on
Maximise ownership	Give up ownership
Long-term vision	Short term action
Competition	Collaboration
Commitment	Flexibility (de-commitment)
Seek opportunity	Say no
Sweat details	Conceptualise
Patience	Urgency

Smilor and Sexton (1996, p. 19)

How does the definition of *entrepreneurship*, as recounted by the TAFE CEO and MLM match the *entrepreneurship* theorists? By examining the motivational drivers of the CEOs and MLMs, it is evident that CEOs describe themselves as driven, with a preparedness to take risks (within legislative parameters), with a strong degree of pragmatism and a general level of confidence that might typically surround leaders in a multitude of professions. Clearly there are elements of the CEOs' behaviours that are closely linked to the characteristics and traits of *entrepreneurs* as defined by the literature (Beer, Eisenstat and Spector 1990, Langlois 1994, Boyett 1996, Eggers and Smilor 1996, Casson 1997). Elements such as innovation, risk-taking, seizing the opportunity, individualism and a sense of competitiveness are found both in the literature and used by the CEOs and MLMs to describe some of their leadership behaviours and characteristics.   But *does* this fully explain the nature of *entrepreneurship* in TAFE? A strong theme that is always linked to *entrepreneurship* is motivation, in particular personal motivation (Salovey and Mayer 1990, Sonfield and Lussier 1997, Goleman, Boyatzis and McKee 2002b).

The notion of an *entrepreneur* in TAFE clearly tests the traditional paradigm of the *entrepreneur* who generally functions within a context dominated by financial business ventures (Schumpter 1934, Rumelt 1987, Low and MacMillan 1988). The reason for this distinction is that in TAFE, *entrepreneurship* does not operate with

the same degree of intensity in risk taking that might be found within the corporate world. Indeed as one MLM said, there is a safety net for *entrepreneurs* in TAFE because:

> "You can be much more *entrepreneurial* in TAFE because you know you
> have the large TAFE infrastructure behind you."

This is not to understate the importance of *entrepreneurship* in TAFE, rather to temper the notion of corporate *entrepreneurship* and remind the reader that *entrepreneurship* in government-owned enterprises is not the same as that in the corporate world. It is nonetheless *entrepreneurial* and contemporary definitions of *entrepreneurialism* reinforce this assertion:

> "An intersection or nexus of individuals or teams, opportunity and modes of
> organizing."
>
>> Busenitz, West, Shepard, Nelson, et al, (2003, p. 285)

> "*Entrepreneurship* can be viewed in its essence to be individuals or teams,
> creating works such as products and services, for other persons in the
> market place."
>
>> Mitchell (2002, p. 179 – 180)

> "*Entrepreneurship* is about individuals who create opportunities where
> others do not, and who attempt to exploit those opportunities through
> various modes of organizing."
>
>> Stevenson & Jarillo (1990, p. 23)

The latter definitions of *entrepreneurialism* have greater application for the understanding of *entrepreneurialism* in TAFE because they focus on the cognitive behaviours of *entrepreneurs* as a way of understanding their thinking – which in turn directs the *entrepreneur*'s activities. The subtlety of "TAFE" *entrepreneurship* is best understood as the relational interactions that underpin the act of *entrepreneurship*.

As rational interactions are understood it became clearer that *entrepreneurship* is inherent in the actions of TAFE CEOs and MLMs. After an exhaustive analysis Sadler (2000) has concluded that *entrepreneurship* in education was significantly affected by the following factors:

> ➢ The Macro-external environment;
> ➢ Organisational Structure;
> ➢ Organisational Culture;

> ➢ Organisational size;

> ➢ Rewards and sanctions;

> ➢ Centralisation of decision-making;

> ➢ Specification;

> ➢ Resources; and

> ➢ Organisational Performance objectives.

In the event that TAFE CEOs and MLMs are able to manage these factors then the evolutionary potential of *entrepreneurship* will be magnified.

Is it feasible to conclude that TAFE CEOs and MLMs are demonstrating *entrepreneurial* leadership? Clearly the answer is no; not all the CEOs and MLMs were *entrepreneurial* even though all indicated they were. Often the notion of *entrepreneurialism* as interpreted by TAFE leaders was superficial and comments such as:

> "we are *entrepreneurial* because we do commercial work"

> "being *entrepreneurial* is about taking risks"

> "because we are innovative and have a special innovations unit set up we are more *entrepreneurial* than other TAFEs"

are typical of the descriptions that emphasise TAFE leaders' interpretations of *entrepreneurship* in TAFE. The conclusion must be that, whilst TAFE leaders are generally of a mind to be *entrepreneurial* and there are elements of their practices that are *entrepreneurial*, a great deal of work needs to be undertaken to improve the TAFE leaders' understanding of *entrepreneurship*. To be truly *entrepreneurial*, governments must free TAFE colleges from the legislative confines that restrict *entrepreneurialism*. As one CEO said:

> "We'll never be *entrepreneurial* so long as the government tries to run TAFE as a government department. You see, they [government] want the benefits of a corporation but the want the control because it is an instrument of government,"

and corroborated by Neil Fernandez[10] who said, "TAFE is a strategic instrument of government and its responsibility is greater than merely delivering training". The comment by Fernandez is interesting in light of the Sadler's (2000, p. 9) comment that "*entrepreneurship* might be defined as the pursuit of a particular added value

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[10] Neil Fernandez, Deputy Director General – Training, Western Australia. A reference made at the Western Australian TAFE Managing Director's Network Meeting 2004.

as a clear and necessary pre-condition to justify the pursuit of *entrepreneurial* conduct".

Only by governments developing and supporting environments that embrace *entrepreneurship* as a method of operation will TAFE leaders be able to be *entrepreneurial*. Equally, TAFE leaders are generally under-skilled in terms of the theory of *entrepreneurialism*. *Entrepreneurs* are perceived as "charismatic individualists – adventurous risk-takers, imbued with the spirit of competition" (Casson 2000, p. 83) and TAFE leaders, whilst they may desire to be *entrepreneurial*, are faced with the practical realities of working within a government-sponsored bureaucracy.

The data provided by the TAFE leaders is a clear indicator that there is a desire and indeed a willingness on the part of many TAFE leaders to participate in building an *entrepreneurial* culture in TAFE. Having indicated a willingness to develop an *entrepreneurial* environment there are many issues that will need to be addressed. Not the least of those issues is the slightly different individual perspectives of *entrepreneurship* dependant on whether the response during the interview came from either the CEO or the MLM.

Clearly there are many elements that define the CEOs and MLMs definition of *entrepreneurialism* that are the same. There are equally a number of elements that are perceived and therefore understood from the different perspectives of CEO and MLM. By way of example "social justice" was considered significant from the MLM, but less so from the CEO's perspective. This might be explained by understanding that CEOs are responsible to State Governments and Governing Councils to engage in revenue raising activities. Conversely, MLMs have greater responsibility for staff and students and it is not unrealistic to appreciate that their focus is upon delivering an educationally sound product and less upon directly creating revenue streams. To understand the TAFE environment, which in many ways is not unlike the university environment, it must also be understood the individualistic nature of those that operate in this environment and the independence that is traditionally afforded departments and faculties, and the autonomous gap between administration and teaching areas. The consequence of these divergent organisational values often results in an organisation with multiple value-sets and little concordance of assumptions and practices (Whiteley 2003) between organisational elements and units.

Another significant difference in terms of the CEOs and MLMs interpretation of *entrepreneurialism* is found in the tone and emphasis the MLMs place on operationally focussed issues. While most MLMs affirmed the need to generate revenues for their college, they do so with an expressed view that additional revenue would allow the refurbishment of computer facilities, the purchase of recurrent resources etc, most of which focused upon enhancing the capabilities of the college to deliver vocational education. The CEOs on the other hand emphasised the need to generate revenues, but commented the resources from the revenue would improve the general facilities and aesthetic appearance of the organisation in other words, improving business. The dichotomy in emphasis between the CEO and MLM appeared to be different because of their respective strategic and operational perspectives. Whiteley (2003) highlighted similar issues in her theory of philosophies, assumptions, theories of organising and practice (PATOP), which suggested that leaders and followers often have different and sometimes opposing interests. Whiteley (2003, p. 2), further emphasised that the "two sides of human character, rational and emotional are reflected in the language of the workplace where manager-speak is formal, definitional … while employee-speak is often emotional and figurative". This same notion of a rational and emotional workplace is also found in the work undertaken by the Department of Training and Industrial Relations (1990) when they were preparing TAFE Queensland staff for future leadership responsibilities.

Another feature that differentiated the perspective of the CEO and MLM was found in a discussion on the merits of *entrepreneurship* for the individual. The MLMs held the views that there were minimal rewards for engaging in *entrepreneurial* activities, particularly rewards of a financial nature and there was a lack of appreciation from the organisation. CEOs on the other hand saw *entrepreneurship* as a mechanism by which knowledge was shared; communication across campuses was improved and internal boundaries weakened. The emphasis and benefits flowing from *entrepreneurship* were closely linked to people development according to the CEOs. The different perspectives of the CEO and MLMs, while not inconsistent with any large organisation highlights the need for greater consensus of view between the CEOs and MLMs.

One of the primary issues that TAFE must address are the bureaucratic frameworks that, TAFE leaders (both CEO and MLM) report impede their capacity to be *entrepreneurial*. This is a challenge for many government agencies including the TAFE environment. It is however prudent to contextualise this with the words of

Wanna, O'Faircheallaigh and Waller 1992 when they said "the public sector operates within an environment with different obligations, accountabilities and objectives from the private sector. While the TAFE hierarchy posit the view that TAFE must be more flexible, adaptable and innovative (Chappell 1999, Hawke 2000, ANTA 2002, 2003) it is equally recognised that to be *entrepreneurial* the organisational structure has got to support the business processes (Tannenbaum, Weschler and Massarik 1961, Galbraith 1995, Stace and Dunphy 1996, Anderson and Ackerman-Anderson 2001).

The comments made by the TAFE leaders indicate that the organisational structures and the business frameworks are currently bureaucratised within government policy and legislation. The result is that *entrepreneurialism* in TAFE, regardless of the enthusiasm and commitment of TAFE leaders, will continue to be moderated by government legislation. Typically these include the various legislative Acts within which TAFEs operate (eg, Western Australian Vocational Education and Training Act 1996, NSW Vocational Education and Training Accreditation Act 1990, Queensland Vocational Education, Training and Employment Act 2000, etc), the Acts that govern the capacity of TAFE to establish independent business units (eg, Northern Territory Government Owned Corporations Act, etc) and the Acts that determine funding arrangements for TAFEs (eg, Commonwealth Vocational education and Training Funding Act 1992, etc) all of which impinge on the new market driven TAFE environment. In order to allow TAFE Colleges to move forward and evolve the governments bureaucracy and centralised decision making (Sadler, 2001) must be reviewed to foster many coalitions that would support innovation within the organisations.

The data has also demonstrated that the creation of an *entrepreneurial* organisation requires the creators to have a full and comprehensive understanding of *entrepreneurship*, how to create and practice it. The literature describes the *entrepreneur* (Lydall 1992, Boyett 1996, Eggers and Smilor 1996, Alizadeh, Perry and Riege 1997, Becherer and Maurer 1999) very clearly, however, many of the TAFE leaders have interpretations that portray a limited understanding of the nature of *entrepreneurship*. It is difficult in such circumstances to understand how TAFE leaders can be expected to create an environment and organisational culture they do not fully understand themselves. Perhaps Sadler's (2001 p. 2) comments best sum up *entrepreneurship* in TAFE when he stated "the emergence of *entrepreneurship* as a management tool in education has been often misunderstood".

In summary TAFE leaders have the responsibility to accept that consistent frameworks of information need to be developed which inform TAFE personnel of the essential requirements of *entrepreneurship*. In this way, they will develop a consensus of the *entrepreneurship* required in a TAFE environment. In essence, *entrepreneurship* is alive and well in the TAFE environment but it is not systematic within colleges, nor within state TAFE networks, nor is it well understood or wanted across the national TAFE network. Rather, it is individualised and personalised and in many instances it is determined by the leader's personal beliefs and values and their capacities to engage others in the development of *entrepreneurship*.

4.3 LEADERSHIP IN TAFE

4.3.1 CEO Leadership Styles and Characteristics

Personal leadership styles are best described as variable and are subject to continual refinement as leaders gain new skills and knowledge, develop new techniques and enhance our personal leadership styles through experience. Understanding leadership traits and environmental influences is insufficient to define leadership. How leaders interact and relate to others is determined by a complex interplay of personal attitudes, organisational circumstances and environmental influences. Many writers have attempted to define the leadership role and the reader is reminded that McClelland (1961) suggested the need for achievement was a basic characteristic of *entrepreneurial* leadership. Equally Knight (1996) and Russell (1995) reinforce that *entrepreneurial* leadership is chameleon-like and it is a temporal and strategic phenomenon that alters according to its operating environment. Against this back-drop, how do leaders in TAFE describe themselves from the leadership perspective? The following comments demonstrate what the TAFE leaders themselves believe they are portraying to their followers:

> "So to me an *entrepreneurial* manager is one who takes risks, takes challenges, is willing to take on new tasks, has got a variety of experiences, preferably international."

> "I actually think that leaders have a great responsibility to influence the organisation, to have the organisation shaped in such a way that it's actually performing the mission that it's set up to do."

> "I think the most valuable thing you bring, as a leader to the equation is not only your ideas and experience but also your time."

"I'm very strong in my leadership role in terms of being creative, being *entrepreneurial*, being supportive, [and] that the technical aspects of my position are focused on driving the strategic direction."

Sadler (2000) suggests to achieve an *entrepreneurial* environment there should be multiplicitous goals but further emphasised the need to make sure there was clarity and understanding of those goals. To achieve this engagement with staff, many CEOs take particular attention to ensure that their leadership is overt (that is, leaders are seen to lead), and they manage by being available to staff and obvious in setting the organisation's directions. The comments below are made by CEOs in regard to illustrating how they convey the organisation's directions to staff in order to create the vision and energy for organisational transformation to occur:

"I'm very focused on engaging the people at the professional level about why we are here."

"The clearer the leadership articulates the direction and vision then the easier that it becomes in terms of enabling that change process to happen."

The audience points to an education environment that is rapidly changing (Sadler 2001) and must be marshalled in a fresh and unique way to manage for the future. With this in mind the interviewer enquired of the MLM whether their CEOs were *entrepreneurial*, most MLM described the CEOs as being *entrepreneurial*. However, of interest are the *entrepreneurial* descriptors used by MLM to describe the *entrepreneurial* CEO. The following comments highlight the diversity of actions that are perceived as *entrepreneurial* and indeed illustrate the MLM's understanding of *entrepreneurship*:

"The (CEO) is a little visionary because he will think outside the box but … doesn't like the detail." [in other words the leader takes the macro view]

"The Institute Director is out there actually participating in the functions and business of the Institute."

"The CEO keeps drumming into everyone his expectations and is quietly prepared to take advice and criticism from us. He is very open to

suggestions; I don't have to think twice before I give my opinion so that says something about him."

"The CEO has shown deliberate leadership in regard to *entrepreneurialism*."

"I think the CEO endorses the *entrepreneurial* expectations."

"the CEO is very focused on the business model and it's not only her focus in the Institute and how that it is managed ... [the CEO] has a strong business focus [outside the TAFE environment] and is seen to be there as well ... the [CEO is] very active in this community."

However, it is clear that while there appeared to be general consensus that the CEO was providing clear and unambiguous direction in developing an *entrepreneurial* environment there were situations in colleges where the clarity of vision and direction was not sufficient from the perspective of the MLMs. The following comment indicates that the MLM did not feel confident that the CEO had provided sufficient direction or motivation to MLMs and staff to achieve the colleges' vision:

"She's not a really good motivator for us. We tend to self motivate."

During the course of the interviews four MLMs indicated that in terms of direction to create an *entrepreneurial* culture there was insufficient guidance from the CEO. Illustrative of the lack of direction the following comments are testimony to a need for CEOs to enhance their leadership capabilities, particularly leadership relating to the provision of organisational direction:

"If you have an executive management team who are still in the process of getting across what the vision and direction means then they are really not ready to make the cultural shifts that are necessary."

"The Director doesn't provide much direct guidance, most of us are left to do it ourselves."

"They [Institute Directors] don't want to get bogged down with detail and quite often are not good at carrying through on the detail I find. Great ideas people but not the follow through."

From the comments above it is obvious that there exists a great deal of diversity in the CEO leadership characteristics and skills as leaders. However this diversity

does not necessarily inhibit CEO *entrepreneurship* and certainly Graham and Harker (1996 p. 65) argue public sector *entrepreneurship* will develop if there is sufficient leadership, willingness and commitment to build creativeness and innovation within the public sector. It might therefore be concluded that the personal characteristics and drive of the CEO will be the determining factor in the transformation of the TAFE environment. However it is not just the CEOs that shape the direction of the TAFE organisations. A critical aspect is the interaction of MLMs with their CEOs leadership styles, because it is the relationships of both the CEO and the MLM leadership styles that shape the organisations direction and culture. In keeping with the search for understanding the next section examines the MLM leadership styles and characteristics.

4.3.2 MLM Leadership Styles and Characteristics

The MLMs are responsible to the CEO for the implementation of the strategic direction of the TAFE institute and represent the hub in the wheel; their role is pivotal to institutional success and they are the interpreters of change. Without their endeavours staff will not necessarily be able to either understand or embrace the practical, on-the-ground ramifications of the CEO's vision. Similarly they are the drivers of the change process and without their input and direction institutions would find it difficult to manage the transformational process to that of *entrepreneurial* organisations status. The interview responses indicated that integrity and communication were important attributes of the MLM's repertoire of skills. Communication was seen as the vehicle through which trust, empathy, empowerment and loyalty was established. The MLM said of their communication style:

> [it is necessary] "to communicate in such a way that people are able to understand what part they play in creating that vision, it's just not up to management to move the organisation in that direction to achieve those goals, it's only going to be the sum of all those parts, so it's about [staff] being able to shift so they can say I'm part of that"

> "It's about your communication style as much as anything else. There are probably a lot of other things you do."

> "An open door policy ... if any of my managers wants to come up and have a chat."

They believed that in this way, the communication channels were kept open and staff were engaged in the change process.

However, as institutes restructure and change, one MLM saw the tyranny of distance [not necessarily geographic distance] as an obstacle to their regular communication with staff and commented: "I really don't like remote leadership [using technology based communication as opposed to face-to-face communication] although when you work across the geography in this institute its really hard to do otherwise".

Communication was an important attribute required to "sell" the vision and build relationships with staff, but the MLMs also saw the necessity of other attributes. The leadership attributes that MLMs saw as positives in building positive working relationships, which are critical in underpinning quality leadership, are expressed through the following comments:

"I've built a reputation for fairness and trust. And those are some of the personal qualities that people … regard as an advantage."

"I'm very intuitive, I pick up on nuances in people's behaviour - I know my staff very well and have a good relationship with them."

"I always keep confidences."

"I am very, very high on the caring, very self-actualised as a leader."

"I am decisive and resourceful, but sometimes inflexible, whether that's a good thing or a bad thing I don't know."

"I do what I say I will do."

"I think I am a decisive decision maker… but … I can come across more authoritarian than I choose to, or need to just to get the job done, because that's my green [a reference to a psychological profiling exercise previously undertaken] "tasky" bit again too."

"I think I tend to inspire people."

"I think its consistency, reliability, confidentiality, empathetic listening and supporting people when they have personal issues and that they can talk to someone and know that you will respect that and you'll help them in that situation and you will help them in their personal lives as well as their professional lives."

A feature of the MLM style of leadership was the importance of communication. Positive communication played a major role in their capacity to motivate and inspire their staff. The MLM seemed adept to building relationships that allowed them to be perceived as trustworthy and fair in their approach with staff. This in turn facilitated the MLM leadership style and subsequent success.

A CEO said a successful MLM uses intuitive skills, "so they know how to feel, they know how to deal with the clients, they are sort of listening to what people want. So they're able to make different things happen, because they know, they feel". The attributes, or more pointedly the diversity of attributes identifies the broad range of skills used by the MLM in order to lead the change process. The conclusion that can be drawn from this diversity is that there is no single successful leadership style that can be used with all staff (Clegg 1990, Clegg, Hardy and Nord 1996, Quinn and Spreitzer 1997) which is consistent with the leadership theories (Blanchard, Zigarmi and Nelson 1993, House, Howell, Shamir, Smith and Spangler 1994, McClelland and Burnham 1995, Blanchard and Nelson 1997, Dansereau and Yammarino 1998, Goleman, Boyatzis and McKee 2002) discussed in the literature review. The leader attributes which culminate in success are underpinned by decisions made by persons with specialised training; through cohesive workgroups; performance objectives that are developed from a shared participation; hostile operating environment and decentralised decision-making (Sadler 2000). It is rather, the inter-playing of leader attributes with follower expectations that builds complex working relationships that are much more individualistic in manner than collective in nature.

To complete some of the many tasks that are the responsibility of the MLM a number of them recognise the value of relationships and emotions and use those to achieve their goals. The comments below hint at the use of emotions: one's own and the emotions of others to create and motivate toward an environment that embraces the transformation of TAFE:

"I will manipulate emotions … [indeed] mediation and facilitation is like that."

> "I change my emotional style to suit the individuals I am dealing with at the time."

> "Personal relationships allow you to talk through things clearly and openly, it allows you to feel as though punishment is not impeding, it allows you to feel that you are included and valued."

> "I ... manipulate emotions in the workplace ... because my behaviour would manipulate the behaviour of others. So my actions, and reactions and response are manipulative of other's emotions."

> "If you don't have some good credible personal relationships as well as a professional relationship and a forum to clarify issues one on one, then your ability to drive the change and reforms is limited. Because you have not built up trust and respect with them."

> "If you want to really, really build the fabric of your community starting with the executive, then you really have to know yourself because my success [as a MLM] is determined by how well the executive works together."

While all the MLMs recognised the importance of setting the direction of the organisation and the fact that in large part the CEO played a dominant role in the setting of the direction, a number of the MLMs felt they also played a major role in setting the colleges vision and providing the direction. Several MLM's commented that:

> "I see that picture a long time before other people and its very clear in my mind."

> "There are people who are just out there with the business and the ideas ... I'm one of them."

> "I always have a clear picture of where we are going."

> "You must have a very clear vision about where the organisation is trying to go, because that directs the leadership in terms of where the organisation is going. If you don't have that clarity of vision, it actually creates more problems."

In developing the leadership role *entrepreneurialism* was at the fore. MLMs saw their role as:

> "Helping to move the organisation as a whole along a critical path to business development."

others saw their roles as,

> "Specifically it's about winning business. It is important to show people you know how to do it, there's a modelling role particularly when people haven't done it before."

> "Like to succeed and I like to get results, I'm results oriented. That's my style."

> "I find it quite exciting going out there and getting new work … I find it a real challenge to find new work."

> "I just see opportunities and I grab them, I would hate to say that they're my ideas necessarily. I grab ideas, develop them and then I push them, I like to be out there."

While the MLMs recognised the necessity of being *entrepreneurial* in outlook, some recognised their own limitations as *entrepreneurs*. Indeed one MLM commented:

> "I wouldn't say I was the consummate *entrepreneur* but I am aware enough that we have to be more *entrepreneurial* and getting out there and trying to think of new things, that are outside the box, to do."

And in some colleges it was explained that some staff were overlooked for positions because it was thought that staff with an educational ethos were not capable of being *entrepreneurial*. As a MLM said:

> "In some Institutes [there is a deliberate trend not to employ educationalists into leadership positions] … we couldn't have the educational managers because they weren't business minded or *entrepreneurial*, but I think we've thrown the baby out with the bathwater."

This is a reasonably common notion in some TAFE environments because of the perceived notions of publicly funded training for the common good versus the introduction of full-fee-paying programs for students. As one MLM said,

> "TAFE managers need a good balance between business skills and education" who "in terms of being responsive, generating extra income, can encourage all that."

The above comments from the interviews illustrates powerful and yet fragile relationships that exist between leaders and followers and describes the central role that communication, relationships, emotions and empathy play in setting the directions and goals to achieve an *entrepreneurial* TAFE environment. The interviewee's comments reinforce the research undertaken by Salovey, Hsee and Mayer (1993), Salovey and Mayer (1994), Salovey, Mayer, Goldman, Turvey and Palfai (1995), Goleman (2000, 2001a), Goleman, Boyatzis and McKee (2002), that suggests emotions are a primary aspect of motivating (McGregor 1960, McClelland and Burnham 1995) staff which, is subsequently influenced significantly by communication. The often understated, role of communication (Eggers and Smilor 1996, Boyett 1996) therefore becomes pivotal for successful leadership. It can be concluded from the respondent's commentary that through the judicious use of sensitive communication relationships are able to be developed and the emotions of others are managed.

4.3.3 Leadership Styles and Characteristics in TAFE

Leadership in TAFE is very complex and requires sophisticated and intelligent leaders in order to cope in what is by necessity a highly competitive training market. In order to cope, leaders require enthusiastic and pragmatic leadership: a leadership style that has a strong element of *entrepreneurship*.

In the course of the interviews the CEOs and MLMs often identified themselves as pragmatic, inspirational, charismatic, transformational, democratic laisse faire and benevolent dictator leaders. They indicated they adopted strategies to push followers, coerce followers, and encourage, empower and motivate staff. While the literature review examined a number of the theories in relation to leaders (House 1983, Dansereau 1998 and Goleman 2000) and increasingly it is obvious that leaders in TAFE rely heavily upon the building of relationships that subsequently underpin their leadership practices. In a recent study of organisational transformation reported by Gettler (2003, p. 18), it was reported that leaders, to be successful, in 2010 would require:

- *The ability the influence and persuade not only within the organisation, but also outside, involving customers, suppliers, strategic partners, external constituents;*
- *Strategic thinking skills;*

- *Personal and organisational communication skills personal adaptability and most important;*
- *Managing a diverse workplace and employing several styles for dealing with many cultures, generations and points of view.*

Similarly, TAFE leaders in the changing workplace can no longer reply upon bureaucratic power and position from which to lead. People expect consideration, discussion and involvement in the decision-making process (Bennis 1969, Bennis and Nanus 1989, Bennis, Mason and Mitroff 1992, Noer 1993, Vandermerwe and Birley 1997). No longer do people want to feel that they are ordered around.

Further emphasis of the need to change is the ever-increasing number of sessional/casual/part-time staff who now teach within the TAFE environment; These new staff are often highly respected members of their community, they are also often influential members of industry and commerce and they subsequently demand respect whilst involved in TAFE. In many instances their involvement with TAFE is not a primary source of income and in the event of difficulties they invariably vote with their feet. The notion of being "ordered around" is not wise, nor accepted with such staff and therefore the skills of the TAFE leaders must be congruent with the new client group.

What is the leadership style of the TAFE leader and how is it characterised? The diversity of responses to the questions describing leadership highlighted the fact that not a singular traditional leadership theory was able to encompass the diversity of leadership styles evident within the TAFE leadership. It was clear that at particular times and in particular circumstances the environment and/or the situation had an impact and influenced the leadership process, which is not unlike the characteristics that underpin contingency leadership (Fiedler 1967, Vroom and Yetton 1973, Evans 1974, House and Mitchell 1974, House and Dessler 1974, Hersey and Blanchard 1977, House and Mitchell 1983, Blanchard, Zigarmi and Zigarmi 1985, and Blanchard, Zigarmi and Nelson 1993). If we were to consider leadership as a linear process moving toward the achievements of the organisational goals and outcomes, the environment could be filled with obstacles and impediments that stop or divert our path. Equally, there are environmental influences that hasten our course and are coadjuvancy to the leader's cause.
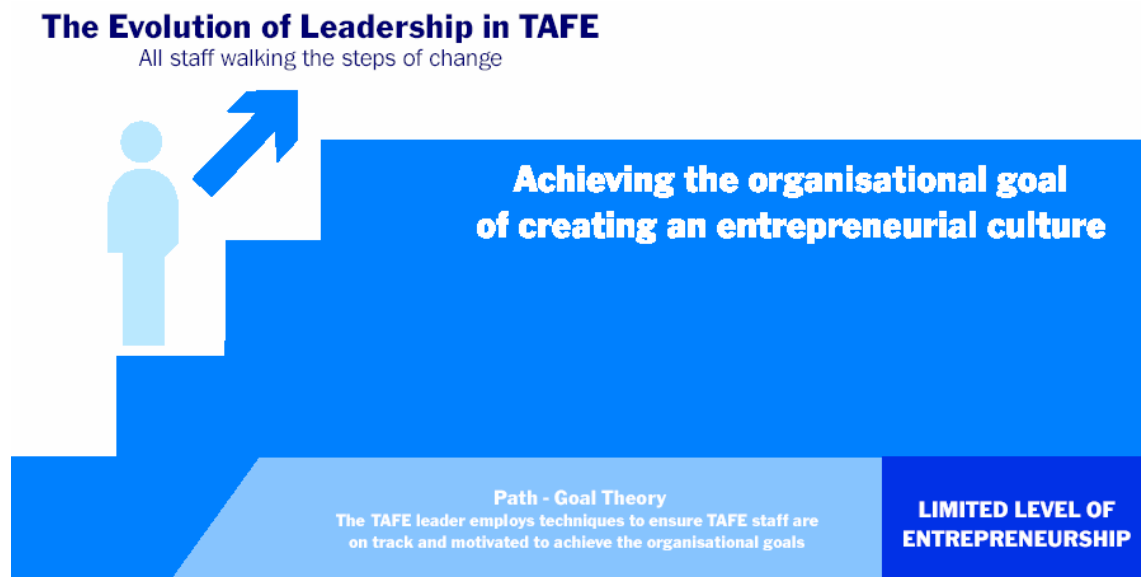
The synergies of TAFE leaders and their environment allows the researcher to conclude that TAFE leaders are cognisant of their environmental surroundings which include local communities, legislative obligations, and industrial relations

requirements. In considering their leadership actions, they take into account environmental influence. These influences are however small in comparison with the building of relationships between leaders and followers. In leading TAFE the leaders continually manage the many variables that make up and influence their organisations. On the one hand there are bureaucratic structures and processes that ensure the proper use of public funds while on the other hand there is pressure to generate additional revenues.

Leading through relationship building is central to a number of leadership theories within the literature review. Path-goal leadership theory (House and Mitchell 1974, 1983) suggests that there are four styles of leadership, namely directive, supportive, participative and achievement oriented, all of which links employee satisfaction to effective performance on-the- job. Leaders according to path-goal leadership (House and Mitchell 1974, 1983), build relationships that assist the leader to ensure team dynamics are effective, the structure of tasks challenge employees, the locus of control is shared between leader and follower and the leader is immersed in building the confidence of the employee. Within the TAFE leader cohort there is evidence of leaders who attempt to build structures to support teachers and non-academic staff in their day-to-day activities. Further examples of path-goal leadership tactics are found in the inclusive management styles that are employed between leaders and subordinates in the building of skills and knowledge through professional development activities. This forms the basis of a leadership style that is illustrative of path-goal leadership theory.

To understand leadership within the TAFE context there are varying levels of leadership, ranging from moderately successfully leadership through to highly successful forms of leadership. Figure 4.1 represents the first stage in the evolution of leadership in TAFE. The first stage of the framework suggests TAFE leaders use the approach (House and Mitchell 1983) whereby TAFE leaders work with their staff to provide direction (goals) and the strategies (path) to achieve their goals. This does not suggest that other leadership styles are not in evidence, for example establishing a strong vision (Tannenbaum, Weschler and Massarik 1961, Bennis and Nanus 1985, Kanter, Stein and Jick 1992, Cacioppe 1997, Conger and Kanungo 1998). This form of leadership does not represent the best form of leadership but is certainly a style of leadership that was observable within the stated outcomes and practices of TAFE leaders.

The Evolution of Leadership in TAFE
All staff walking the steps of change

Achieving the organisational goal of creating an entrepreneurial culture

Path - Goal Theory
The TAFE leader employs techniques to ensure TAFE staff are on track and motivated to achieve the organisational goals

LIMITED LEVEL OF ENTREPRENEURSHIP

The leaders in TAFE indicated that they tried to demonstrate respect for teachers as professionals and for the work they do. As a CEO said of some teaching staff:

> "I really appreciate the staff on this campus, because if they worked to rule, nothing would get done," while another commented:

> "They (teachers) are professional... there's not much recognition of that in TAFE."

Clearly the TAFE leader behaviour correlates with the leadership behaviour identified in path-goal theory (House and Dessler 1974, House 1977, House and Mitchell 1983, and House, Spangler and Woycke 1991) whereby the leader responds to worker behaviour and works to get the follower back on the path to allow progress toward the goal. An example of path-goal theory in action might be found by a MLM's comment that "you only have to tweak them (staff) a little to get them on track". At the same time as the leaders are providing the direction and clearing the path for achievement, the specificity of the direction and the way to achieve the task's outcomes is becoming increasingly limited. As greater direction is provided and the path is closely defined the opportunity for individual enterprise and innovation is eroded. This is in congruence with Sadler's (2001) contention that unilaterally developed objectives that emphasise formal accountabilities with strict rules of enforcement, subsequently encourage organisations to be defensive, conservative with rigid behavioural patterns. The model above recognises that TAFE

leaders do use path – goal as a leadership model, but they do so at the potential expense of innovation and *entrepreneurship*.

Is this proof, can the conclusion be drawn that TAFE leaders employ path-goal theory as the leadership framework? Using the same comments as above the researcher is confronted with the reality that the same descriptions might well suggest that leader-member exchange theory describes more appropriately how leaders are leading staff. A focus of leader-member exchange (Dansereau, Cashman and Graen 1973, Dansereau, Alutto and Yammarino 1984, Dansereau and Yammarino 1998) is the premise that sound relationships between leader and followers will ensure that staff are kept on the "right" track and are focussed upon organisational goals.

There is no doubt that relationships play perhaps the most significant roles in leading in TAFE. Leaders in TAFE are, for the most part, those that have developed and risen from within the TAFE organisation. The TAFE leaders generally have a strong bond with the staff of their institutes and have a sense of rapport for the ethics of TAFE staff and a strong familiarity with the activities of staff in TAFE colleges. We find corroboration for this in the comments from MLMS, of which twenty-eight of the total cohort have been involved in some form of teaching prior to taking up their positions as MLMs. In many instances the MLMs have been progressively promoted through their respective TAFE networks and as a result their understanding of the "how teachers feel", "the pressure teachers are under and the disjunction between the pre-competitive training market" and present day is well understand by the MLMs. However in understanding the issues and feeling a rapport for those issues brings with it the potential for subjective and biased decision-making. Evidence of this is found in a sample of comments:

> "I used to be a teacher, I know what its like."

> "Today you don't teach, today you facilitate and you've lost the interaction with the students."

> "Teaching requires a new set of skills, like video-conferencing, on-line technology. It's no longer just teaching, teachers are something else."

All of these linkages form the foundation of a sound relationship and this is a primary reason why there is a positive correlation between leader-follower

interactions in TAFE and the assumptions that underpin the leader-member exchange theories of leadership (Dansereau, Alutto and Yammarino 1984).

The leaders of TAFE who were interviewed demonstrated a clear commitment to empowering staff whenever possible; they are committed to innovation, and have a convincing sense of citizenship. Similarly the behaviours that underpin leadership as described by leader-member exchange theorists parallel those exhibited by the TAFE leaders. All of the TAFE leader's interviews were analysed for leadership behaviours and from that analysis it became evident that many leaders exhibited behaviours which correlated with the behaviours that were associated with the characteristics inherent within leader-members exchange leadership theory. It is equally obvious that CEOs have differing relationships with their MLMs and similarly Leader-Member Exchange (Dansereau 1998) theory suggests that leaders employ different leadership styles when dealing with their followers/subordinates or MLMs. This is evident in the responses that where provided by the MLMs. The following responses provide a snapshot that describes some of the activities of the CEO:

> "(Institute Directors Name) lets me do anything because I've earned the trust. I could go to…. and I'd get approval."
>
> "It's frustrating because I have to get (Institute Director's Name) to sign off everything before I can do something - you can't be *entrepreneurial*, it's too restrictive."
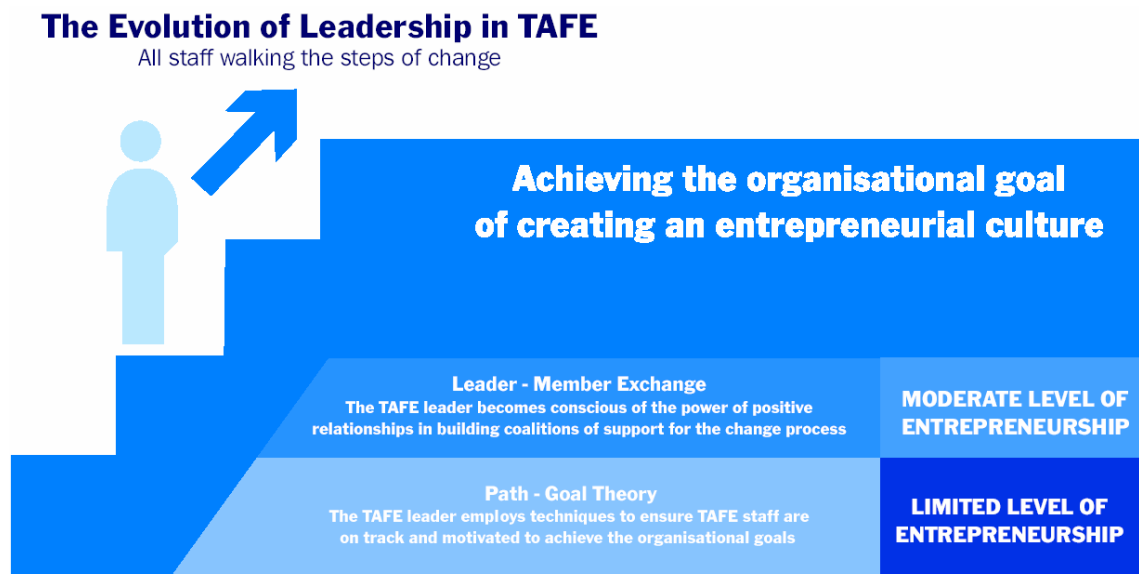>
> "I don't know, if (Institute Director's Name) thinks you're okay, you get a free hand."

From these comments, it is clear CEOs have different relationships with each of the college's MLMs, which is congruent with the assumptions that are derived from the leader-member exchange (Dansereau and Yammarino 1998) theories. While there were no other obvious comments about how the differing levels and styles of relationships have developed, personal styles and behaviours always lend themselves to differing levels of honesty, trust and rapport.

Leader-member exchange ably described the actions and behaviours of some of the leaders in TAFE. Leader-member exchange (Graen and Cashman 1975, Dansereau and Yammarino 1998) posits that the role leaders and staff play in an organisation are based upon an exchange between the leader and their staff, an exchange that is reciprocal and is able to influence both the leader and the staff. Leaders who are

able and prepared to engage in this exchange in an open and honest manner build trust and rapport: From this basis successful leadership evolves. In TAFE there are some who exhibit a capacity to operate within the leader-member paradigm. Figure 4.2 attempts to illustrate that the leader-member paradigm has many advantages over the Path-Goal Theory of Leadership.

The Evolution of Leadership in TAFE
All staff walking the steps of change

Achieving the organisational goal of creating an entrepreneurial culture

Leader - Member Exchange
The TAFE leader becomes conscious of the power of positive relationships in building coalitions of support for the change process

MODERATE LEVEL OF ENTREPRENEURSHIP

Path - Goal Theory
The TAFE leader employs techniques to ensure TAFE staff are on track and motivated to achieve the organisational goals

LIMITED LEVEL OF ENTREPRENEURSHIP

While the CEOs had different levels of interaction and relationships with the MLMs, it is equally obvious that the MLMs also have differing levels of relationships with their staff. As previously stated in this chapter, a MLM had identified some staff as "lazy" - the consequence of this perception was that these staff were treated in a manner that is very different to other staff (these staff may be described as the "out-group" because of the MLM's perceptions and the consequences of staff's actions as a result of those perceptions). Staff who are determined by the MLMs to be within the "out-group" are denied many of the privileges that might be afforded staff that are described as "good workers". Being in the "out-group" often means that professional development opportunities are limited, difficult tasks are often allocated, the communication channels within the organization become restrictive and professional treatment is eroded.

Conversely, other staff are identified as "good workers" who have embraced the future (these staff may be described as the "in-group"), are treated with greater respect and are provided with increased autonomy. This example illustrates the complexity of leader behaviour and how the exchanges between leaders and

followers have effects that may determine all future relationships and behaviours. As the sophistication of leader's leadership practices evolve, leader-member exchange practices begin to appear, and are observable in the way that leaders interact with staff to build positive relationships that foster *entrepreneurship*.

If it is clear that staff are treated in differing ways, which has a close correlation with Leader-Member Exchange Theory (Dansereau and Yammarino 1998), then the question of how CEOs and MLMs build these relationships is raised. Leader-Member Exchange theory emphasises that the leader and followers have differing relationships depending upon the perceptions and the interactions to each other. Leader-member exchange has at its heart relationship building and the extent of those relationships is predicated on trust, empathy and positive communication, which in turn results in the provision of encouragement and the empowerment of staff. In an environment of trust, support, empowerment and encouragement then the capacity for risk-taking, acting more autonomously and acting more independently generates and promotes *entrepreneurship*. It might therefore be concluded that as staff are empowered and encouraged through changing leader staff relationships which are based upon the leader-member exchange model then the levels of *entrepreneurship* within the workplace will potentially rise because staff feel supported and nurtured (Figure 4.2 which illustrates the changing levels of *entrepreneurship* in correlation with changing leadership styles).

The theory of emotional intelligence further explores this relationship building process and sets the framework to understand what CEOs and MLMs do to create and manipulate the development of positive relationships. Emotional Intelligence (Salovey, Hsee and Mayer 1993, Salovey and Mayer 1994, Salovey, Mayer, Goldman, Turvey and Palfai 1995 Goleman 2000, 2001a, and Goleman, Boyatzis and McKee 2002) has posited the view that supportive CEOs and MLMs who are able to build relationships with their staff based upon empathy, trust, honesty, and encouragement will have reciprocal support from their staff. The CEO or MLM who has effectively built relationships based upon trust will be able to initiate and implement change that will culminate in the creation of an *entrepreneurial* culture.

Motivation is a key issue in relationship building and it is equally a key responsibility of leaders (McClelland and Burnham 1995) to provide strategies that become positive motivators for staff. Motivation is linked and sits alongside the leader's skill in communication (Tannenbaum, Weschler and Massarik 1961) and therefore when the leaders in TAFE suggest that motivating is difficult, two questions are

raised: one being are the leaders equipped and knowledgeable in the ways of motivating staff and secondly are the motivational strategies being employed appropriate.

The research into the leadership practices within TAFE that subsequently leads to the transformation of TAFE draws us to the inexorable conclusion that the diversity of leadership styles, the many different change management strategies, the stage of organisational development in TAFE, the motivation and commitment of staff in themselves do not define leadership in TAFE. Rather leadership is an eclectic array of skills and knowledge, shaped by the individual leader in the pursuit of organisational transformation. Like our everyday lives, TAFE leadership is dominated by a selective array of individuals, with differing skills and experience negotiating with TAFE staff who come to the TAFE environment with an equally diverse range of skills and experiences. The hallmark of successful leaders in this TAFE environment is pragmatism, with a capacity to be adaptable whilst not losing sight of the overall goals.

The direction of the change process is often prescribed by the sometimes desperate need to acquire additional resources through the expansion of TAFE business. In an endeavour to achieve that goal, TAFE leaders at the very least must be able to work with their staff to establish the goals of the organisation and to ensure that they are on track to achieving those goals. This is reminiscent of the path-goal leadership theories (House 1983). Path-goal theory (House and Dessler 1974, House and Mitchell 1983) stresses the need to get staff "on track" and in the TAFE environment this is an important aspect.

However of equal, if not greater importance, is the notion of getting TAFE staff to accept and embrace the ethos and practice of *entrepreneurialism*? This it is argued, is achievable through positive relationships based upon trust between staff and TAFE leaders. There is substantial evidence to suggest that empowered workers (Dansereau, Graen and Haga 1975, Scandura and Graen 1984) are more productive and job satisfaction is high when superiors provide latitude to their subordinates (Graen and Cashman 1975). As leaders develop the organisational vision they will need to be mindful of the influences they exert, because staff will react to the leader's cues and build complimentary relationships as a consequence. Leader-member exchange (Dansereau and Yammarino 1998) theory of leadership describes the beginnings of relationship development between TAFE staff, CEOs and

MLMs. The actions central to leader-member exchange theory can be observed in the actions of the leaders and followers in TAFE.

Highly successful leaders are those that are not mechanistic and simply set the vision. Rather, inspiring leaders are those that are able to direct through a comprehensive planning process and then "take staff with them". The contention is that successful leaders are able to straddle the needs of organisational visioning but also initiate strategies that culminate in a powerful change agenda, built through the interactions of personal relationships (Goleman, Boyatzis and McKee 2002) beyond the workplace situation.

If leader-member exchange represents the evolutionary process of successful leaders from path-goal leadership to a higher plateau on the leadership scale, then leaders who are able to manage the emotions of themselves and others represent the pinnacle of highly successful leadership. One CEO who epitomised the highly successful TAFE leader commented:

> "I have always managed the emotions of others, because that's good leadership."

> "You know, if people [staff] are always upset, well [the result is] they are never going to produce the goods, so you're got to try and make everyone happy."

> "When staff's morale is high and they are teaching in a college that is seen to be supportive, then there's a greater chance to get people connected [to the *entrepreneurial* ethos]."

To understand the leadership paradigm in TAFE requires us to appreciate the diversity of personalities and values that TAFE leaders bring to the TAFE environment. On a daily basis a TAFE leader applies many different leadership styles in order to achieve the objectives. While it is the premise of this research that the leadership style most suited to encouraging and creating an *entrepreneurial* environment is one where relationships between staff and leaders are built upon trust, emotional integrity and openness and communication (i.e. emotional intelligence), it is equally understood that leaders in TAFE often employ leadership styles that are contrary to encouraging *entrepreneurship*.
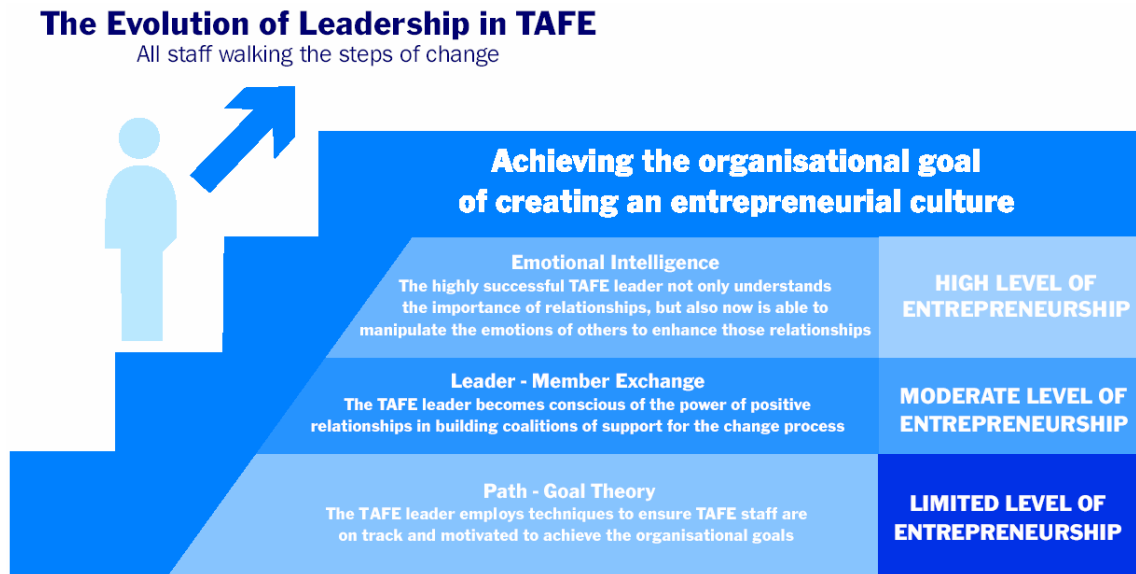
The Evolution of Leadership in TAFE
All staff walking the steps of change

Achieving the organisational goal of creating an entrepreneurial culture

Emotional Intelligence
The highly successful TAFE leader not only understands the importance of relationships, but also now is able to manipulate the emotions of others to enhance those relationships

HIGH LEVEL OF ENTREPRENEURSHIP

Leader - Member Exchange
The TAFE leader becomes conscious of the power of positive relationships in building coalitions of support for the change process

MODERATE LEVEL OF ENTREPRENEURSHIP

Path - Goal Theory
The TAFE leader employs techniques to ensure TAFE staff are on track and motivated to achieve the organisational goals

LIMITED LEVEL OF ENTREPRENEURSHIP

Figure 4.3 illustrates the linkage between leadership styles and the level of *entrepreneurship* that might be found within the organisation as a consequence of adopting of a particular leadership paradigm. This does not suggest that a specific leadership style guarantees a specific level of organisational *entrepreneurship*; rather it suggests that particular leadership styles are more likely to foster and nurture the development of organisational *entrepreneurship*. From the respondent's commentary it was evident that TAFE leaders were adept at applying many different styles of leadership and these actual practices had their origins in path-goal, through leader-member exchange to emotional intelligence leadership paradigms.

Leadership, as reported on through the interviews, would suggest that successful leadership in TAFE is a developmental process that ranges across Path-Goal theory (House and Dessler 1974, House and Mitchell 1983), to Leader-Member exchange (Dansereau and Yammarino 1998), and emotional intelligence (Salovey, Hsee and Mayer 1993, Salovey and Mayer 1994, Salovey, Mayer, Goldman, Turvey and Palfai 1995, Goleman 2000, 2001a, and Goleman, Boyatzis and McKee 2002). This does not suggest that all TAFE leaders evolve through all paradigms of leadership rather, from the respondent's commentary it is apparent that the more successful leaders rely heavily upon the principles of leadership found within emotional intelligence paradigm; Whereas the path-goal paradigm appears to offer TAFE leaders a theory of leadership that is focused on business planning and visioning and does not dwell on the generation of enthusiasm for change that the employment of emotional

intelligence might. Leader-member exchange theory goes beyond visioning and the action of path-goal leadership theory and begins to examine the exchanges and interactions that are the foundations of trust and empathy, which can culminate in staff following their leader.

To be highly successful in ensuring people are on side, TAFE leaders should aspire to achieve mastery of emotional intelligence, as the pinnacle of leadership methodology.

4.4 LEADERSHIP OF THE CHANGE PROCESS IN TAFE

4.4.1 Change Management Strategies
4.4.1.1 Agents of Change

Through the course of the interviews with CEOs and MLMs it was evident that both cohorts believed that they were responsible for leadership and for leading the organisational transformation process. Regardless of the congruence by both the CEO and the MLM of the importance of being *entrepreneurial* or indeed what being *entrepreneurial* actually meant for them, each saw a major proportion of their role as that of change agents.

While there were many comments regarding the leadership of change and the role of the CEO and MLM in the change process, the comments below capture the essence of their thoughts:

> "I try to affect change"

> "If someone was to ask what my role is I would describe myself as a change agent. I have a senior role in this institute to lead that cultural change with my colleagues, not by myself but with my colleagues."

and it was further iterated by the CEO that what they were trying to achieve was:

> "To make that stakeholder group more *entrepreneurial* in what they do, to think of things that they haven't considered before - particularly international work."

Equally there was evidence of some of the frustration experienced by the CEO and the MLM as they attempted to lead the change process and transform the institution, because as one MLM commented:

> "I never let up, I meet with teachers, students and staff and we go through the argy bargy; the teachers will not take any responsibility outside their position description."

Some leaders see their role as ongoing and a continual process of change in order to generate an *entrepreneurial* TAFE culture. The comments below capture the sense of onerous responsibility for the ongoing task:

> "People need a holistic sense of business with some *entrepreneurial* flair; they don't have to be bloody Dick Smiths or whatever but they need to have some flair."

> "It is my responsibility to work with each of my staff to develop goals and where I can work with them to support them achieving those goals. I certainly spend time mentoring and coaching where possible."

> "We have good infrastructures, enormous staff capabilities if you look at what staff in their own time do because they like doing it, it is incredible."

Finally a cautionary note reminds us of the nuances evident within the change process when it was said:

> "In terms of change, we will have to introduce strategies to ensure that change occurs smoothly, that transition happens smoothly."

Not every MLM expressed happiness with the change processes adopted by the CEOs:

> "It seems to me at the moment that we have adopted the view of planting a thousand seeds and then deciding which ones we may pick."

The commentary from the interviewees seems to suggest that the leadership of change in the TAFE environment is a complex process and the processes used are neither consistent across the TAFE colleges visited nor was there evidence within each of the TAFE colleges to suggest that there was a consistent and well-understood approach. Although in three TAFE colleges this not the case because there was a well-articulated change process that was based upon a structured and formalised change leadership framework (Burnes 1996, Kotter 1996, Cummings and Worley 1997), which was being used to initiate and implement significant changes. It might be concluded from the interviewee's commentary, that there was a lack of clear and unambiguous direction, or lack of commitment to the changes

and it was clear, from a number of interviews, that a consistent framework of change management was not common between either the CEOs or the MLMs. In this regard Graham and Harker (1996) argue *entrepreneurialism* is unlikely to rise spontaneously within the public sector without comprehensive planning (Borins 1998) to engender *entrepreneurialism*.

The leadership of change is critical in order to create an *entrepreneurial* environment, however the adoption of a change process based upon sound theoretical (Gettler 1998) foundations was not clearly evident from the interviews. Equally the perceptions of the interviewees seemed to suggest that there was a need to be more structured in terms of changing the culture of TAFE. Within the context of organisational transformation not only was there a need for consistency within the change process but also the TAFE leaders saw the recruitment and selection of new people as integral to creating a new culture in TAFE.

4.4.1.2 Recruitment and Selection

Change process leaders are required to manage the interdependence and inter-connectedness of multiple variables in order to move the transformation process forward. While there are many different variables that can and do make up the change process, recruitment and selection was identified as a powerful tool of leadership used by TAFE CEOs and MLMs to facilitate change. It is noteworthy that the CEOs tended to be more in favour of the recruitment of "new" personnel in order to generate the momentum for change. The MLM on the other hand tended to identify that there were staff issues arising from recruitment and selection and did not appear to have the same level of commitment as CEOs to the employment of "new" personnel as a mechanism of change.

To achieve significant change, CEOs in their responses highlighted the necessity to get new "blood" into the organisation. The CEOs saw new personnel as creating new enthusiasm and energy within the organisation. The following comments clearly indicate that changes can be achieved quickly by recruiting personnel that are enthusiastic and are perceived by the CEO as portraying the qualities of leadership that will promote *entrepreneurial* change. The comments attest to the importance CEOs place on getting the right sort of people:

> "The ones I'm looking for are generally business focused and *entrepreneurial*. There are a couple of positions that I deliberately brought people in. There was no one to drive the business growth so I brought someone in."

"If you've got the right person to do it and you've got the right incentives, the place to do it, and you also pick people who have pride in what they do and are self-starters and self motivated, I believe you can get there." [be *entrepreneurial*]

"You need to have the strategy of getting someone in who can kick it, shake everything up, wake everyone up, refocus them and make them high achievers."

"You get in people who you believe have the skills and capacities to actually create the outcomes you want."

In addition to the recruitment and selection of appropriate personnel the CEOs felt that the people within the institutes had to be freed up in order to allow them more scope to operate *entrepreneurially*. As a CEO commented:

"just freeing people up to go out and have a go, within the context of responsible management and making sure that the place performs at the same time"

was a component of a strategy of change, which integrated the recruitment of the "right" people coupled with the development of an organisational structure that empowered staff.

CEOs are the officers responsible for what is, in some colleges, significant change issues and a pressing demand by Governments and their TAFE College Councils to get their "house in order" very quickly. The pressure on the CEO is often significant and manifests itself in a sense of frustration. Perhaps a CEO facing the need for immediate change and quite drastic action made one of the strongest worded responses from a CEO that emphasises that sense of frustration. The comment was:

"The people who tend to resist *entrepreneurialism* are the people in their comfort zone, have been here for a long period of time and really see commercial work as being more effort required and, therefore, they resist it. They often use arguments such as, 'I believe government should be paying for training', or 'I don't like the idea of passing costs onto the community and industry'. I believe that's a complete smoke screen for basic laziness because people are in their comfort zone. I would say that would be true of 90% of the people who express that argument. The majority of the people in that "rigor mortis", if I could call it that, are predominantly male and they

are predominantly in the trade area, and are predominantly full-time people who have been here a long time."

Another CEO in a similar situation of having to change the nature of the way they conduct their business was quoted:

"One of our shortcomings is staffing, particularly staff that still have a mindset to provide a public and community service; and do not see the fact that government money only goes so far and if they engaged in more *entrepreneurial* work it would assist to provide a better service to the public."

A CEO who was in the process of changing the range of courses offered at a remote campus; a change which would have detrimental effects on staff expressed a frustration in that staff had been provided with the opportunity to re-skill, but, according to the CEO were not motivated to change. The comments that reinforce the CEO's frustration are:

"I've provided time and resources for them to develop other skills... they aren't interested in taking opportunities."

and

"You can only do so much for your staff, then you have to try other strategies.... like, redeploy and redundancy."

The MLMs also expressed great concern about the staff of TAFE colleges, particularly in regard to traditional TAFE staff who found change difficult – and predominantly change that resulted in a requirement for a more *entrepreneurial* approach. The MLM thought it was imperative that they select the appropriate staff from the start. One MLM commented on the selection process by saying:

"The trick is to pick the right people in the first place. Once you have the right people, you just have to give them a tweak every now and then."

Another MLM highlighted the need for TAFE staff to have particular characteristics:

"It's the type of people you employ in the first place who must be driven. You have got to employ the right type of people."

A major tenet of the issues concerning MLMs was that they were the people responsible to the CEO for achieving the organisational goals but felt that the human resources to do the task were not available to them. A number of MLMs

were concerned that motivating staff was at times difficult; indeed the comments below are testimony to their frustration that they were unable to motivate staff:

> "One of the important things would be getting people with the right attitude, because if one gets people with the right attitude they can be trained, but you can't train for attitude."

> "You can put all the motivational strategies in place you like, but if you don't have the right type of people, it's a waste of time. You've got to get the right type of people in the first place."

> "If you get the wrong people, we see it here … you can't motivate the wrong people its bloody hopeless."

> "I've come to the conclusion it's a waste of time with some of them … you're better off to just let them sit in the corner and just earn their wages and whatever."

While the MLM expressed dissatisfaction with the need to continually motivate staff, there was a begrudging recognition that staff had (in most cases) been employed as teachers (in the traditional sense) whereas the role of TAFE teachers in the new TAFE environment was expected to include duties such as teacher, mentor, businessperson and *entrepreneur*. MLM's recognised this when they said:

> "Sometimes these people, no matter what you do, are just not going to make it because of a lack of skills, knowledge or personal values."

An equally enlightening realisation by the MLM is the degree to which they, as a group feel part of the staff cohort (i.e., teachers and ancillary staff) as opposed to the management group. Middle level managers have, during the course of the interviews, indicated closeness, in terms of relationships that may play a role in their capacity to function as a leader. The following comments go some way to illustrating the relationships that MLMs have with their staff:

> "I am a caring leader and … I think he [CEO] would probably say that he sometimes thinks I'm not astute enough."

> "There is a team management culture which has been in the Institute for some time; it very much supports teams."

"I could empathise with those staff and I said on a number of occasions, 'I know how you feel and I don't like it either', and I didn't like it and I told the Director I didn't like it."

"I was very high on the scale of caring [for staff] and I like empowering staff."

"I prefer to be inclusive and work with the teams", [as opposed to being more directive as a leader]

A senior MLM went so far as to suggest that some MLMs find it difficult to lead, even though "there are those that say they want to, but I don't think they're able to do it to any extent and its all to do with their own conditioning and up bringing." It might be concluded from the above comments that TAFE leaders recognise the need to create the impetus for change and to achieve that they must motivate (Vroom 1973, McClelland and Burnham 1995) to new heights. However the commentary would suggest that TAFE leaders did not feel confident in their capacity to motivate staff and in some circumstances their capacity to motivate staff was hampered by factors that were beyond their personal control. An analysis of this lack of confidence might draw the conclusion that many CEOs and and MLMs in TAFE may be risk adverse and subsequently the desire and/or willingness to challenge the status quo is considered onerous and too difficult. The outcome of this path of discussion must lead to a perpetual inability to be totally *entrepreneurial* because the MLM and CEO are always conscious of public sector accountabilities (Vincent 1996).

4.4.1.3 Leadership of the Business Planning Process

The literature (Tannenbaum, Weschler and Massarik 1961, Cacioppe 1997, Conger and Kanungo 1998, Sturman 2002) identified setting the vision as a crucial process, because it gave members of the organisation a goal to strive toward. The vision, according to literature and common practice, is articulated or enunciated through a planning process. The process goes by many different names, depending upon the institution where it is being undertaken but is commonly referred to as the strategic planning process, the executive planning process or the business planning process. Whatever the title an organisation may use, it is a process whereby the organisation develops a blueprint, or road map that charts its future direction.

The process can be as complex or as simplistic as the group/individuals wish it to be. In some organisations the process may involve all members of staff, community stakeholders, industry partners and the institution's governing body participating in order to ensure that the stakeholders own the plan. Conversely, it is not unknown for plans to be developed in isolation of the stakeholders and be presented only in its final form. It is clear from the literature that "whole of organisation" ownership of the vision delivers better outcomes because engagement of all the stakeholders promotes commitment of purpose, all committed to supporting each other in achieving the agreed goal (Burns 1978, Jick 1993, 2001, Conger and Kanungo 1998). As Kaplan and Norton (2001, p. 250) said "many companies have ways to link individual's local behaviours to higher-level business units and corporate objectives". One such way is through involvement in a planning process.

As the interview responses have been coded it is evident that the business planning (i.e. strategic and operational planning) process is used extensively to set the organisation's direction. However, and possibly more importantly, is the use of the planning process as a tool for initiating and managing change. The plans have been used to engage staff in the change process, commencing with the dissemination of information, enunciating the importance of survival, and developing a response, which realises the development of an *entrepreneurial* culture within the TAFE environment. The changes have included a re-focusing of the organisational direction, change to workplace practices and the introduction of different cultures and structures that support the development of an *entrepreneurial* TAFE.

Both the CEOs and the MLMs clearly expressed surety in the outcomes derived from the planning process and more pertinent to this research, they believed in the planning process as a mechanism to drive the leadership of the organisational change. One of the chief considerations enunciated by the CEOs and MLMs was to establish a comprehensive vision for the future: a vision that was able to provide TAFE staff with a clear direction for the future, which could be visualized and implemented by individuals at the "coal face"; a sentiment Burns (1978) expressed within the literature review. The comments below highlight the commitment given to the direction setting process and hint at its perceived importance in the change process by the CEOs and MLMs:

> "You must create a clear vision; you have your strategic plan in place that you believe in, that has clear objectives that you own and you can pass on

that ownership to those around you. And you need to manage the business around that particular strategic plan."

"Culture can change for the better. It needs to be positively reinforced that change [is positive] by … making people understand that the future and their position in it depends upon their capacity to contribute to all aspects of the organisation as it grows."

"You integrate the vision and the direction into everyday activities [and] that has been the challenge that has been occupying my mind and the discussions I've had with other MLMs and the CEOs."

"To motivate people within the team is about providing clear directions, strategies and challenges but [also] being part of the process to move staff toward organisational goals."

"You have got to make a clear and articulated vision. You have to reinforce that. You have got to say it all the way along the track."

"It shouldn't be new to anyone in this Institute that we are out there trying to be *entrepreneurial* and we support staff to do it."

Two primary messages are derived from the comments above. The first message highlights the indicative priorities CEOs and MLMs place upon establishing an unambiguous and concise vision or goal for the future, which engages others in the change process. The second message that is derived from the comments is associated with the implementation of the goals, maintenance of the process and the enthusiasm to achieve these goals. The comments made by CEOs below are indicative of the imperative that they place upon being seen to be active in communicating the message about the necessity to embrace change. Not only CEOs consider it imperative to have sound and unambiguous goals but also Cornwell and Perlman (1990) state that inappropriate goals constrain *entrepreneurial* behaviour.

At eight of the institutions visited it was evident that in terms of setting the vision the CEO took a "hands on approach". For example, the CEO was visible and undertook to move about the campuses with the intention of being seen to inform staff of the direction of the institute. However in two colleges researched, the CEO was not visible and remained aloof from staff.   When asked by the researcher to indicate why they chose not to be visible across the campus one of the CEOs

indicated that their involvement at that level detracted from the MLMs' authority, while in the other college the MLMs indicated that the only time the CEO was seen about the campuses was when something was wrong. For the majority of CEOs in this study, working with staff to achieve organisational change was a priority, in which they enthusiastically engaged. The following comments are testimony of the CEOs' involvement in the change process:

"The CEO is always working with teams, saying these are the goals."

"The CEO has worked with us in terms of setting targets."

"And you do that (fostering organisational change) by meeting and communicating with people on a regular basis: And being pretty open about it."

"So over the last two years there has been a lot of talking up the business, about how good we are and all of those sorts of things. But it needed to be done sensibly, because there are areas that are not too good and people needed to be told about the benchmarks and how to lift your game."

"I meet with all of my people once a week for an hour. So all of the people at the next level and all of the people below them, I meet with them for an hour."

The above comments suggest that the CEOs are very aware of the needs of the staff, particularly in regard to engaging them at a personal level and talking through major issues that impact on organisational change. The CEOs use the opportunities when talking to individuals and small groups to convey their vision and views in relation to the organisation's direction. While communication is a major tool used by the CEO, their physical presence is perceived to be important. While the CEOs' communication can be delivered by communiqué, email, video conferencing or memorandum, most CEOs recognised the value of being seen (in person) delivering the message. The importance of the enthusiastically articulated vision statement can never be understated: As Jick (1993, p.84) said
        "Successful visions seem to be those that come from the visionary's heart."

A number of CEOs reminded the researcher that the power of the message when delivered in person was magnified exponentially. Coupled with the use of

communication there was a general trend in the colleges visited to empower and devolve responsibility to TAFE staff. By making them accountable and responsible, staff were encouraged to change and embrace the emerging culture being developed by the CEO. These comments made by CEOs illustrate the processes and strategies being employed to foster change:

> "The other motivating factor is that you include them [staff] in the decision-making process. ... it's their plan as much as it is my plan and it's their performance agreement as much as it's my performance agreement, and they own the outcomes as much as I own them as much as the Board owns them."

> "I've put in place a structure that drives ownership and accountabilities right to the level of the teacher in the classroom."

> "Those business plans roll up in terms of an institute-wide approach that we think makes everyone aware of the institute and what our goals are."

> "You have got to be performance focused and get the information out so that everyone can see how the organisation is going and what your expectations and targets are."

> "In the performance process I go through and map against their position description, the Operational Plan, the Strategic Plan and their Business Plan and we talk about some of the behaviours, some of the opportunities against their goals."

In the course of the interviews it has become clear that TAFE leaders believe that staff have adopted and will adopt particular positions in terms of organisational responsibilities dependant upon the information that they have available to them. They utilise this information as a benchmark for the institutional values and beliefs. Most CEOs and MLMs have been involved in fostering change by providing information, which in the CEOs and MLMs view is more indicative of the new environment in which TAFE operates. As CEOs said:

> "Providing the right sort of data is critical, because often people do not get the information and advice they need and it gets back to the question of why people aren't reaching their goals."

"The change really has been to get people to understand the realities of the
… college … and the position it's in and to have them pick up the
responsibilities and accountabilities that they've understood but have never
been imposed upon them."

"The staff have got to be part of the solution, I think that in many ways all
the change has disenfranchised many staff. We've got to get them back on
board all rowing together."

Through a process of involving staff in the planning process, CEOs hope to develop
staff ownership of the college's direction. By communicating changes to staff in
person, CEOs are encouraging staff to become part of the changes. A further step
in the planning process by CEOs and MLMs is to extend planning from the rarefied
atmosphere of senior management, so that it becomes a common, everyday
language of all TAFE staff. As Jick (1993) pointed out, individuals had to sign-on by
committing to the vision in a free and unencumbered manner; they cannot feel
coerced and they must feel responsible for their commitment to the vision. To that
end, CEOs in most colleges were embedding strategic objectives and goals into
individual work plans. As a CEO said:

"You don't have a strategic plan in isolation you must cascade those
objectives down through the entire organisation."

"Staff must own the planning process – they need to have had involvement
at all the levels of planning."

Entrepreneurship must be a cultural aspiration. It must be:

"… embedded as a theme through a range of objectives throughout the
Strategic Plan. We wouldn't have categorised it [*entrepreneurship*] in one
particular part. But there is an ongoing theme of competitiveness, flexibility,
multiple pathways to learning, marketing to all possible sources of students,
be they individual or enterprises - All that sort of stuff - So the attempt to be
more *entrepreneurial* is an underlying theme through everything we do
within the Strategic Plan in my opinion".

"so we are trying to reorganise ourselves to take a more strategic view of
how we can go for the future using the resources that we have in faculties,
business development units and our promotional efforts to get a bigger
response from our customer base".

Business planning in the TAFE environment serves many purposes, not the least of which is as a tangible object that gives meaning to the organisational change process that TAFE colleges are attempting to drive. Embedded within the plans are the elements of *entrepreneurship* and innovation; namely the primary mechanisms that will promote a "different" organisational culture throughout the TAFE network of Australia to that which is currently in TAFE. Sadler (2001) has argued a similar point when he talks of the macro-external environment and how that environment must be considered when planning the organisations future. To cater to an environment that is influenced by; internet based learning, a lack of clarity about future policy objectives, competition and alliances, globalisation and the debate about the value of applied education (Sadler, 2001, p. 7) requires sound business planning – resulting in business adaptability.

While the process of business planning, at first glance might seem a singular dimension, the process is in fact complex and multi-dimensional. The process involves establishing a vision (Stace and Dunphy 1996), setting the criteria by which the vision will be achieved (Pounder 2001) and during the process transform individual value-sets (Nadler and Lawler 1983, Nadler, Shaw and Walton 1995 and Whiteley 2003). The TAFE leaders use the business planning process as a mechanism to engage staff in understanding what the new direction should be; to engender ownership of a new (or changed) set of organisational values and to encourage TAFE staff to adopt values and attitudes that are more closely aligned to the organisation. In this way TAFE leaders are employing the business planning process as a strategy of change.

It can be concluded from the comments provided by the respondents that in respect of business planning the TAFE leaders are adept at employing a business ethos in their leadership activities. It is also clear that they understand the need to establish the college's vision (Jick 1993, Eggers and Smilor 1996, Boyett 1996), which will drive the direction of the organisation and enable the establishment of goals and objectives. The comments further suggest that the practices undertaken by TAFE leaders to lead their organisation are congruent with the literature (McClelland and Burnham 1995, Eggers and Smilor 1996, Boyett 1996) that highlights good business practices as the establishment of the vision; the capacity to organise and motivate staff and teams; the ability to manage; the ability to recruit and select a good team; and communicate and empathise with staff. And in doing so there is the potential to create an *entrepreneurial* environment. As Sadler

(2000, 2001) reiterates, an organic, adaptable, consensual, loosely controlled, decentralised organisation has the potential to stimulate *entrepreneurialism* within the organisation.

4.4.1.4 Initiating Change by Leading Organisational Structuring and Restructuring

What is meant by the term organisational structure in the context of the TAFE environment? From an examination of the responses provided by the CEOs and the MLMs it is evident that organisational structure in the eyes of the CEO and MLM relates to the reporting arrangements that may be in place. It is congruent and interconnected with the way staff in TAFE work; organisational structure is equally a reference to the departments, units and divisions within a TAFE college and it refers to the physical infra-structure that houses the TAFE college's operations. Is the structure so difficult to determine that it's a never-ending challenge? One MLM when discussing what constituted the right organisational structure in TAFE stated:

> "I don't know that anyone has got it right … we change and change in TAFE and then keep changing, so obviously we still haven't got it right."

Or does organisational structure and reporting arrangements have a more subtle influence that is not immediately evident in the TAFE environment? Fritz (1996, p. 16) provides a literary definition of structure:

> *"Structure is an entity formed by the influence the parts have on each other and on the whole,"*

 and

> *Structure is an entity, made up of the individual elements, that impact each other by the relationships they form.*

A comment made by two CEOs in regard to the influence of an organisational structure and its influence on the organisation was:

> "I've seen situations where a new Director has come in and changed people's position and reporting arrangements … and that changed everything."

while the other said:

> "Some of the organisational changes I've put in place have been to deliberately de-stabilise staff and take them out of their comfort zones."

Structures enable people to understand "networks of relationships as an intrinsic property of cause and effect … and enables people to shift their viewpoints from

bouts of tunnel vision to a wider understanding of the interconnectedness of events over time" (Fritz 1996, p. 17). The difficulty with TAFE structures, as with many other public service instrumentalities is that they are generally mechanistic and hierarchical (Sadler 2000) with rigid pay scales and limited opportunities to use motivating mechanisms (Sadler 2001) what would enable TAFE leaders to encourage *entrepreneurship*.

Do the MLMs and CEOs appreciate the complexities and sophistication of organisational structures within the change process? The responses to the interview questions demonstrate that TAFE CEOs and MLMs have employed organisational structuring and restructuring extensively as a tool to promote change. New structures, new departments, new positions and changed reporting arrangements have emphasised changes in TAFE vision and organisational purpose. TAFE CEOs and MLMs have employed "structuring" as a tool to encourage, shift and replace practices, people and processes. This in many ways is congruent with the hypothesis put forward by Sadler (2000, 2001) in support of the notion that organisational structures play a significant role in the development of cultural ethos. In this way they have added legitimacy to their actions and in many ways have been able to reduce the personal aspect that often accompanies the change process. Typical of the comments made by the CEOs and MLMs are:

> "We had a reorganisation of some of our structures to a faculty model of operation believing that we could be more focused in what we did educationally to develop our products and our service base."

> "There was the structure of silo and you couldn't get inside the silos and there were a couple of blockers … restructuring changed that."

> "The capacity of an organisation to change is enhanced by the structure that is in place."

> "The structure is not just to do with how you operate, it's also to do with what your resources are; what can you afford."

> "The culture that has developed has occurred because of the way the business model has developed. And the structure we have here is also supported by the work practices."

To illustrate the diversity within the meaning of "organisational structures" the example below highlights the use of new buildings and renovations for leverage to generate a new culture. The MLM in this particular circumstance made it clear to staff that those able to be more client-focused and able to generate additional revenues would be relocated to the new building. A building, which they were informed, will emphasise *entrepreneurialism* for this college. The MLM said "the buildings will create a new energy across the college and it'll be an impetus for creating new ideas".

At another college it was proposed to emphasise *entrepreneurial* practices by developing an organisational unit that undertook research and specialised in the development of innovative approaches to the teaching and learning aspects of TAFE business and embarking on a "business development officer agenda". The establishment of this unit and the recruitment of business development officers sent a significant message throughout the campuses. The message indicated the priority given to *entrepreneurial* activities and willingness on the part of the college's leadership to support, through resources and financing, the development of *entrepreneurship* as a work practice of this college.

The importance of organisational structures was however not overstated, as most CEOs and MLMs understood that structures were only part of the change process. As a CEO said,

> "I don't see a structure as an impediment to change. It comes down to principles. If you have embedded principles of transparency, and encourage empowerment and decision making, then the structures you might have, might be proven not to be the right ones and have to be changed. Structures are there to serve the principle; they do not make the principles."

Another CEO stated that:

> "Cultures can exist separately to structures, but they can exist in congruency with structures."

While another reminded the researcher:

> "Regardless, the leadership and structure should be aligned."

Other CEOs and MLMs saw their relational structures with state governments as a contributor to poor *entrepreneurialism* in TAFE. Governments, even for those TAFE colleges who operated within a more liberal legislative framework were sometimes

hindered by government bureaucracy that imposed restrictions on employment arrangements, travel arrangements and autonomy to operate without a Minister's approval - all of which limited the capacity to be *entrepreneurial*, particularly in the area of risk-taking. As one CEO said:

> "Bureaucracy is hierarchical in structure, and it's based on power and control, so if you try and get all the change bubbling from the bottom up, because of the nature of the system (being control at the top), they will be crushed from those not wanting to lose control."

Perhaps the last quote is the most pertinent; the quote is from a highly regarded CEO who has led a very *entrepreneurial* TAFE college for many years:

> "Now if you put in place a structure which is the antithesis to the culture, you are basically setting yourself up for significant problems in implementation, significant problems in your capacity to change the culture of the organisation. If you put in place a structure that is harmonious with it, then you have a greater chance to do so. If you put in place a structure that is not as harmonious, then you need to understand the differences and work on those."

As realised organisational structures certainly influence the level of *entrepreneurialism* that an organisation may strive toward and this is turn is supported by Sadler (2000, 2001), Cornwall and Perlman (1990) and Hage and Aiken (1970) who have argued that organisational culture reflects the characteristics of organisational structure. Indeed "dynamic organisations are likely to be decentralised, to lack formalisation and to place little emphasis on stratification" (Hage and Aiken, 1970, p. 67). In other words structure influences, to a greater or lesser extent, the degree of *entrepreneurialism* an organisation may achieve. This is reinforced by Cornwell and Perlman (1990 p. 111) who argue "structure is not in and of itself the solution ... but structures can facilitate the finding and adoption of new ideas."

4.4.1.5 Leading through Relationship Development and the Management of Emotions

Relationships and emotions play an inextricable role in our everyday lives, including our work environment, and determine the way, which people provide, react and receive information. Relationships are founded on the emotional exchange between individuals, and individuals and the group. TAFE leaders manage and nurture many

different emotions, all of which contribute in some way to the development of an organisational culture. The role of the CEO and MLM is complex when consideration is given to meeting the expectations and aspirations of growing communities and government agendas. It is made even more complex because CEOs and MLMs are required to manage the interactivity between people and the emotions that are central to the development of relationships.

Much has been written about leadership and how leadership is focused on the centrality of the role played by the leader within the leadership and change management function. Transformational, (Bass 1985, 1998, 1999, Tichey and Devanna 1986, Yammarino, Spangler and Bass 1993, Yammarino and Dubinsky 1994, Bass and Avolio 1993 and Sarros and Santora 2001) transactional, (Bass 1985, 1990) charismatic (House and Mitchell 1974, House, Spangler and Woycke 1991, House, Howell, Shamir, Smith and Spangler 1994, Conger and Kanungo 1998a, 1998b, Conger, Kanungo and Menon 2000, Klein and House 1998) and heroic (Nadler and Lawler 1983, Nadler, Shaw and Walton 1995) are all leadership styles that focus upon the leader as the central character within the leadership process. In recent years however, a much broader concept of leadership has began to emerge: one that does not diminish the role of the leader but rather broadens the focus to include the exchanges between leaders and followers. These exchanges are predicated upon the emotions and the reactions to those emotions that each individual brings to the exchange, as it is the exchanges that form the basis for relationships. Writers expounding this broader concept of leadership are Goleman (2000, 2001a), Goleman, Boyatzis and McKee (2002) [emotional intelligence], Greenleaf (1996, 2002) [servant leadership], Dansereau, Cashman and Graen (1973), Dansereau, Graen and Haga (1975), and Dansereau, Alutto and Yammarino (1984), Dansereau and Yammarino (1998) [leader-member exchange], and Bass (1985, 1990, 1998, 1999) [emotional intelligence and transformational leadership].

Given the literature and the growing prominence of leadership in the context of relationships it was interesting to note some of the comments by CEOs and MLMs that strongly suggest that relationships, reading and responding to the emotions of others are critical to good leadership in TAFE. One CEO was succinct and captured the sentiment of other CEOs when she said:

> "Each person is different and each person can be impacted upon by pressing different buttons. What you need to do is work out what the buttons are. And you only ever do that if you have to, but nevertheless you know what things you can play upon, you know what things you don't play upon with

certain groups, you know what things and agendas groups and people are sensitive to and not sensitive to. You can certainly use those things to manipulate the situation quite easily. I've being doing that for years. I'm not sure it's [the study of emotions as a leadership tool] a recent phenomenon; surely its just good management."

While another said:

"I would manipulate emotions in that sort of way, because my behaviour would manipulate the behaviour of others. So my actions, and reactions and responses are manipulative of others' emotions", whilst one MLM said contemplatively:

"I'm probably more deliberate in the way I use emotions."

Another corroborated this comment when it was stated:

"It's only been after a number of years being a leader in this institute that I've realised the benefit of emotion management – now I can pretty much get what I want."

Emotions and relationships were viewed in a very positive manner by CEOs and MLMs alike. They indicated that they used the emotional relationships they had with their staff as a means of supporting and encouraging staff through the change process. While relationships are developed in consequence with emotions, which are powerful individual determinants of our behaviours, CEOs and MLMs repeatedly mentioned one emotion: trust. Trust was at the forefront of emotions and the CEOs and MLMs were mindful of its importance within relationships. When discussing change, trust was seen to play a significant role in getting followers to embrace the changes. In regard to trust the MLMs commented:

"If you don't have some good credible personal relationships as well as a professional relationships and a forum to clarify issues one-on-one, then your ability to drive the changes and reforms is limited."

"Because you have not built up trust and respect with them, getting change is difficult."

"In the sense of building people's skills and capabilities I am very much involved in developing values that create the *entrepreneurial* culture of the institute."

> "Managing emotions ... I think it's a more facilitatory approach ... when you use emotions to achieve change."

> "In terms of positive reinforcement using emotions ... I believe you must balance that with people's shortcomings. One needs to deal with it there and then. Not to punish it but to indicate it's not right. And you can do that if you have a good relationship with the teachers."

The CEOs and MLMs were very aware of the importance of having good working relationships with their staff and this showed through in comments such as:

> "The staff I'm responsible for are male and female and sometimes you can't always use the same approach ... I find I can't anyway!"

This demonstrated that the manner in which relationships were formed took or attempted to take account of personalities, gender, organisational status and others' values and attitudes. Indeed, CEOs suggested that most of their work centred about working through the "people" issues of the organisation. As they said:

> "A lot of my work ... is dealing with intangibles, knowing what they [staff] desire, knowing what motivates them, knowing what strengths and weaknesses they have and looking at how you move them to the next stage."

> "Really, at times it is a nuisance, but you've just got to accommodate the distinctive personalities that work in TAFE institutes – nothing is easy."

> "What most people want is understanding – you don't have to agree with them, they just want to be understood. When you can show you understand them, they will get on your side."

In the course of the interviews a number of CEOs and MLMs made the observation that working to achieve significant changes had some difficulties concerning relationships and the underpinning elements of trust, empathy, rapport, and commitment that CEOs and MLMs had with their staff. One MLM reported that in some other colleges, trust, or the lack of trust was an impediment to organisation growth and said:

> "I don't think that many institutions actually encourage their staff to think creatively and have new ideas."

At the heart of relationships lies the emotion known as trust. Regardless of the actions of others, trust is an emotion that commits individuals to follow or reject relationships. To understand trust and the development of trust from a leadership perspective the leadership theorists (Bass and Avolio 1993, Schindler and Thomas 1993, Salovey, Mayer, Goldman, Turvey and Palfai 1995, Lewicki and Bunker 1996, Gardner and Stough 2002, Goleman, Boyatzis and McKee 2002a, 2002b) noted that the traits that differentiated leaders from followers included drive, honesty and integrity, intelligence, self-confidence and a desire to lead; all of which are characteristics which predispose followers to trust their leaders.

Similarly, Fielders Contingency Model of Leadership (Fielder 1967) has at its heart the need for the leader and follower to develop confidence, trust and respect between each other. Again, trust is a cornerstone emotional characteristic that is central to the function of effective leadership (Salovey, Mayer, Goldman, Turvey and Palfai 1995, Goleman, Boyatzis and McKee 2002a, 2002b). Likewise, trust is the central, if not crucial aspect of emotional intelligence (i.e. emotional intelligence's "self management" aspect that is characterised by trustworthiness, integrity and openness) (Salovey, Mayer, Goldman, Turvey and Palfai 1995, Goleman, Boyatzis and McKee 2002a, 2002b).

What is trust and how does it relate to leadership in the TAFE environment? The literature refers to trust (Bass and Avolio 1990, 1993, Schindler and Thomas 1993, Gardner and Stough 2002) as having five primary characteristics, namely: integrity (which is the CEOs and MLMs capacity to demonstrate honesty and truthfulness), consistency in actions and speech (which is related to the CEOs and MLMs predictability and reliability), loyalty (the CEOs and MLMs ability to relate to self, others and organisation) leadership competencies (includes the CEOs and MLMs technical, or job awareness skills and knowledge to deal with individuals) and openness (a commitment on the part of the TAFE CEO and MLM to provide truthful responses). Trust according to the literature (Bass and Avolio 1993, Gardner and Stough 2002) is pivotal in assisting leaders to involve others in the change process; without trust and the formation of relationships based upon trust, change will be lacklustre and progression will be minimalist. Trust provides the foundation for the development of relationships and during the change process; follower's turn to those trusted leaders for direction and guidance.

Within the trust paradigm there are predominately three (3) categories of trust: knowledge based trust, deterrence based trust and identification based trust

(Schindler and Thomas 1993, Lewicki and Bunker 1996). Knowledge based trust builds upon the notion that followers build their trust of the CEO and MLM on the predictability of the actions and responses of the CEO and MLM. Deterrence based trust is predicated on the notion of punishment and fear. Trust based upon deterrence is the least likely to last and in the era of enlightened leadership is the least preferable of the trusts. It is however, a basis upon which trust was evidenced in some TAFE environments that were part of this study. Identification-based trust carries with it the notion that there is an emotional connection between the CEO, MLM and TAFE staff. Identification-based trust evolves through time and develops as each of the parties begin to understand the needs, wants and emotions of the parties.

The observations of the research indicate that trust is a powerful bond within the TAFE environment; a bond that has developed because many of the CEOs and MLMs have come from a background similar to or the same as their staff. The MLM cohort in particular have an educationalist background and ethos, a strong community commitment and a values set that is very similar to the TAFE staff they are often leading. Complimenting the values, experiences and ethos, many TAFE staff have been in the VET industry for many years and have thus been able, through their actions, to build relationships based upon trust. TAFE leaders are clearly embracing the principles of leadership that recognises that:

> *"We are beginning to see that traditional autocratic and hierarchical modes of leadership are slowly yielding to a newer model – one that attempts to simultaneously enhance the personal growth of workers and improve the quality and caring of our many institutions through a combination of teamwork and community, personal involvement in decision-making, and ethical and caring [leadership] behaviours."*
>
> Spears (1995, p. 18)

TAFE leaders are enthusiastic and committed to the promotion of vocational education and training and clearly many use trust-based relationships to promote and implement change. It is equally clear that understanding the emotions of others and oneself as a mechanism to improve leadership styles is occurring at an intuitive level of consciousness. There is no evidence to suggest that CEOs and MLMs are deliberate in developing their understanding of trust and emotions as a mechanism to extend their leadership. The evidence, gained through the interviews, points to CEOs and MLMs employing leadership techniques that have been gained through life's experiences, because it "feels" right and is intuitive. This does not suggest the leadership styles of the CEOs and MLMs are deficient, or that

they are less effective. Rather, it may be concluded that increased effectiveness may be gained if CEOs and MLMs had a much greater understanding and appreciation of emotions, trust and relationships and how they could be used in leading change in TAFE.

TAFE leaders have developed their repertoire of leadership styles through their own personal experiences, through training and by engaging in formal and informal education. While a number of TAFE leaders indicate they had formal qualifications in leadership and/or management, those that commented attributed their leadership styles to experience in their current roles and through previous experience. While this research does not suggest that formal training does not have the capacity to influence and impact upon the TAFE leader's leadership behaviours, rather the TAFE leaders believe they are successful leaders because of their personal experiences and the knowledge they have acquired through practice.

The experiences they refer to are those where there has been a substantial element of trust developed between the leader and the follower. From the TAFE leaders' comments it is reasonable to assume that should these leaders be able to more effectively employ their emotions and manage the emotions of others to generate higher levels of trust, the more effective they would be as leaders setting the direction and goals for TAFE.

4.4.1.6 Leading through Rewards and Recognition

Rewards and recognition of effort has continually been aligned with achievement and the process by which endeavours are made to motivate the "achiever" to greater heights and to use the achiever's accomplishments to motivate and stimulate the endeavours of others. During the course of the research it became evident that rewards and recognition played a significant role in the TAFE environment, but also more directly in the TAFE change process. While many TAFE CEOs and MLMs considered that rewards and recognition were difficult to provide in their environment, there were however CEOs and MLMs endeavouring to find ways of recognising and rewarding TAFE staff.

Rewards and recognition whilst being used by TAFE leaders also has another purpose, which is to motivate staff to embrace the change process. Herzberg's (1959) motivational theory is a good reminder for TAFE leaders who are striving to motivate their staff. By increasing the number of staff satisfiers while decreasing or removing those elements that are dissatisfying for TAFE staff the leaders will be

able to exponentially increase the motivational level of staff and the outcome may well see increased commitment and enthusiasm as a characteristic of TAFE staff. If the TAFE leaders are able to create a satisfying environment then the staff's internal motivation to achieve (McClelland and Burnham 1995) shall act as a stimulus to enhanced work and an increasing desire to succeed. However, that stimulus does not necessarily mean remuneration or financial payment – Jennings and Lumpkin (1989) and Sadler (2001) have argued that a stimulus could well be the encouragement of risk-taking and the lack of punishment in the event of failure.

Unlike the TAFE environment, the corporate world has the capacity to provide significant benefits. For example, financial benefits, ancillary benefits that may include shares, automobiles, subsidised rental and profit sharing. Within the government sponsored sector (i.e. TAFE) the capacity to provide benefits is significantly reduced. It is noteworthy that the CEOs and MLMs interpretation of benefits was often related to the researcher in terms of cash payments, bonuses and other payments, which in regard to methods of rewards has never been a practice in TAFE – and yet the notion of reward in TAFE was linked to a corporate environment. This sentiment reflects a carryover from TAFE staff tenure in an industrial environment. Rewards in governments, particularly monetary rewards remain difficult because government funds have to be accountable to the public through state auditors. The state subsequently has stipulations and obligations in regard to expenditures. Given these restrictions however, TAFE CEOs and MLMs still perceived rewards and recognition as a way of promoting and supporting particular behaviours and activities. Rewards in themselves have their basis in the capacity to distribute something of value:

> *"… pay increases, promotions, positive performance appraisals, overtime, interesting work assignments"*
>
> Cole (1998, p. 175)

and MLMs (in particular) have gone to significant lengths to garner rewards for their staff as a way of sponsoring change. CEOs and MLMs were mindful that:

> "Not to notice, not to recognise, and not to reward is to gradually erode the human spirit and to deprive our organisation and culture of the best that people have to offer."

While another said:

> "In TAFE it is not realistic to offer a reward – so when you offer something you've got to be aware of the precedent you may set for the future."

Finding ways of recognising staff in the TAFE environment is always limited by administrative requirements however the CEOs and MLMs report that there are two major items/activities that they are able to offer staff in recognition of their workplace efforts. Firstly, the distribution of interesting work, and secondly a recognition and award process that may include the opportunity to participate in activities such as conferences and professional development. From the first perspective both are able to offer work that is different and which often takes the staff away from their core business for a period of time. These types of opportunities have the potential in the longer term to provide positive outcomes for staff in terms of promotional opportunities and/or experiences that allow staff to move into a different field of endeavour because of enhanced and changed skill sets. The advantage of this type of reward is that it is often at little direct cost to the college, and the project [that is the reward] is often one that is required to be undertaken. More importantly however, it enables the MLM to signal to staff positive behaviours and motivates staff to achieve. This type of reward provides the MLM with tools to influence the psychological processes (Vroom 1964) resident in their followers as the latter creates expectations resulting from perceptions of their environment.

Vroom (1964), Herzberg (1966) and McClelland and Burnham (1995) all suggested that leadership and motivation are inextricably linked. The greater the linkage and synergy between the leadership style adopted by the TAFE leader and the leader's capacity to motivate, the greater the potential of staff to engage with the tasks required by the leader. The comments provided by the CEOs and the MLMs tend to suggest that CEOs and MLMs are well aware of the value of motivation as a tool of effective leadership. The leaders have demonstrated through their commentary that by providing a reward or recognising effort they are able to motivate staff in much the same way as Myers (1964) suggested in a study to determine the effects of motivation on organisational effectiveness. Sergiovanni in a complimentary study (Sergiovanni 1988) concluded that if leaders were able to recognise and reward staff in some way then staff would exhibit increased levels of motivation; In the same way the TAFE leaders employ rewards and recognition to improve the level of staff motivation within the TAFE environment.

Recognition of staff in TAFE, within the chaos of operating a college, is often a lesser priority than might be considered appropriate, and it raises the question of what is considered appropriate recognition of efforts by staff. Luthans (2000, p. 31) said, "if you give employees a choice, the thing they say has the greatest, most significant impact, is a personal, spontaneous and sincere thank you for a job well done." While the spontaneous response according to the TAFE leaders, is used frequently within the TAFE environment, it is equally interesting to note some of the frustrations that are being experienced by the MLMs. One senior MLM commented:

> "It is pretty damn hard in the public service because we don't have many good rewards and recognition in place."

And another MLM hinted at cultural values inherent within the organisation when it was started:

> "It's not part of the way TAFE operates – what is part of your job and what's not."

While not expressed in such a forthright manner as the comment above, twenty-one of MLMs commented that much of the rewards and recognition employed in the TAFE environment was characterised by the recipient being named "best teacher". Recipients could also be recognised within the college newsletter, a "Staff Award" in the form of a trophy or plaque was often presented to the recipient and finally, staff have been sponsored for the national and state training awards. All are legitimate mechanisms by which staff can be rewarded and recognised and they play a significant part in promoting the TAFE change process.

In two TAFE colleges, which have demonstratively articulated the need to be *entrepreneurial* (they operate in a legislative environment that supports institutional *entrepreneurialism* as a modus operandii), differences in attitudes of the MLMs was noted. A typical comment in these TAFE environments was:

> "I would argue that by making people a little bit lean and hungry you are creating positive impetus for *entrepreneurialism.*"

The thrust of this comment suggests a particular image of the college was portrayed to staff, which may have suggested the college was financially destitute (or create the impression that the institute had minimal resources). By creating this perception in the minds of staff, MLMs were able to suggest that staff could and/or would gain additional resources by working *entrepreneurially.* A further comment

made by another MLM at another college that operated within a similar legislative environment suggested "hunger works and I think being a bit lean makes you more *entrepreneurial*". In these instances the MLMs were relying upon external forces to create an *entrepreneurial* environment and thus motivating their staff by "painting" a picture that may perhaps only be resolved by being *entrepreneurial*.

These examples highlight the use by MLMs of external conditions and stimuli to motivate TAFE staff toward a particular objective. The MLMs enunciated an ability to master their environment in such a way as to recognise the opportunities that they could use to motivate their staff. Other MLMs indicated they use rewards sparingly and that different rewards were appropriate. The comments below highlight the different stances taken by MLMs:

> "I don't use resources to motivate people; in the sense that: 'if you do this, I will give you this, and if you don't' … I don't like that as a way of motivating people."

> "I try and motivate them by stressing the benefits they can give the organisation."

> I think the staff here are already motivated to support the community therefore if you use that it has leverage to get things done."

A number of MLMs reported using what they term "peripheral" rewards as a way of recognising efforts. These rewards include providing opportunities for staff to attend conferences, opportunities for staff to be rewarded by undertaking international travel, the provision of equipment for resources that might have previously been unavailable, and opportunities to undertake personal study programs. The notion therefore is not to provide financial rewards, for example financial bonuses, but rather to provide non-financial rewards that are perceived to be tangible and beneficial to the TAFE staff person.

Testimony to the usage of incentives by MLMs and CEOs with TAFE staff is evidenced by one MLM who commented:

> "I offer little inducements to be honest" and in this way MLMs are able to "support" the achievement of their [staff's] goals."

An example that was provided was one where staff were invited to attend sporting activities that had been sponsored by the college. Staff and their families attending

these sporting activities were provided with entertainment and beverage, which ingratiated the follower to the leader.

Many MLMs indicated they saw the use of professional or staff development as a genuine recognition and reward system and commented:

> "We have staff performance management but don't call it that, we call ours staff development."

> "We introduced a leadership development program to the institute executive and I have management responsibility for that in terms of encouragement … for its use."

Through these staff development programs CEOs and MLMs have been able to stimulate and refine the College's visioning processes and increase the level of incentive and motivation toward it.

Staff development, while being a process by which staff acquire new knowledge and skills, is equally a process that motivates and rewards staff. Staff have been given, and have the opportunity to share best practices and experiences (thus elevating their status in front of their peers), be invited as guest speakers at forums internal and external to the College (thus enhancing their reputations) and are included on committees that are perceived to be relevant to them (thus developing the perception of valuing staff's contribution to the organisation).

Recognition and rewards are closely linked to the motivation of staff through the development of self-esteem and the demonstration of self worth. The CEOs and MLMs employing the tactics of using staff or professional development are leaders who value employee satisfaction and are interested in building personal relationship based upon trust (perceived or otherwise). They are attempting to bolster their staff's self-concept through positive feedback in the form of rewards and recognition; they are seeking to demonstrate appreciation of their staff while promoting the staff's concept of self worth. To link the leadership actions of the CEOs and MLMs it is worthwhile to draw upon the notions of self worth, self-esteem and self-concept - all of which are inherent in the writings related to servant leadership (Greenleaf 1991, 1996, 2002), leader-member exchange (Dansereau, Cashman and Graen 1973) together with the elements of emotional intelligence (Goleman 1995a, 2001a, 2001b, Goleman, Boyatzis and McKee 2002a) and motivational theory (McGregor 1960, Sergiovanni and Carver 1973, Sergiovanni 1988 and McClelland and Burnham 1995).

It is evident that most of the CEOs and MLMs have a philosophical approach that is humanistic in nature and that they understand the value of human capital in their organisations. The quote by Chenoweth (1999, p. 2) underpins many of the CEOs and MLMs actions:

> "Human beings genuinely want to be part of something larger than
> themselves and they will go to great lengths to serve the common good –
> however they must know and understand what is expected of them."

The rewards and recognition in the TAFE environment serve to reinforce acceptable behaviours and highlight the benefit of striving toward CEO and MLM specified goals. MLMs are using their skills to develop reward systems that motivate staff with a focus on initiating personal ways of recognising and rewarding staff because "the personal nature of the reward can enhance its power and memorability" (Hay 1998, p. 13). Kouzes and Posner (1999, p. 8) say that leaders must recognise that rewards are processes which "encourage the heart" and Chenoweth (1999, p. 2) further states that a "true leader ennobles human aspiration and achievement".

The final comment on rewards and recognition lies with the CEO of a metropolitan based institution when he said, "successful organisations run by successful people doesn't just happen". CEOs and MLMs seem consummate in employing rewards and recognition as motivational tools to promote and prompt the change process. In an environment where financial rewards are not readily available, TAFE leaders optimise the resources around them as important tools in the leadership of change. There is seemingly an understanding that (Cornwell and Perlman 1990) as an *entrepreneurial* organisation is developed they must attend closely to the development and maintaining of reward systems to insure that they provide incentives for, not constraints to, the creation of innovative ideas.

4.4.1.7 Leading the Creation of an Entrepreneurial Culture

The primary goal of this study was to determine the leadership strategies that leaders in TAFE use to create an *entrepreneurial* culture within their organisations. The primary driver of this study was an attempt to understand how TAFE leaders successfully manage a constantly changing environment whilst growing a training market through the development of an *entrepreneurial* culture. A culture which should "include all staff as self perceived *entrepreneurs* and applauding failures as well as successes" (Sadler, 2001, p. 7).

It is recognised by both ANTA and the respective training departments of each State and Territory that the success of the TAFE system will be predicated on the maturity and skills of the leaders leading TAFE. In recognition there have been a multitude of research projects and professional development activities initiated to develop the leadership skills of TAFE staff. Such initiatives have included ANTA's Re-framing the Future, Flexible Learning Fellowships, Flexible Learning Leaders and TAFE Frontiers. All have contributed in some way toward improving the level of understanding and the leadership skills of TAFE staff. As the respondents to this study recounted their experiences, the processes they adopted to lead the organisational transformation process and the leadership required to achieve an *entrepreneurial* culture, it was evident that a consistent and uniform approach to leadership required to achieve change in TAFE, was neither consistent nor uniform across the forty-seven interviews.

Approaches to leading and managing change have been well recorded for a number of decades. A report by Callan (2001, p. 18) to the Australian National Training Authority identified change management as a critical leadership skill for TAFE leaders. Karpin (1995) in his work on leadership skills for Australian managers proposed that Australian leaders of the future would be those who desire to change, as much as having a desire to change [others]. They would create the drive for change through their skills as communicators, enablers and empowerment of followers. Similarly, Scott (1999) in his book on education and training, proposed that in order to create organisational transformation leaders must be action orientated, willing to experiment, be committed, organised, enthusiastic and supportive of their followers. More recently Mulcahy (2003) in a report prepared for the NCVER indicated that the skills of leading and managing change in the VET environment is an essential capability of TAFE leaders, particularly given the urgency required to create an *entrepreneurial* culture in TAFE.

Leaders within TAFE use many different leadership strategies to initiate and implement mechanisms to promote change that will culminate in an *entrepreneurial* organisational culture. In the course of the interviews it was reported by CEOs and MLMs of three TAFE colleges that they where engaged in significant change processes and that they where drawing upon the theoretical leadership frameworks of many change theorists including Lewin, Lippitt and White (1939), Peters and Waterman (1982) and Peters and Austin (1989), Kotter (1996), Burnes and Greenleaf (1996) and Cummings and Worley (2001). One CEO indicated that the College had formalised the leadership process for professional development

adopting the five elements of change leadership articulated by Cummings and Worley (2001, p. 168):

- *Creating a readiness for change and overcoming resistance to change.*
- *Creating a vision, by articulating a compelling reason for change.*
- *Developing political support for change.*
- *Managing the transition of the organisation from its current state to the desire state.*
- *Sustaining momentum for the changes so they are carried to completion.*

Conversely, the diversity of experiences and backgrounds that CEOs and MLMs bring to the TAFE environment also sees TAFE leaders choosing to employ different theories (Kotter 1996, Burnes and Greenleaf 1996, Cummings and Worley 2001) in search of a framework for leading change. As the interviewer was probing and discussing the question of leadership required to create a changed culture, reference by the TAFE leaders of these three colleges was made of Kotter (1996), Burnes and Greenleaf (1996), Cummings and Worley (2001) and Lewin, Lippitt and White (1939) as theoretical frameworks of choice. Whether these frameworks were closely adhered to in the initiation and implementation of organisational change in the TAFE environment is unknown.

While these theorists (Kotter 1996, Burnes and Greenleaf 1996, Cummings and Worley 2001) do not contribute significantly to this research of understanding the leadership practices of the CEO and MLM, they where none the less referred to by three CEOs and eight MLMs as models of leadership of change in TAFE. The researcher has provided within this section some additional information on these theorists and their theory because it provides a guide as to the actions and practices of TAFE leaders. It is also included here because within the largest majority of all the interviews there were very few occasions when the interviewees described their actions and strategies and supplemented these with appropriate theorists and theoretical framework. It represents a unique response that highlights the diversity of the practices of TAFE leaders and their processes to change organisational culture. Within the MLM's cohort the change leadership theories enunciated by Kotter (1996) were attractive to four MLMs. The principles of Kotter's (1996) leadership framework revolve around eight elements, which are:

1. *Establishing a sense of urgency*
2. *Forming a powerful coalition*
3. *Creating a vision*
4. *Communicating a vision*
5. *Empowering others to act on the vision*

6. *Planning for and creating short term wins*
7. *Consolidating improvements*
8. *Institutionalising new approaches*

These steps were reported during the interview process by the CEO and MLMs in one TAFE college as the framework and process from which to lead and build a strategy to create an *entrepreneurial* culture in TAFE.

Another leadership of change strategy that was reported of in a positive light by a TAFE college's CEO and MLMs was that developed by Burnes and Greenleaf (1996), who wrote of two major approaches to change management theory: the emergent approach and the planned approach. The emergent approach to change management stresses that change is an open-ended and continuous process of adaptation to changing environmental conditions and circumstances. This approach has often been known as "continuous improvement" or "organisational learning" (Marquardt 1996). Conversely the planned approach to change management has its origin in the development of organisational theory by Lewin Lippitt and White (1939) of which three models were developed:

1. *Three step model (unfreezing, moving to a new level, freezing)*
2. *Action research model (planning, acting, observing and reviewing)*
3. *Phases of Planned Change model (eg; explanation phase, planning phase, action phase, integration phase)*

The evidence, which identifies the knowledge and use of these leadership stratagems, is found in the comments below. Typical of these comments are:

> "Change in this institute has been assisted because we got ANTA funding for a Flexible Learning Leaders program which allowed us to promote Kotter's change model."

> "The Kotter model is only a framework which is used to order the change process – we're using that because it was familiar to some of the executive."

> "We are creating a sense of change by changing peoples positions and reporting accountabilities – a bit like the freezing and unfreezing change process. Lewin was the designer of that model."

> "I am not sure that you could say we use any particular framework, but we sought to use an approach to change that uses a lot of different [change] strategies."

> "At this Institute the Director organised to have a consultant come in and manage the change process – that why we are using the framework from Cummings and Worley."

Are these frameworks employed in their totality? The CEOs and MLMs report that they are however not employed constantly, nor are they employed in their totality. Does this introduce a "second rate" or diluted change process into the TAFE environment? In quantifying the amount of change, while not an absolute measurement, there has no doubt been significant (if only perceived) change. A number of MLMs in highlighting the amount of change that has previously occurred said:

> "The stuff we are doing today would not even be contemplated five or six years ago."

> "Just look at what we're doing besides our teaching functions and you can see how far we've come."

> "I don't think people really know how much TAFE's changing – if they did, we probably wouldn't have to make so many changes."

In regard to the leadership of change in TAFE and therefore the implications for CEOs, it must be stated that change is not a group issue, nor is it an individual issue. Rather, it is a group and an individual issue that needs to be addressed sensitively and sensibly to achieve the outcomes. Perhaps one of the most important agendas that is often lost in leading the transformation process is the ownership of the change. At three of the twelve colleges, it was evident from the interview with the CEO and the subsequent MLMs colleges that some MLMs did not see any relevance (ownership) in the CEO's vision. One MLM said in regard to their lack of ownership of the CEO's vision:

> "I know that (Institute CEO) wants more *entrepreneurial* work but if we can't, does it matter?"

One MLM compared their organisation, which the CEO was attempting to develop into an *entrepreneurial* college, with another college, which was perceived as being non-*entrepreneurial*:

"Look it doesn't really matter if the budget is blown …. the government will bail you out … just look at (institute name)… why bother being *entrepreneurial*?"

"It is difficult to convince staff of the need to be flexible when there is little incentive, not to fail. Really there are no penalties for not being flexible or *entrepreneurial*."

"After all my years in TAFE I've become cynical because with each new government the agenda changes. You see TAFEs aren't like private enterprise – in private enterprise you have one objective and each year it's the same – in TAFE we keep changing the goal posts."

Ownership of the change process is complex and it is clear that CEOs have the onerous task of gaining commitment from their MLMs before gaining commitment from their staff. Equally the point is well made by the comments that government bureaucracy impedes the development of an *entrepreneurial* culture. There exists a schism in some instances between the leaders of TAFE and the staff of TAFE in regard to ownership of the change process. For CEOs to be effective, a communication bridge must be built to convey the change message to staff: a message that cannot be diluted, misconceived or misinterpreted by the staff of TAFE.

The above highlights a potential deficit in communicating the vision of the organisation (i.e. that is the organisational goals and objectives), to the staff, thus creating a potential dysfunctionality within an organisation, because staff as a consequence, do not embrace the organisational objectives. In these circumstances there is a gulf between those who determine the direction of change and the implementers of the change process, which in turn is exacerbated by individuals, their perceptions, beliefs, attitudes, values and presumptions of the world in which they work.

The issues that are raised in this section highlight the existence of a difference between the values and workplace assumptions that are held by staff and leaders. It is this difference that is the focus of Whiteley's (2003) research and her PATOP theory, which describes the disjunction between employee and employer's assumption, values, ways of organising and practices within the organisation. TAFE leaders are challenged to manage and develop an environment, which harmonises

the differing positions and beliefs of the organisational members. If TAFE leaders are able to manage the harmonising process as identified within the PATOP framework they will have enabled an environment where there is congruency of values, practices, assumptions and ways of organising.

Therefore, to set the leadership agenda the CEOs and MLMs must be able to communicate, discuss, and ask for input from everybody in the team and the organisation. They must be able to articulate a vision and involve people willingly in the operations. In today's organisations, processes, jobs and structures, leaders and values are four points of a diamond, which are linked together (Hammer and Champy 1993) to create successful organisations. TAFE leaders must have the capabilities to link these four points for TAFE staff so that they too can participate and play an integral role in the college's future.

The CEOs and MLMs are clearly involved with the transformation of their organisations and they are using numerous leadership strategies to achieve their goals. They are, for instance, intuitively employing a multiplicity of leadership strategies to create an environment conducive to *entrepreneurialism*. They are:

- Using techniques from emotional intelligence (Goleman, Boyatzis and McKee 2002a) to build relationships to gain "coalitions" enthusiastic to change.
- Using established leadership frameworks (e.g. Kotter 1996, Burnes and Greenleaf 1996, Cummings and Worley 2001) from which to gain momentum to create an ethos of *entrepreneurship*.
- Employing techniques such as recruitment and selection, creating a vision (Kotter 1990), implementing a rewards and recognition strategy (Kouzes and Posner 1999), and undertaking business planning all in order to stimulate and motivate (McClelland and Burnham 1995) TAFE staff to embrace *entrepreneurialism*.

Perhaps though, it is not so much the leadership strategies that are employed by CEOs and MLMs in relation to change, but rather the consistency of leadership processes they adopt across Australia. It is clear that CEOs and MLMs are all involved in attempting to create an environment in TAFE that is more flexible, innovative and *entrepreneurial*. They are doing so by using strategies that are designed with a view and understanding of the circumstances in which they operate, but also by the personal experiences and knowledge of leadership that they have previously gained.

In a similar way the extent of understanding and more importantly deliberating enactive practical applications based on sound *entrepreneurial* theorists is limited. Angle and Van deVen (1989) have argued that an organisation that stimulates *entrepreneurship* incorporates resources for innovation; cohesive work groups with open conflict resolution mechanisms that integrate creative personalities into the mainstream; structures that provide access to innovation role models and mentors; frequent communication across departmental lines and among people with dissimilar views. There is little evidence of a systemic application of *entrepreneurial* developmental strategies.

However, generally all respondents were supportive of the transformation of TAFE, but consistency of that process is lost when each state and territory of Australia operates its own TAFE system within parameters set by the respective states. Whether there will be any significant change in the future will be determined by each State's perception of the sovereign rights.

4.5 INSPIRATION AS A LEADERSHIP STRATEGY IN TAFE

Previously discussed in this chapter has been the role of vision in setting the course to create an *entrepreneurial* TAFE environment. The importance of setting the course or strategic direction is crucial but it is equally important that the message of the vision is carried to the staff of the TAFE College. The importance of this message cannot be overstated because at the heart of creating a vision is the necessity to align workplace tradition (Whiteley 2003) with organisational goals and objectives. Whiteley believes that the "leader/manager's role is as both a learner and teacher, and above all, a facilitator of learning and critical thinking" (Whiteley 2003, p. 3) and is a necessity of the future. Without a significant change of mindset by TAFE leaders from that which emphasises direction to that of teacher/facilitator then there will continue to be a tension between staff and leader. In an endeavour to engender the harmonised change process, as described by Whiteley (2003), Goleman (2002) achieves this through personal relationships that are facilitated by understanding and applying the principles that underpin emotional intelligence.

The carriage of the vision and its message is the role of the leader whose responsibility it is to communicate with staff and encourage them to embrace the vision. To achieve this the ethos and observed practices of the senior leaders of the organisation must be in synchronicity with the stated direction of the college, and the message must be embraced and implemented by all: this is the role of the

leader who is able to inspire their staff. Mulcahy's (2003) recent study found that TAFE leaders were required to have sound leadership and change management skills that gave them the capacity to inspire staff to new levels of endeavour and activity. In an earlier study Sadler (2000 p. 9) suggested that the level of *entrepreneurship* was a reflection of clearly understood objectives, cohesive work groups and performance objectives developed from a shared participation, all of which are demonstrable practices of inspirational change leaders.

In describing the inspirational leader Goleman, Boyatzis and McKee (2002a, p. 206) says:

> *These leaders need to move beyond a solo scrutiny of an organisation's vision to drawing on the collective wisdom of followers. Side-by-side with the rest of the organisation, [inspirational] leaders co-create the vision that will serve to rally and energise the group as a whole.*

Leaders and managers have very different organisational roles and responsibilities in respect of inspiring staff to embrace an *entrepreneurial* vision. Bennis and Nanus (1985, p. 21) differentiate the roles of managers and leaders, as "managers are people who do things right and leaders are people who do the right thing". Other distinctions that define managers and leaders are, "leaders focus on the interpersonal aspects of the job, whereas managers deal with administrative duties" (DuBrin 1995), "leaders create vision and strategy while managers implement the outcomes" (Kotter 1990), "leaders take control of situations, while managers learn to live with them" (Bennis and Nanus 1989), and finally "leaders cope with [organisational] change while managers cope with complexity" (Kotter 1990). A primary differentiating attribute is that leaders do not rely upon hierarchical organisational structures for power, but rather their capacity to influence others; in order to influence others, TAFE leaders must be able to inspire their staff.

Leaders must be inspirational to achieve the goals of an *entrepreneurial* TAFE environment: their task is to ensure all staff are engaged and their practices, behaviours and verbal communiqués all carry the importance of the vision. Callan (2001) in his recent study for the Australian National Training Authority (ANTA) found that a necessary key capability of the CEOs in vocational education and training was to "inspire a sense of purpose and direction", and it was necessary to "inspire people to commit to achieving the vision".

The CEOs and MLMs in this study interpreted the characteristics of "inspirational" as providing a consistent message, ensuring that staff are committed to the vision, demonstrating consistent behaviours and model particular behaviours. As a CEO said of their own situation where the directorate (i.e. the senior management group consisting of the MLMs and CEO) was not unified "there [must be] unity of approach in the executive even though there are differences" when conveying messages to staff. In another college it was recognised that not everyone in the directorate had the same agenda or were at a similar level of understanding of the need to create an *entrepreneurial* environment. As the CEO said:

> "Most of our executive really passionately believe in the value of our strategic direction in terms of the business, our role and responsibility in the community, [but] at different levels … and we are really trying to create an environment where people [the executive group] feel valued and can learn and grow."

It is interesting to note that while disconcordance between CEOs and MLMs may potentially encourage *entrepreneurship* (Sadler 2001) because the goals/action are inconsistent it is important to note that other elements are equally pertinent to the initiation of *entrepreneurship*. Elements that work to counter the "initiation of *entrepreneur* include, but are not limited to, limited managerial autonomy, high levels of interference, over-cautious managerial behaviours and restrictive personnel policies" (Cornwell and Perlman, 1990).

The leadership of the change process is not restricted to TAFE staff, but also describes the dilemma for some TAFE college directorates. The comments below highlight the point that change is occurring everywhere, at all levels of the organisation and at different rates. The difficulties of grappling with organisational transformation are not limited to TAFE staff but include TAFE leaders as well. The comments below were made by MLMs about the commitment to the leadership of the change processes being exhibited by their colleagues:

> "I would say probably fifty-fifty. The reason for that is that there is a change process going on in the executive."

> "We are still learning to deal with change – even though we are in it all the time, its still difficult. You know there are senior managers in this institute that don't know how to deal with change."

> "We all interact with change in different ways – it doesn't matter what level in the college you are, everyone just copes at times."

Another example of differing levels of understanding the need to inspire through the imparting of an articulated vision was found in one TAFE College. The CEO and MLM in this institute had gone through some significant restructuring, and three of the five MLMs had been only recently recruited. In this instance attempts to be inspirational as reported by the CEO and MLM were difficult because the vision was not consolidated in the minds of the leaders and therefore it was unable to be communicated throughout the college.

An integral part of being inspirational according to MLMs and CEOs was the transmission of a concise message in a way that generates enthusiasm and commitment in staff. A number of MLMs commented:

> "If you do not have the critical mass in terms of mind shift … hearts and minds, not just the minds, you must have the hearts as well, supporting that through the process, any attempt to influence leadership would be doomed to failure."

> "The message is getting out and a lot more [staff are] aware of why we need to be *entrepreneurial*. They're much more focused now on resource capability."

> "To communicate in such a way that people are able to understand what part they play in creating that vision. It's not just up to management to move the organisation in that direction to achieve those goals, it's only going to be the sum of all those parts, so it's about being able to shift [many staff] so they can say I'm part of that."

Inspiring staff at colleges in many cases meant:

> "Contextualizing and making meaningful the Institute's vision for the people and also being very frank in terms of the consequences of not gaining the skills. We gave people time to reflect upon those things within a particular time frame."

To inspire staff by establishing the vision, communicating the message and motivating staff, was not seen to be enough. A CEO said:

> "There is more to be done. I think it's possible to [be *entrepreneurial*] by inspiring people and bringing them along."

Another CEO who expressed some concern that their vision and enthusiasm was not being communicated said:

> "I'm using that 50% of time out with the teams and doing a lot of the driving of innovation and *entrepreneurship* … I work with them [staff] to achieve it."

and I inspire staff by continually saying things such as:

> "This is great and … an opportunity that can't be missed … I'm it giving my seal of approval."

While being inspirational was achieved through the creation of a common message (vision), communicating succinctly and "walking the talk", the CEOs and the MLMs perceived another element that was necessary to be inspirational. They believed that to be inspirational, CEOs and MLMs had to model inspirational behaviours. The comments below capture the notion of modelling:

> "I motivate staff by providing a living example of what I preach and by being true to yourself you can actually develop pathways for people to follow and that provides motivation."

> "It's about your communication style as much as anything else. There are probably a lot of other things you do. I think its consistency, reliability, confidentiality, empathetic listening and supporting people when they have personal issues and [the knowledge that] that they can talk to someone and know that you will respect that and you'll help them in that situation and you will help them in their personal lives as well as their professional lives."

> "I do what I say I will do."

> "I think it's a lot about being consistent in your behaviour; it's the way you actually demonstrate it, I mean if people see you saying one thing and doing another, well it immediately questions trust."

> "I try and model good customer service relations. I think modelling is the best way to go."

The CEOs and MLMs were utilising the leadership strategy of personalising the message by being seen throughout their colleges carrying the message to the

staff. As Blanchard (1999, p. 149) reminds us, "leaders must make every effort to become living symbols of their organisation's value systems". This means that it is vital for organisations and their leadership to "walk the talk". The successful TAFE CEOs and MLMs appreciate the need to be seen and practice their engagement with all staff.

While many of the CEOs and MLMs saw modelling positive behaviours and building rapport with staff as a way of developing relationships and creating a positive *entrepreneurial* environment, others practiced a different strategy of inspiration. The inspirational strategy this cohort adopted was inspiration to change through the reduction of other alternatives being made available to staff. In the words of a couple of CEOs when discussing how they attempt to inspire change:

> "I try and shake them up a bit, I try to give them a bit of a change, and I try to inspire them to do something."

A further strategy that was adapted by the CEO in order to inspire and motivate staff is typified in this CEO's comment:

> "So staff that work for me are condemned to live in an environment of constant progressive change, but that is management and that is what they have to get used to; the world never stands still under me."

In summary, the MLMs and CEOs lead by inspiring staff through a range of different strategies. These strategies include building a critical mass of like-minded individuals that have a preparedness to embrace the changes dictated by the vision and direction of the organisation. In portraying the message of change, TAFE leaders take a "hands-on approach" to achieving the changes. The hands-on strategy requires modelling of particular behaviours, having a consistent message, and more importantly linking the behaviours with the message. A final comment might be that TAFE leaders have indicated they feel there is an obligation to be seen by their staff in the process of inspiring through communication.

How is inspiration provided? Inspiration is integration between the style of the deliverer of the message and the values of the receiver (Hriegel and Brandt 1996). In a research study in the United States it was reported that the inspiring leaders used "initiating, idea creation, rapport development and confidence building" (Miles, Saxl and Lieberman 1988, p. 164) and inspiring leaders develop visions that are appealing while at the same time engender commitment to the vision by "leading by example" (Hriegel and Brandt 1996). This process in turn has

a degree of congruence with, the work of Sadler (2001) who has suggested that the allocation of appropriate resources emphasises a commitment to *entrepreneurship*. Leaders are able to lead by example by providing sufficient resources to encourage *entrepreneurial* activity. In a similar way the performance objectives (Sadler 2001, Hrebiniak and Joyce 1984) that are established by the leaders is the catalyst that shapes the development of the organisation's vision.

TAFE leaders have embraced many of the elements that comprise inspirational leadership. In the course of the interviews TAFE leaders explained how they motivated staff by always being positive and buoyant when talking and engaging with their subordinate staff; the positiveness, according to the leaders gave staff the confidence to test new initiatives without fear of failure. The underpinning principle of inspiration is to inspire staff to go that little bit extra for the organisation. By building an environment that is supportive and trusting staff are able to find expression in increased innovation and flexibility. It is evident that as TAFE leaders, and indeed as self-confessed inspirational leaders, they take a very hands-on approach by modelling and being part of, and being seen to be, one with their staff. A recent article by Terry Lee (2003, p. 22) that described the characteristics of inspirational leaders as:

- *help people to break through self-defeating thinking*
- *motivate people to go beyond what they feel they are capable of*
- *give people the courage to step out of their comfort zones*
- *uncover what the real inspirations and hopes of individuals are*
- *build the optimism to confront challenges and the resilience to withstand failures.*

People as a consequence experience a sense of empathy, trust, and this frame of mind underpins a sense of empowerment and these emotions in turn fuel their enthusiasm and commitment to the creation of an *entrepreneurial* TAFE environment. Are TAFE leaders inspirational in leading their colleges? Clearly there are examples within this study where TAFE leaders:

- show a genuine interest in people
- listen and ask for advice
- act on that advice
- show appreciation
- act decisively to remove obstacles
- involve people in the vision
- set the challenge and lift the bar to achievement
- provide support and encouragement

- see potential that people often cannot see in themselves
- act with integrity.

All of the above are elements of leadership within the cache of behaviours that inspirational leaders portray which is consistent with Goleman's (2002) and Birnbaum's (1992) relationships focused leader and McClelland and Burnham (1995) motivational leader and McGregor's (1960) leader who strives for the institution's growth.

Are TAFE leaders inspirational? They are inspirational, in particular circumstances, at particular times. However there is an individualised understanding of what it is to be an inspirational leader in TAFE. The behaviours of inspirational TAFE leaders are however inconsistent across the TAFE system. Often the understanding and interpretation of inspirational leadership has been developed through the individual's own experiences, interpretation, their own research, their own reading and their observations of others.

The responses and comments illustrate the best and the worst of inspirational leadership in TAFE. At one end of the continuum there are TAFE leaders whose understanding of inspirational leadership is very low, conversely there are TAFE leaders who are inspirational and highly competent leaders, adapting quickly to the role of inspirational leader. The research has highlighted the lack of a systemic approach to inspirational *entrepreneurship* across the Australian TAFE network. If policy makers are focussed upon creating an *entrepreneurial* environment then there is a requirement for a systemic approach that spans state and territory borders: An approach that will initiate if not develop the leadership capabilities necessary to inspire their staff. To achieve an environment that enhances *entrepreneurialism* the policy makers will need to rethink their rules and regulations and provide a greater degree of organisational autonomy (Sadler, 2000, p. 8), reduce the red-tape which is a reflection of the sector's requirements for accountability (Sadler 2000, p. 12) and provide resources that give capacity for leaders to work in *entrepreneurial* ways (Graham and Harker 1996, Behn 1988 and Sadler 2001).

4.6 LEADING TO CREATE AN ENTREPRENEURIAL CULTURE IN TAFE

Primary to this research has been the development of an understanding of how leaders lead within the TAFE environment, with specific reference to developing an *entrepreneurial* training culture throughout the TAFE network of Australia. The

research concludes that leadership in TAFE is a complex, diverse and jigsaw like, arrangement of internal and external influences, of environmental factors, personal values and characteristics. The research has identified many factors and elements that influence both the leadership process, the organisations operational activities and the strategic planning process. These will be further explored and discussed in the following section of this chapter to ensure a greater understanding is gained in regard to the leadership factors that influence leadership of the change process in TAFE. Furthermore the competing and complementary relationships that exist between organisational structures and the degrees of *entrepreneurialism* and interpersonal relationships within the publicly funded TAFE environment will be explored. Similarly the leadership strategies employed by TAFE chief executive officers and middle level managers in order to achieve greater *entrepreneurialism* in TAFE will be identified.

4.6.1 The Factors Influencing Leadership in TAFE

Leaders in TAFE are faced with leadership issues in the same way that leaders in other non-educational organisations face issues to do with effectively leading their respective organisations. Leaders in TAFE face a different challenge, unlike the leaders within private corporations whose charter is often to increase revenue streams and client numbers; a primary element in the charter of TAFE is to lead from within a government bureaucracy striving to operate in a corporate mode. The reasons behind the necessity to develop an *entrepreneurial* culture lies in the demand to be flexible in delivering its products to its clients and the need to raise additional revenues. This demand is largely because the allocation of government resources to the TAFE network are not keeping pace with the rising costs associated with the delivery of vocational education and training in Australia.

To meet these expectations TAFE leaders are striving to embue, develop and impart within staff an *entrepreneurial* ethos that will culminate in the development of an organisational cultural with a pre-disposition toward *entrepreneurship*. To achieve this *entrepreneurial* drive TAFE leaders, according to this analysis, are endeavouring to lead by controlling the factors, which influence their capacity to lead. The leadership factors that influence leader capabilities are divided into two primary domains that are none the less inter-connected and dependant upon the other. These are what are formed, the intrinsic drivers of change and the extrinsic drivers of change.

In the following paragraphs the researcher will provide an understanding of the leadership factors that are intrinsic to driving the organisational transformational process. The intrinsic factors identified by the TAFE leaders include, but are not limited to, the management of emotions, the need to build relationships, the generation of trust between all the organisational stakeholders, recognising and rewarding effort, loyalty to others and creating an environment where people feel motivated to strive. The most significant driver that is crucial and underpins successful leadership is the development of positive personal relationships that operate within TAFE.

The literature positions relationship building as a high priority when developing an organisation that is successful (House 1971, House and Mitchell 1983, Salovey, Hsee and Mayer 1993, Salovey and Mayer 1994, Salovey, Mayer, Goldman, Turvey and Palfai 1995, Dansereau and Yammarino 1998, Goleman 2001a, 2001b, Goleman, Boyatzis and McKee 2002a, Gettler 2003). Unless relationships are positive there is the potential for a lack of preparedness on behalf of staff to work toward achieving organisational effectiveness. Unless the relationships are sound then the capacity of the leader to develop an *entrepreneurial* organisational culture will be severely eroded. Organisational success is built upon these powerful relationships (House and Mitchell 1983), which in turn, are built on staff's perception of trust and loyalty exhibited by the leader. Relationships, trust, loyalty and organisational success are analogous to building blocks which are each linked to the other and the strength of the whole is greater than each of its parts.

The leaders of TAFE echoed concerns similar to those identified by House and Mitchell (1983) in regard to building relationships when thirty-five leaders expressed the view that relationships (Figure 3.2) were a key aspect of their strategy for successful leadership in TAFE. Critical to the building of positive relationships the leaders of TAFE nominated trust, managing emotions and behaviour modelling as underpinning factors of leadership that supported the development of relationships.

Trust might be best described as an intrinsic emotion that is nurtured and developed as a consequence of open communication, honesty, acting with integrity, demonstrating respect for others, behaving credibly and acting in a reliable manner (Dansereau, Cashman and Graen 1973, Dansereau, Alutto and Yammarino 1984, Scandura and Graen 1984, Dansereau and Yammarino 1998). Thirty-two TAFE leaders considered trust to be important in their development of relationships and

indicated trust underpins and must be reciprocal in the relationship building process; as relationships grow and mature, greater levels of trust evolve. Similarly as trust is eroded, relationships are eroded (Gardner and Stough 2002). The importance attached to the development of trust by the TAFE leaders ensures that trust must play a significant role in any strategy to enhance the leadership capabilities of TAFE staff.

Trust between people and within groups is explicitly linked to personal values and the observed/displayed values of others. For example TAFE leaders expressed a level of trust in those staff that are dependable and display values that are congruent with their own. The intrinsic sense of values and the attitudes staff hold were emphasised during the interviews as the TAFE leaders expressed a need to manage the emotions of others. In other words, levels of trust increased as TAFE leaders recognised in others value-sets that mirrored and/or complimented their own; as TAFE leaders responded to what they perceived as appropriate actions, then emotionally based relationships began to develop between themselves and their staff. Twenty-seven leaders in TAFE indicated through their responses that the management of their own emotions and the management of the emotions of others was a critical factor in being successful leaders within TAFE. Goleman (2001a, 2001b), Goleman, Boyatzis and McKee (2002a, 2002b), Salovey, Hsee and Mayer (1993), Salovey and Mayer (1994), Salovey, Mayer, Goldman, Turvey and Palfai (1995) corroborate the intuitive understanding of TAFE leaders in their research when they indicated that emotions and the management of them is the penultimate factor in successful leadership.

Goleman, Boyatzis and McKee (2002a) suggest that the capacity to manage others as well as ones own emotions, will give the leader the capacity to lead successfully. Inherent and implicit within the management of emotions is the building of trust (Schindler and Thomas 1993) and the enhancement of relationships. It is interesting to note that while the managing of emotions was considered to be a significant factor in leadership only sixteen leaders in TAFE were able to articulate the premise that underpin the emotional intelligence paradigm of leadership (Goleman, Boyatzis and McKee 2002b). It appears that a great deal of leadership practice in TAFE is borne from intuitive behaviours [these behaviours may be further enhanced and/or developed through past experience].

While emotional intelligence, or more specifically the management of emotions is employed regularly by TAFE leaders to achieve their goals. It is the management of

emotions that is a critical factor in the achievement of successful leadership. The importance of emotions in the art of leadership is not the province of TAFE leader indeed Salovey, Mayer, Goldman, Turvey and Palfai (1995) and Goleman, Boyatzis and McKee (2002b) also emphasise the view that emotional intelligence is an important aspect in leadership practice. It is evident from the data that emotional management is a tool regularly employed by TAFE leaders and in this way it is reasonable to suggest that the characteristic that define emotional intelligence as defined by Salovey, Mayer, Goldman, Turvey and Palfai (1995) and Goleman, Boyatzis and McKee (2002) is able to be evidenced within TAFE colleges.

However, what is equally evident is that in terms of understanding the underpinning theoretical foundations of emotional intelligence, the TAFE leaders did not display a significant understanding of emotional intelligence. In conclusion it appears that much of the emotional intelligence leadership paradigm is employed intuitively and its continuance as a practice is based upon the immediacy of the results attained by the TAFE leaders. Equally, it might be concluded that their mastery of the underpinning concepts of emotional intelligence as a leadership strategy has the potential to provide TAFE leaders with an ever greater capacity to lead successfully. The researcher could only guess at the greater degree of success that might be attainable if TAFE leaders had a greater understanding of emotional intelligence.

Another critical factor in the practice of leadership in TAFE is the level of motivation exhibited by staff. The level of motivation is closely linked to the emotional state (Herzberg, Mausner and Snyderman 1959, Charbonneau, Barling and Kelloway 2001) of staff. According to the leaders in TAFE, when staff are contented and are recognised for their efforts they are more inclined to be enthusiastic and invariably motivated to strive for themselves and by association their organisations. Thirty-eight TAFE leaders felt that the motivational factor was important in order to achieve the engagement of staff in the creation of an *entrepreneurial* culture in the TAFE environment. It is interesting to note that in the analysis of the data, motivation was closely linked to the leaders capacity as a communicator. Thirty-eight of the forty-three TAFE leaders who thought communication was an important factor in leadership practice also said motivation was a critical element in leading. It is conclusive from this data that the capacity to motivate is closely linked with the capacity to effectively communicate. While only thirty-eight mentioned motivation as an important leadership factor the researcher concludes that implicit in many of the interviewee's responses about communication was a reference to the motivation

of staff. The importance of motivation in building a cohort of staff who are enthusiastic was the focus of work undertaken by McClelland and Miron (1979) and McClelland and Burnham (1995) who emphasised that motivated staff are required to create organisational change. The development of an *entrepreneurial* culture requires significant organisational change and it is those who are motivated and committed to that change process that will be the lynch-pin of success.

An additional factor influencing leaders and leadership in TAFE is the notion of rewards and recognition. Rewards and recognition (Boyett 1996, Hay 1998, Kouzes and Posner 1999, Greenleaf 2002) is often associated with a tangible product being applied in recognition of a particular behaviour or activity. Rewards and recognition within the leadership paradigm does not stand in isolation, rather the reality is that twenty-eight leaders in TAFE indicated that rewards and recognition is inter-linked to the motivation of staff and the development of staff loyalty (Nanus 1992). It is interesting to note that Sadler's (2001) conference paper on the emergence of *entrepreneurship* and innovation in education also highlights the issue of rewards and recognition because it encourages risk-taking. It is this risk-taking that encourages and culminates in translating ideas into action. Rewards and recognition, motivating staff, developing trust and managing emotions are linked and inter-dependant upon each other in the creation of an *entrepreneurial* environment in TAFE. These factors are inseparable within the process of successful leadership because rewarding and recognising acts to motivate and inspire staff; and as a consequence emotionally satisfied staff who trust their leaders and their organisation, will be inclined toward the development of good relationships.

As TAFE leaders develop an environment where staff are satisfied and feel appreciated and their efforts recognised, staff will reciprocate with increased levels of loyalty (Graen and Cashman 1975, Vandermerwe and Birley 1997, and Nanus 1999) and subsequently become better workers. There can be no doubt that loyal staff are of immense benefit to the organisation because they often contribute to organisational growth through their own diligent application and commitment to the organisation (Nanus and Dobbs 1999). As Hage and Aiken (1970), Miller and Friesen (1982) and Sadler (2000) have argued diligent and professional workers have a tendency to be more innovative and *entrepreneurial* in their outlook – that innovation and *entrepreneurship* builds upon and enhances staff loyalty. The role of the TAFE leader is to use those loyal staff wisely while at the same time working to increase the level of loyalty each staff has toward the leader and the organisation. Building on loyalty leaders must inspire (Rost 1991) staff to challenge the present

and strive to achieve thus initiating a culture of *entrepreneurship* throughout the organisation.

Inspiration is closely linked with motivation (Bass and Avolio 1990, 1993, Conger and Kanungo 1998, Densten 2002, Sturman 2002) and to manage within the TAFE environment requires inspirational motivation – not just ordinary motivation, but inspirational motivation. Only by using inspirational motivation to motivate staff will they enable the organisational transformation that TAFE leaders desire be achieved. While it is simplistic to suggest an inspirational leader will motivate TAFE staff there are many other factors that must be given attention and aligned to the future direction of the organisation. The TAFE leaders identified interesting work as a critical aspect in the process to motivate staff. Thirty-one of those who identified motivation as important also identified the need to have interesting work for staff. Similarly, of the twenty-eight leaders who saw rewards and recognition as an important factor contributing to the development of an *entrepreneurial* culture, eight indicated that interesting work could be a reward for TAFE staff.

Setting the direction so that the organisation has a goal to strive for and staff within the organisation are aware of the core organisational values is a critical aspect of leading in TAFE. The TAFE leaders highlighted the need to be seen as modelling leadership by walking around; ensuring that the organisational structure was aligned to the organisational goals and those in turn were derived from an extensive business planning process all of which supported the leadership process. Unless the processes and practices of the organisation mirror the goals of the organisation it is reasonable to assume that any leader's rhetoric, or inspirational motivation will achieve little in meeting the goals of being an *entrepreneurial* organisation. That is an organisation that embues an *entrepreneurial* culture predicated on innovation and risk-taking.

4.6.2 Competing and Complementary Relationships in TAFE

The previous section (4.6.1) has looked at the factors that influence leadership in TAFE. The factors interact, influence and shape the way TAFE leaders act and respond throughout their job. The factors of trust, motivation, inspiration, relationships and emotions, loyalty, communication, business planning, organisational structures, rewards and recognition, behaviour modelling, creation of interesting work and walking around interact with one another and continually shape the environment and the people within the environment. TAFE leaders, to be successful, must become skilful in their capacity to manipulate this environment,

not just the physical environment but also the perceptual environment [that is the environment others perceive] and the intrinsic environment that resides within each person.

Against this background this section looks at what the TAFE leaders identified as areas of competing and complementary relationships that exist between organisational structures and *entrepreneurialism* and the interpersonal relationships within the publicly funded TAFE environment. The TAFE leaders identified a number of factors that impacted on their ability to create an *entrepreneurial* environment. The factors are identified as the: aversion to risk taking that is evident in the TAFE environment; organisational structures that are not conducive to freeing individuals to be *entrepreneurial*; legislative restrictions and the need for compliance with public monies; long serving staff who bring to the TAFE environment work practices and values from an earlier period; the lack of alignment between some TAFE staff's values and attitudes and the new vision of TAFE; and the lack of appropriately perceived rewards and recognition for changing traditional TAFE work practices.

To explain more comprehensively, the TAFE leaders face a difficult and challenging environment where state government agendas and expectations that presuppose that TAFE can generate additional revenues is thwarted because of the very processes that state government authorities impose. Forty TAFE leaders indicated that to be *entrepreneurial* the organisational structures in the TAFE environment had to reflect the development of an organisation that valued risk-taking; they felt that their current structures lacked flexibility and therefore resisted the notion of *entrepreneurship*. To highlight this point, twenty-six leaders indicated that a primary impediment to the creation of an *entrepreneurial* environment were the restrictive legislative requirements which, coupled with the compliance requirements, stifled opportunity and placed obstacles in the path of *entrepreneurship*. In considering these issues as they are raised by the interviewees it is appropriate to reflect upon Sadlers (2000, 2001) work when it points out that unless there are clearly understood objectives (Sadler, 2000, p. 34), little or no political intrusion, inconsistent government policy and the organisation is focussed upon outputs rather than inputs then the potential for *entrepreneurialism* will be limited. Underpinning these fundamental issues is the realisation that it is the dichotomy of rhetoric, practice and policies that stifle *entrepreneurialism* in TAFE.

The dichotomy is exacerbated because, as the TAFE leaders reported, there is a continual demand through the visioning and business-planning processes to become flexible and *entrepreneurial*. However the development of a truly corporatised TAFE is restricted by state governments who view TAFE as a strategic arm of government. Further evidence of the restrictions faced by TAFE colleges is the shadow of support given by unions and governments for long-serving staff. A typical difficulty experienced by TAFE leaders was the notion that long-serving staff maintained values that were not congruent with the new vision for TAFE. As Whiteley (2003) explained, the values of the organisation and the individual must have congruency in order to have an effective organisation. The technical difficulty for TAFE leaders lies with the recruitment and selection process, which has a socially oriented perspective, that makes transforming the workforce a laborious and time-consuming process. Many TAFE leaders, as a consequence, look to transform the TAFE workforce through attrition and through a process of judicious recruitment and selection.

A prime characteristic of *entrepreneurship* (Shackle 1982, Beer, Eisenstat and Spector 1990a, 1990b, Lydall 1992, Stopford and Baden-Fuller 1994, Casson 1997, Clark 1998) was risk-taking and it is this factor that has difficulty in being expressed in the TAFE environment. While many TAFE leaders expressed a preparedness to be *entrepreneurial*, it was quickly countered in their responses by the view that the organisational structures are too bureaucratic, restricted by compliance and legislation, hampered by long-serving staff [ie, staff with limited new world skills and lacking industry relevance] and limited rewards and recognition for those who want to be *entrepreneurial*.

In attempting to understand the contradictions that have been identified by the TAFE leaders, it is apparent that there is a strong message from governments, both state and federal, to TAFE colleges stressing that their futures lie in generating extra revenues, being more flexible and innovative whilst being more corporate in their outlook. The conundrum for TAFE colleges is that the same message source is also the one that continues to place excessive compliance requirements, which restrict colleges being flexible and frowns upon risk-taking. To better appreciate the dichotomy within the rhetoric from government spokespersons and the government's policies, which empathise an aversion to risk-taking it is interesting to reflect upon Quinn's (2003) leadership framework of competing values and Whiteley's (2003) PATOP organisational model.

In the same way that Quinn (2003) might describe the tensions inherent within his competing values framework, there exists a similar tension between the government's need to have TAFE colleges act in a highly flexible and *entrepreneurial* manner whilst continuing their to adhere to a requirement to minimise risk-taking and restrict practices that might be perceived as counter to government's social obligations and agendas (eg, increases in the number of full fee paying students etc). The relationship between government policy, direction and the practices of many TAFE colleges find congruency in Whiteley's (2003) PATOP model whereby the government's values, assumptions, expected practices and ways of working are not mirrored in the TAFE environment.

The conundrum of competing values (Quinn 2003) and a misalignment between values, assumptions, ways of working (Whiteley 2003) highlights a complex arrangement whereby TAFE colleges experience tensions with government policy in the course of executing their daily activities. Likewise TAFE leaders experience tensions both from within their leader colleagues' cohort, amongst themselves and with the direction of the organisation. TAFE staff, in turn experience tensions between themselves and the TAFE leader cohort. Against this backdrop of tension it becomes easier to understand some of the dilemmas and contradictions within the TAFE environment and the challenges confronting the leaders of TAFE as they attempt to make sense of a multiplicity of contradictions.

Irrespective of the business planning processes and the establishment of a vision that directs colleges towards an *entrepreneurial* corporate structure, colleges are nonetheless, and will remain, a strategic instrument of government. Similarly, they are largely funded through public provision and consequently unable to act without appropriate reference to their government masters. Subsequently for TAFE colleges, there will continue to be an aversion to risk-taking and whilst the colleges remain largely dependent upon state funding arrangements, they will continue to struggle with the contradiction between the *entrepreneurial* vision and the reality of organisational practice.

Thus far Section 4.6.1 has explored the comments provided by the TAFE leaders through the course of the interviews in regard to the factors that influence the leadership process in TAFE. Section 4.6.2 has exposed the organisational contradictions that TAFE leaders believe they face in attempting to create an *entrepreneurial* environment. The next section (4.6.3) reviews the TAFE leaders

comments in relation to the leadership styles they believe they employ in their role as leaders in TAFE.

4.6.3 Leadership Paradigms in TAFE

Leadership in TAFE is typified by many different views surrounding the leadership paradigm that is most suitable to leading within TAFE from the perspective of the TAFE leaders. The question of leadership within TAFE resulted in commentary about charismatic leadership, visionary leadership, transformational leadership, inspirational leadership and contingency leadership. Within the context of contingency leadership the TAFE leaders commented on emotional intelligence, path-goal and leader-member exchange as leadership strategies they employed in transforming the environment to one that was *entrepreneurial* in nature.

The TAFE leaders have indicated their recognition of the importance of employing the appropriate leadership strategies to ensure that staff are empowered to develop an *entrepreneurial* ethos within TAFE. On many occasions, during the course of the interviews, the leaders commented that leadership and the way it is perceived would determine how staff react and engage with the future directions of the organisation. The interviewer sought to understand how leaders believed they performed using the known paradigms of leadership.

One of the leadership paradigms that was identified was charismatic leadership whereby the leader is central to the leadership process and leads through personal persuasion and attraction. The charismatic leader is characterised by self-confidence, the need for social influence, moral conviction, pro-social assertiveness and concern for the moral exercise of power (Lindesmith and Strauss 1949, Kimberley and Miles 1980, Block 1993, Conger and Kanungo 1998a, 1998b, Bass 1998). This leader is looked upon as an individual who has the capacity to arouse within individuals the motivation to transform (Conger and Kanungo 1988, House, Spangler and Woycke 1991, House, Howell, Shamir, Smith and Spangler 1994, and Bass 1998, 1999) and embrace a new organisational order.

The charismatic leader's attributes were identified by thirty-three leaders in TAFE as being a critical aspect in generating *entrepreneurship* in TAFE. Of those who mentioned that particular leadership styles were important to successful leadership, thirty suggested that charismatic leadership was an appropriate style of leadership for TAFE. What can be concluded from this response? Perhaps the answer lies within the view that charisma is a reasonably well understood leadership concept

and one, which many of the leaders interviewed believe to be successful for the TAFE environment. While charismatic leadership was identified by TAFE leaders as an important paradigm of leadership only four leaders of all those interviewed suggested that any of their colleagues were charismatic. It can be concluded from this that charismatic leadership is not a well practiced leadership style in TAFE, but is clearly one that leaders would support in developing.

There are many different leadership styles that are employed throughout the TAFE environment by the TAFE leaders. Equally, TAFE leaders recognise the value of an eclectic approach to leadership styles and through the commentary of the interviews, the researcher was able to recognise and identify the elements of a number of leadership styles. However, one of the leadership styles, which was commented upon most frequently, was transformational leadership. Thirty-three leaders in TAFE suggested that transformational leadership was a style of leadership that suited the TAFE environment because it encouraged the followers to work for the good of the organisation. This was achieved through the development of good relationships between the follower and the leader and highlighted the supportive role (Bass 1997) that emerges from transformational leadership and is morally uplifting and highly supportive of staff.

Transformational leaders (Bass and Avolio 1993, Yammarino, Spangler and Bass 1993, Yammarino and Dubinsky 1994, Ashforth and Humphrey 1995, Barling, Slater and Kelloway 2000, Gardner and Stough 2002) according to the leaders of TAFE have an overarching leadership style that is inclusive of a number of strategies that were necessary to promote *entrepreneurialism* in TAFE. While twenty seven TAFE leaders expressed the view that managing emotions was essential to successful leadership the reader is reminded that Barling, Slater and Kelloway (2000) and Gardner and Stough (2002) found that the management of emotions is central to transformational leadership practice.

While a majority of leaders in TAFE suggest they employ transformational leadership as their style of leadership a sobering comment is made by Stevens, D'Intino and Victor (1995) who "accuse transformational leaders of changing the values of the employees of an organisation so they will adopt them as their own". This comment is reinforced when White and Wooten (1986, p. 125) suggest "employees are induced by the leadership to forgo their own best interests for the sake of the organization". McKendall (1993) also suggested that the transformational leader when faced with such value conflicts might manipulate the

employees into buying into organisational efficiency instead of the employees' more important personal needs for security and income.

The practice of leadership as described by the TAFE leaders and captured in the interview commentary demonstrates that they employ elements of transformational leadership. Does this suggest that they as a group of TAFE leaders work within the transformational leadership paradigm? As one compares the elements that characterise transformational leadership (Bass and Avolio 1993, Burns 1978, Bass 1985) with the explanations provided by the TAFE leaders of their leadership practices, it is found that they do not mirror the totality of the transformational leadership paradigm. Rather, elements of transformational leadership are employed, while at the same time the leaders in TAFE often use elements from other leadership paradigms in the course of transforming their organisation to one that is *entrepreneurial*.

While the transformational style of leadership was frequently commented upon, it was the building of relationships that generated the greatest interest and comment from the interviewees. Central to relationship building is the management of emotions (Bass and Avolio 1993 and Goleman 2002) because it is through those relationships that partnerships will be nurtured and grow for the benefit of leader and follower. Emotional intelligence (Salovey, Hsee and Mayer 1993 and Goleman 2002) as a foundation has numerous benefits in terms of being a prime initiator of many different leadership activities that include styles of leadership such as coaching style, pace-setting style, democratic style, affiliative style, authoritative style and coercive style. There were many indications throughout the respondents' commentary that hinted at the eclectic leadership styles used by leaders within the TAFE environment; from the descriptions provided by the interviewees of their leadership activities, it indicated that they employ elements of contingency, leader-member exchange, visionary, path-goal, charismatic and transformational leadership styles to achieve their goals.

Further analysis of the practices of leadership in TAFE, resulted in the following paradigms being reported on by the TAFE leaders. Another leadership paradigm that was commented on was visionary leadership (Nadler and Lawler 1983, Jick 1989, 1993, Cacioppe 1997, Goleman 2002), which has as its core, a focus on the role of the leader. Similarly, charismatic (Conger and Kanungo 1998a, 1998b, Klein and House 1998) and transformational leadership (Gardner and Stough 2002) both

emphasise the importance and centrality of the leader's role within the leadership process.

Contingency leadership (Fiedler 1967, Hersey and Blanchard 1977, 1982, 1996, House and Mitchell 1983,) offers a different perspective on leadership and more particularly the role of the leader. Contingency leadership seeks to understand the role of the environmental variables and the influence and impact they have on the leadership process. Twenty-eight TAFE leaders, through the interview process, identified contingency leadership as the leadership paradigm, which they felt was appropriate for their environment. Of the twenty-eight leaders who spoke of contingency leadership, sixteen mentioned emotional intelligence, seven mentioned leader-member exchange and three mentioned path-goal as a leadership style that was employed or considered employable within the TAFE environment. The strength of the contingency leadership paradigm for TAFE lies in its capacity to embrace the many different elements that influence and impact on successful leadership practices in TAFE.

In conclusion the information derived from the collected data does not provide sufficient evidence of any significant usage of the identified leadership paradigms. Rather, the information provides evidence of the leaders' own perceptions of what they employ as leadership styles.

In describing their leadership styles, the leaders indicate, through the descriptions of their leadership practices, that they are pragmatic and intuitive leaders who are not constrained in their leadership practices by singular leadership paradigms. They appear to be adaptive and responsive to the influences that impact their leadership practices and indicate a capacity to be eclectic in adapting leadership paradigms to meet their own needs and the current circumstances. The over-riding impression that marks the leadership practices of TAFE leaders is the level of intuitiveness that shapes their leadership styles, which in turn might be influenced to a significant degree by experiential lessons gained through on-the-job experience.

From the information gained from the TAFE leaders a model of leadership for TAFE will be developed and explained within the next chapter. Coupled with the development of a model for leadership that will contribute to an increase in *entrepreneurship* in TAFE, Chapter Five will explore the impact of the data and the findings on policy processes of TAFE, the practices of TAFE leaders, and the development of leadership framework for building the *entrepreneurial* levels in TAFE.

Chapter Five: Conclusions and Recommendations

5.1 THE CONTEXT FOR THE FUTURE LEADERSHIP OF TAFE

In arriving at the conclusion for this study there are a number of factors that are easily identified and there are those factors that are peripheral but should be mentioned in the course of understanding the role of leadership that culminates in the development of an *entrepreneurial* environment within TAFE. In terms of concrete and universal conclusions that were derived from the interviews and the analysis associated with this study, there seems little evidence to corroborate the view that there exists a common approach that is adopted by the TAFE CEOs and/or the MLMs and the TAFE network generally in leading TAFE.

The primary finding of this research is that leadership in TAFE is evolutionary and is continually shaped by the experiences and acquired knowledge that CEOs and MLMs often have or ultimately gain. The linkage between the leadership strategies and the immediate environment is clearly evident in the practices and processes of TAFE leadership. A common denominator across all TAFE colleges is that the better performing leaders (CEOs and MLMs) are those that are best able to establish positive and powerful relationships with their followers, so that each leader and follower works together to support and nurture the other within the workplace setting.

It is equally important to recognise the rapidity of change that seems to shape the TAFE environment and the influence that change has upon the culture of the TAFE environment. Similarly each of the State TAFE systems operate differently and it is evident from this research that the leadership strategies adopted in each environment and college are closely linked to the situational circumstances of the local CEO and MLMs. The practices of leadership in the TAFE environment are therefore shaped and influenced by situational circumstances and conditions that apply within each state, and indeed by the circumstances and conditions that apply within each particular TAFE college, within each state. It is also influenced significantly by the capacity, the personality and the experience of the TAFE leaders, because each bring to the task of leadership their own personal values and vision for the future which in turn has been shaped by their past experiences, their motivations and their future aspirations.

One of the most significant elements apparent during the interviews with the CEOs and the MLMs has been the degree of pragmatism, which the CEOs and MLMs display in dealing with, and managing the creation of an *entrepreneurial* culture. Not only is there a pragmatic approach in managing the change process but also the style of leadership adopted by TAFE leaders is underpinned by pragmatism and a willingness to try alternative approaches should the first leadership tactic not be seen to be working. A significant proportion (n=32) of the respondents indicated during the interviews that they saw the building of trust and rapport through relationships as extremely important in being able to create an environment that accepted and embraced the need for *entrepreneurship* as a matter of course in conducting and expanding TAFE's business. In a similar vein Bass (1985), Bass and Avolio (1990, 1993), McClelland and Burnham (1995), Barling, Slater and Kelloway (2000) and Gardner and Stough (2002) have stressed the importance of trust in the building of relationships that in turn provide a foundation for leadership. Similarly, trust is central to the transformational leadership paradigm (Sergiovanni 1988, Sergiovanni and Carver 1973), which, in turn was identified during the data coding process in this research. Without trust, the acceptance of a consensual or common value-set that is recognised throughout the organisation is difficult to achieve. And it is this value-set that is central to creating an organisational ethos that celebrates *entrepreneurship*.

Recognising the importance of a common organisational value-set that underpins the centre of the organisation, we are reminded of the work undertaken by Whiteley (2003, p. 2) where she said, in her discussion paper *PATOP: Critical Appraisal in Organisations,* "employees are interpreters of the organisation and the intersecting identities of the organisation, individual and workgroup need to fuse and coalesce together in order to create an internalised values system." Therefore to effectively lead within the TAFE organisation the values and assumptions held by staff and leaders must be compatible. Indeed Buckley and Casson (1993, p. 1043) remind us of the need for complementary organisational values when they write, "the follower's strategy for reciprocity is (by assumption) complementary to the leader's strategy for reciprocity within the follower's preferences." In other words the values held by individuals within the organisation underpin the actions and the way that individuals respond to others in the workplace.

In 1990, consultants (DTIR 1990) engaged by the Department of Training and Industrial Relations, Queensland (DTIR) developed an organisational framework, which attempted to give direction and guidance to leaders within TAFE Queensland.
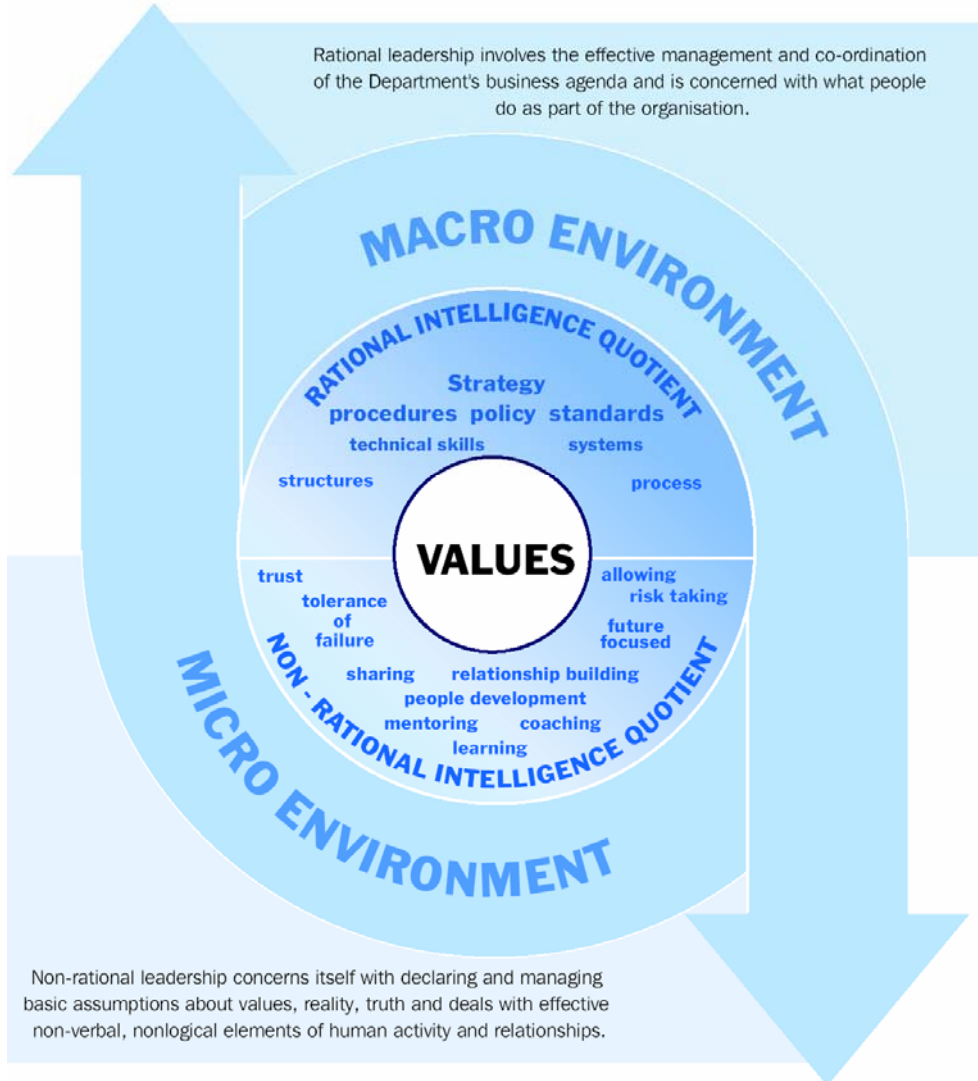
The organisational framework sought to develop an understanding of leadership in TAFE Queensland and from that develop a value-set for the organisation that would assist in the establishment of a particular culture for TAFE Queensland. Central to the development of an organisational culture was the need to develop leaders capable of understanding the environment and the inter-dependences that operated within that environment because as Buckley and Casson (1993, p. 1042) said, "the engineering of culture becomes a more complex issue … when the followers interact with each other as well as with the leader of the group." The new TAFE Queensland leaders would be required to fashion a culture while understanding the complexities of dealing with people within an environment under constant pressure from the State Government to change and transform their organisation.

The Framework brought together all the factors that influenced the TAFE Queensland organisation while recognising that the organisation had to work within an environment dominated by Queensland and Commonwealth government policy and the micro economic reform agenda of the 1990s (Funnell 1993). Central to developing an organisation capable of operating within such an environment was the establishment of common core values that were to be embraced by the TAFE Queensland staff. Figure 5.1 is an illustrative representation of the TAFE Queensland organisation which has in its centre a set of common values, surrounded by the business process' of strategies, procedures, policies, standards, structures, technical skills, systems and processes (identified in Figure 5.1 as the rational intelligence quotient) and the non-business processes of trust, allowing risk-taking, relationship building, tolerance of failure, sharing, people development, mentoring, coaching, learning and future focused (identified in Figure 5.1 as the non-rational emotional quotient). The two circular arrows in Figure 5.1 identify the turbulent, interconnected environment in which TAFE Queensland operated.

Leadership within the Department of Training and Industrial Relations
Leaders in a modern organisation need to manage the business of the organisation and shape its culture. Effective leadership requires excellence in both the "rational" business-related sphere and the "non-rational" culture-related sphere. It is the combination of these that will characterise effective leadership in DTIR as we move into the 21st country.

Rational leadership involves the effective management and co-ordination of the Department's business agenda and is concerned with what people do as part of the organisation.

MACRO ENVIRONMENT

RATIONAL INTELLIGENCE QUOTIENT

Strategy
procedures policy standards
technical skills   systems
structures   process

VALUES

trust   allowing
tolerance   risk taking
of
failure   future
                                   focused
sharing   relationship building
people development
mentoring   coaching
learning

NON-RATIONAL INTELLIGENCE QUOTIENT

MICRO ENVIRONMENT

Non-rational leadership concerns itself with declaring and managing basic assumptions about values, reality, truth and deals with effective non-verbal, nonlogical elements of human activity and relationships.

(Adapted from a Department of Training and Industrial Relations training program, 1990)

The factors that made up the TAFE Queensland framework's rational intelligence quotient include business processes, organisational systems and standards, organisational structures, policy and procedures and organisational strategies. The factors that constitute the non-rational emotional quotient require leaders to be able to manage the basic human assumptions about values, reality, and truth while dealing effectively with the non-verbal, non-logical elements of human activity and relationships. To effectively lead, the leaders of TAFE had to be able to manage and coordinate the TAFE business agenda by coordinating and effectively utilising their resources. Only in this way could the TAFE leaders in Queensland effectively utilise

the resources that are part of the organisation while nurturing the people resource of TAFE.

The primary thrust of the DTIR Framework (1990) was its emphasis on the need to establish a common value-set as a precursor to good leadership. The DTIR Framework had a practical orientation to developing leadership in TAFE Queensland and clearly has some synergies with the later work undertaken by Whiteley (2003) who emphasised the need for the development of a set of coalesced values and assumptions about the organisation and the workplace. Similarly, the DTIR Framework (1990) was considered an essential feature of TAFE Queensland's endeavour to create a "learning organisation" (Senge 1990, Marquardt 1996) whereby all staff were expected to work collaboratively toward a common goal, while being empathetic to the needs of their fellow workers and collaboratively working through organisational change.

Underpinning these workplace activities there is a clear linkage between DTIR's goals and some of the characteristics inherent within the transformational leadership (Burns 1978, Bennis and Nanus 1989, Tichey and Devanna 1986, Yammarino, Spangler and Bass 1993) paradigm: These characteristics include generating commitment to the organisational vision, a focus on developing the total person, participative decision-making and a desire, as an organisation, to learn from the past in order to change the future. It is the leader's (Casson 2002) responsibility in these environments to promote a distinctive combination of values, including both altruism and deliberation in decision-making because by doing so they transform their organisation's culture. The leaders in these situations "specialise in devising value systems … together with the arguments used to legitimate them" (Casson 2002, p. 502).

The purpose of identifying the DTIR Framework (1990) model of leadership development as used in TAFE Queensland was because the researcher utilised the DTIR Framework as a stepping-stone for the development of a broader leadership model for the TAFE network of Australia. The DTIR Framework model attempted to crystallise for TAFE Queensland leaders those organisational elements that make up the organisational culture and define the values that are at the heart of the TAFE organisation. The researcher sought to develop a model to better understand and more precisely articulate the culture that was described and intimated by the interviewee's commentary. The first phase of the development of that model was to utilise the information identified in Figure 4.1 after the process of coding was

completed and overlay the elements derived from that information over a model similar to that illustrated in Figure 5.1. The model attempts to bring together the defined elements and represent them as components of the organisational culture within which the TAFE leaders apply their leadership strategies.

External/Macro Environment - Rational Intelligence Quotient
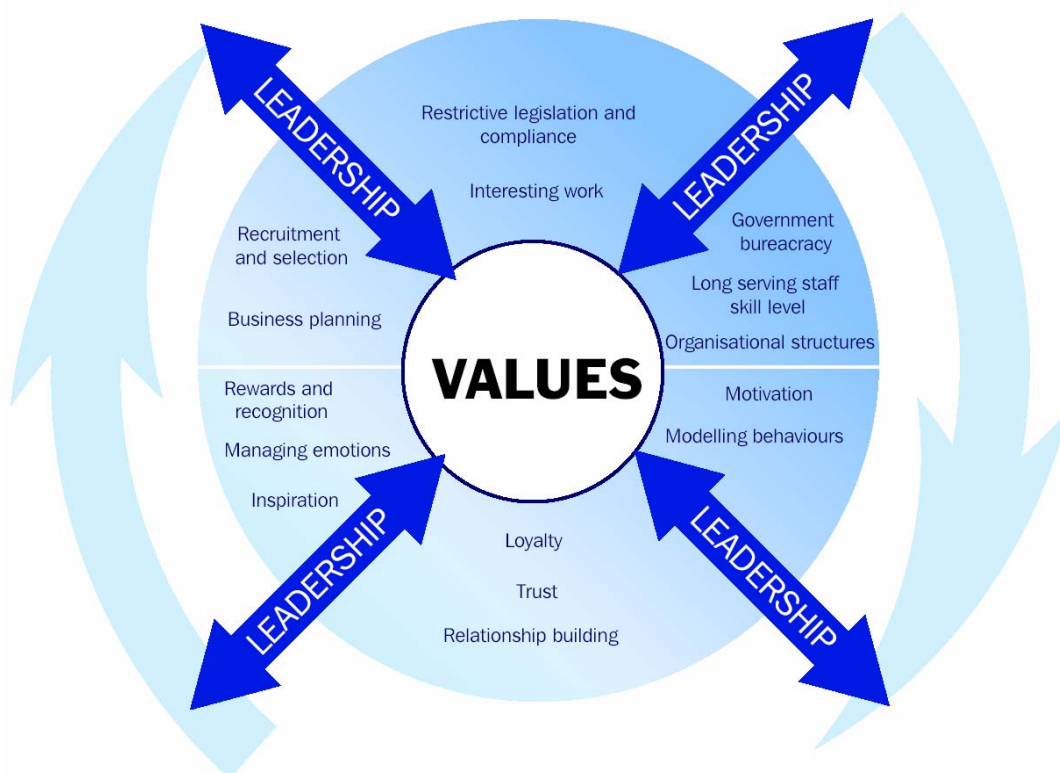
Internal/Micro Environment - Non-Rational Emotional Quotient

(Adapted from a Department of Training and Industrial Relations training program, 1990)

In the researcher's model for the TAFE Network (Figure 5.2), the leadership model has a central set of core organisational values (Whiteley 2003), surrounded by two circular segments which are defined as the rational intelligence quotient and the emotional quotient (for convenience the nomenclature used is the same as that used within the DTIR Framework), which include the factors identified during the interviews. The environment defined as the rational intelligence quotient is typified by the external factors that influence and impact the TAFE workplace environment.

The factors making up the rational intelligence quotient are recruitment and selection, business planning, organisational structures, government bureaucracy, restrictive legislation and compliances, the failure of long serving staff to have the appropriate skills and knowledge and the need to develop interesting work tasks that test and challenge staff.

The second environment, known as the non-rational emotional quotient, comprises the factors of rewards and recognition, managing emotions, loyalty to colleagues, modelling positive behaviours, the development of trust between MLMs, CEOs and TAFE staff, building relationships, motivating staff and inspiring TAFE staff to greater endeavours.

While on one plane the non-rational emotional and rational intelligence environments influence, impact and entwine with one another to create the organisational culture, the culture that exists is a result of all the factors, that is the factors within both the rational and non-rational quotients, and the inter-dependencies and the influences exerted by each of the factors and their influence upon each other. The curved arrows at either side are illustrative of an environment that is in continual flux and oscillation as a consequence of the actions and reactions of the factors upon each other. The portion of the diagram (Figure 5.2) shaded in light blue represents the TAFE environment and the culture that shapes the actions of TAFE leaders and their staff.

Overlaying the organisational environment and the culture that emanates from it are the leadership practices and actions of the CEOs and MLMs. The leadership process is closely linked and a product of the values that the organisation strives to initiate. The processes of leadership (i.e., communication, leader behaviours and leadership styles) are illustrated in Figure 5.2 through the placement of "leadership" arrows that range across all the elements and factors that constitute both the non-rational emotional and rational intelligence environments. As leadership overlays both the emotional non-rational and rational environments it influences and impacts with the TAFE working environment to add yet another variable in the development of an organisational culture.

As each of the TAFE leaders bring with them their own leadership styles, they distort the workplace environment in much the same way as TAFE staff create ripples and distortions within their immediate environment. Casson (2002) corroborates this sentiment when he discusses the impact of an individual's value-

sets on personalities and how those personalities shape the way individuals work. Indeed Casson (2002, p. 413) says,

> differences in values may be partly explained by differences in personalities … [and as a consequence] … different values appeal to different types of people … [therefore] … people agglomerate into distinctive groups because they are all attracted by the same sort of value system

Therefore to make leadership work within TAFE, leaders must be able to engage in decision-making based on their personal value-set, employing the "soft skills" of relationship building, and generally building the confidence and trust of employees while working in an environment that is variously described by TAFE leaders as restrictive, competitive and bureaucratic. Leadership in TAFE according to the TAFE leaders is a pragmatic process, which constantly evolves, separates and coalesces together. It is one where TAFE leaders employ emotional and psychological tools, to build trust, thus promoting commitment by the followers (Casson 2002, p. 424), backed by practical "on the ground" applications that stimulate, initiate and foster change. It is a highly dynamic process in which leaders are the inspirers, the architects and the facilitators of change while being the link between government sponsored policy, and community and industry expectations.

The successful leaders in TAFE are those that appreciate the critical nature of attitudes, values and assumptions, within the context of leaders leading and working in an environment of rational and emotional non-rational paradigms. Leaders by their very nature are required to move and think beyond and between all the elements that make up their organisation. Whiteley (2003) in her work emphasises the need for leaders to question in order to gain a better appreciation and understanding because it is only through this process of clarification can individuals begin to work and contribute in meaningful ways. Likewise TAFE as an organisation needs to question what it means to be an *entrepreneurial* organisation, and *entrepreneurs* in TAFE (Churchill, Hornaday, Kirchhoff, Krasner and Vesper 1987, Bird 1989, Rost 1991, Becherer and Maurer 1999, Gardner and Stough 2002) should continually question their environment with a view to seeking clarity of purpose and opportunity. In the TAFE environment, as indicated in the interviews, there seems to be limited questioning by the leaders leading the transformation process. Rather, one has the impression that the speed and the constant of change is far too demanding and that critical thinking, as to why change should occur, is minimalised.

Figure 5.2 has attempted to provide a basis for understanding the environment and the culture that exists within the TAFE environment and to further highlight the oscillating nature of the TAFE environment. The constant of waxing and waning as each of the factors impact and influence each other, creates a highly dynamic environment which is made more complex when overlayed with individual leadership practices and independent decision-making which has the potential to destabilise the environment. Casson (1997, p. 812) recognised the volatility of the *entrepreneurial* environment and wrote "decisions are taken in a volatile environment … [because the organisation] … is in a constant state of flux." While the leadership model (Figure 5.2) captured the factors that influenced the leadership processes there was limited recognition within the model of the actual style and type of leadership that was employed by TAFE leaders. In an endeavour to capture the style and type of leadership within a more comprehensive model of leadership the researcher has undertaken to refine the leadership model (Figure 5.2 Understanding Leadership in the Organisational Context of TAFE) that was originally derived from the DTIR Framework (1990) and developed a leadership model that is inclusive of the leadership styles that will contribute to the development of an *entrepreneurial* culture in TAFE.

5.2 A MODEL FOR LEADERSHIP IN TAFE

The new leadership model (Figure 5.3) divided the factors identified in Figure 5.2 into three primary categories, which are designated as the extrinsic transformational drivers, the intrinsic transformational drivers and the impediments to creating an *entrepreneurial* TAFE environment. The leadership model shown in Figure 5.3 shows the extrinsic transformational drivers on the left hand side of the model, while the intrinsic transformational drivers are shown on the right hand side of the model. The impediments to creating an *entrepreneurial* TAFE environment are shown at the base of the model.

The reason for separating each of the factors into three categories and the identification of the subsets contained within them is to emphasis that each element must be managed by the leader in such a way as to facilitate a change process that culminates in the creation of an *entrepreneurial* culture.   In a similar way the influence of each of the factors that make up the impediments to creating an *entrepreneurial* culture must alternatively be weakened in order to minimise or remove barriers that might impede the creation of an *entrepreneurial* culture. The model for leadership in TAFE also recognises that those elements, now identified as extrinsic transformational drivers, intrinsic transformational drivers and

impediments to creating an *entrepreneurial* TAFE environment, are also the elements that contribute and are integral to the creation of the culture within the TAFE organisation.

FIGURE 5.3: A MODEL FOR LEADERSHIP IN TAFE
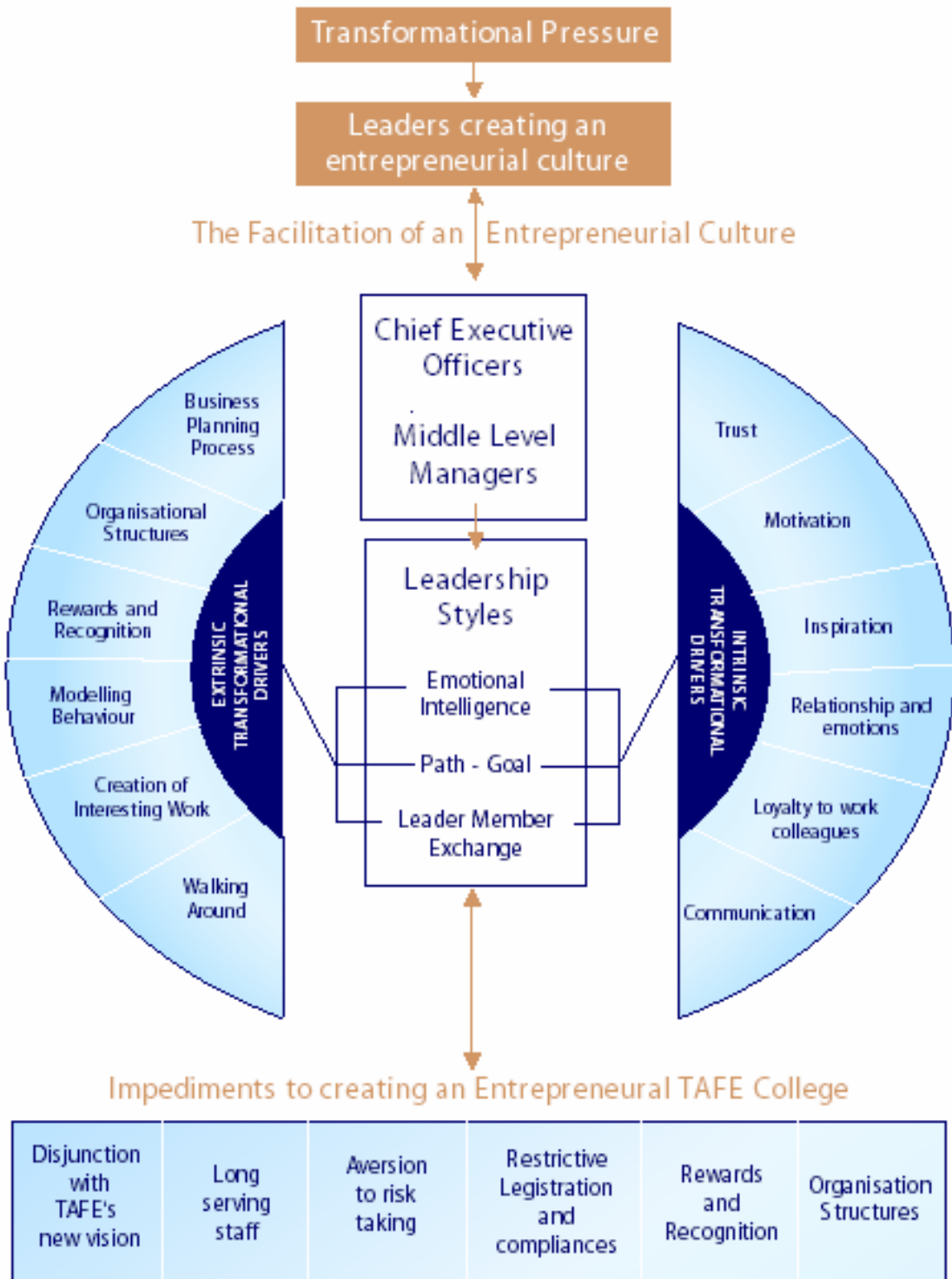
Within the context of the leadership model special attention is given to those factors identified by the TAFE leaders as impediments to the creation of an *entrepreneurial* culture. The TAFE leaders identified these factors because they were [or felt by the TAFE leaders] often beyond the control and influence of the leaders; these factors, for the most part, required intervention by government. To reduce or minimise aversion to risk-taking, restrictive legislation and compliance, rewards and recognition required changes to government policy. In turn, those impediments determined and shaped the organisational structures that were in place in TAFE colleges and contributed to the disjunction between the workplace practices within the colleges and the policy guidelines. Similarly government policy related to employment arrangements [in the eyes of TAFE leaders] restricted the use on contemporary employment practices.

To effectively lead and manage within the TAFE environment requires leaders able to draw upon leadership practices from many different paradigms. However, for the purposes of this research, emotional intelligence, path-goal and leader-member exchange leadership stratagems are considered to contain practices and processes that will achieve the most successful outcomes. Equally, as one examines the attributes that are inherent within emotional intelligence (Salovey, Hsee and Mayer 1993, Goleman, Boyatzis and McKee 2002a, 2002b) and leader-member exchange (Dansereau, Cashman and Graen 1973, Dansereau, Alutto and Yammarino 1984, Dansereau and Yammarino 1998) leadership paradigms it is obvious that other leadership paradigms have similarities and a degree of congruency with emotional intelligence and leader-member exchange. We might conclude from these similarities and congruency that transformational leadership (Avolio, Bass and Jung 1999, Bass and Avolio 1990, Bass 1990 1997 1999, Tichey and Devanna 1986 1990) exhibits similar characteristics to that of leader-member exchange and emotional intelligence paradigms.

At the centre of the leadership model illustrated in Figure 5.3 lies proactive leadership practices and processes that if applied correctly will allow for successful leadership outcomes and the creation of an *entrepreneurial* culture in TAFE. It has been concluded, based upon the interviewee's commentary that the primary leadership styles and the attendant practices employed by the TAFE leaders have their origins in leader-member exchange, emotional intelligence and/or path-goal leadership paradigms. The conclusions arrived at see TAFE leaders employing the principles and practices of leader-member exchange, emotional intelligence and/or path-goal leadership to lead and facilitate the development of an *entrepreneurial*

culture in TAFE. While the model recognises that there are numerous other leadership paradigms available and certainly many of these paradigms are included within the interviewee's commentary (Figure 4.1) it was concluded that the three leadership styles included in the model provide an appropriate mix of leadership to drive and achieve an *entrepreneurial* culture in TAFE.

A major tenet of this research is to better prepare the future leaders of TAFE in respect of leading the change process that will create an *entrepreneurial* environment. The experiences that were related by the interviewees during the interview process contained many valuable lessons for TAFE leaders throughout the Australian TAFE network in regard to leading a process of organisational transformation. To better visualise and appreciate these lessons Figure 5.3 illustrates the linkages that exist between the CEOs and MLMs leadership styles and the factors which influence and impact upon leadership in TAFE. These influential factors are subsequently represented within three categories, which are designated as the intrinsic transformational drivers, extrinsic transformational drivers and impediments to creating an *entrepreneurial* culture in TAFE.

As previously explored through the interviews, the descriptors used by the TAFE leaders to describe their leadership styles suggests that their leadership practices fall within the paradigms of leadership variously identified as leader-member exchange (Dansereau, Cashman and Graen 1973, Dansereau, Alutto and Yammarino 1984, Dansereau and Yammarino 1998), path-goal (House 1971, 1977) and/or emotional intelligence (Salovey, Hsee and Mayer 1993, Goleman, Boyatzis and McKee 2002a, 2002b). This is not to suggest that any single leader in TAFE adheres to either paradigm, rather the data suggests they employ strategies from any or all of the leadership paradigms to best affect the creation of an *entrepreneurial* culture. At the core of a leadership model (Figure 5.3) for TAFE is an eclectic collection of leadership styles from which leaders draw from to manage the influential factors (i.e. the factors within the three categories) that impact upon the practice of leadership within the TAFE environment. While the leadership styles of emotional intelligence and leader-member exchange have similarities with other leadership paradigms (i.e. transformational leadership) and the path-goal leadership paradigm has similarities with a transactional style of leadership, for purposes of simplicity the core leadership styles central to this model are identified as path-goal, leader-member exchange and emotional intelligence.

How does the leadership model work in practice? A fundamental principle that has underpinned the development of the model was the need to ensure its relevancy to its audience; that is those leaders who operate within the TAFE network of Australia. To enable the TAFE colleges to progress and transform themselves into an *entrepreneurial* environment the leaders of TAFE identified a multiplicity of factors that contributed to a successful transition. For convenience and an ease of understanding these factors were collated into three categories of intrinsic, extrinsic drivers of transformation and the impediments to creating an *entrepreneurial* culture.

The model (Figure 5.3) therefore identifies the factors within the extrinsic transformational category as those factors that need to be managed and developed through the creation of processes, policies and bureaucratic streamlining. The factors within the intrinsic transformational category other hand require the application of the personal aspects of leadership, otherwise known as the "soft skills" (Callan 2001, Mulcahy 2003). The development of the leadership (Figure 5.3) model therefore provides a context from which to understand leadership in TAFE, particularly in regard to the creation of an *entrepreneurial* culture in TAFE. The model attempts to capture the primary transformational drivers of change and the factors that impede the organisational transformation process, which, together will culminate in the development of an *entrepreneurial* culture in TAFE. The model brings together the factors that shape the organisational culture and links those factors with a leadership paradigm that has its basis in the development of powerful relationships that are utilised by TAFE leaders to create and strengthen *entrepreneurship* in TAFE.

Fundamental to the model's success will be the TAFE leader's capacity to manage the development of relationships, to create a set of commonly held values that will provide an impetus for TAFE staff to engage in those activities that characterise *entrepreneurship*. The model does not represent a definitive position on leadership in TAFE, rather the model echoes the experiences of forty-seven TAFE leaders endeavouring to create a TAFE environment for the future. In the next section of this Chapter the issues of practice, theory and policy will be addressed, in light of the comments provided by the TAFE leaders and the subsequent data analysis.

5.3 THE PRACTICE OF LEADERSHIP IN TAFE

In TAFE the styles of leadership practiced are by their very nature diverse in order to corporatise a publicly funded organisation, create additional revenue streams, lead a staff cohort who are not necessarily *entrepreneurial* in outlook and manage a predominately bureaucratic organisation that has legislative and policy guidelines to adhere to. Funnell (1993, 1994, 1996) alluded to these growing organisational contradictions emerging in TAFE during the middle 1990s when he was studying the corporatisation of TAFE Queensland. In a later study Chappell (1999) and Hawke (2000a, 2000b) corroborated Funnell's (1994) work and highlighted the growing tension between the "old" [bureaucratic and traditional public sector] style of TAFE and the "new" [more corporate and business oriented] TAFE as TAFE struggled to change its modus operandii.

The interviewees through their commentary reported that a tension exists between the need for organisational change, as demanded by government to meet the expectations of operating within a government bureaucracy, while at the same time pursuing a policy that advocates the development of a corporatised government owned business. This contradiction between the rhetoric, which emphasises the need for business rules that are corporate in philosophy while governmental regulations dictate the way business has to be conducted, has a fundamental impact on those striving to understand the future directions (Whiteley 2003) for TAFE. This in turn has shaped the perceptions, assumptions and attitudes of those that work and lead within the TAFE environment. It has also generated confusion in the minds of TAFE leaders as to the most appropriate direction to chart. The importance of an organisation having a common organisational value-set cannot be under estimated (Tannenbaum, Weschler and Massarik 1961, Conger and Kanungo 1998, Jick 1989, 1993, 2001, Whiteley 2003) because it is this value-set that gives direction, guides the organisation and provides meaning for the staff.

5.3.1 Vision and Values

The consequence of these contradictions between visions (rhetoric) and practices finds resonance in the attitudes and work methods of TAFE staff who are not provided with a clear, concise and unambiguous message. TAFE staff, in this environment, establish their personal value-set to mirror the environment in which they work (i.e., the employees perception of their work environment) and the outcome of this is that TAFE staff accept the necessity to be *entrepreneurial* but recognise and are equally impeded by a bureaucracy that places limitations on

entrepreneurial activities. The culmination of this dichotomy is that TAFE leaders are caught in a dilemma whereby to encourage TAFE staff to be *entrepreneurial* is negated by the policies and practices that are endorsed by the respective State Governments; indeed in some instances these same State Governments are also the direct employers of the staff of TAFE.

The task of the leader is to align those various values into a cohesive understanding of the organisation's future that is embraced by all TAFE staff. The TAFE leader as a consequence is responsible for the development of a consistent vision; a vision that is supported by practice and in-turn reflects the goals and strategies established within the vision. The difficulties attached to this task are significant because the vision at the college coal-face is not necessarily mirrored by government agencies who accept the benefits of an *entrepreneurial* vision and direction but shy away from removing the restrictions (i.e. restrictive legislation and compliances, aversion to risk-taking and long serving staff as a consequence of employment conditions) that impede the organisation's development of *entrepreneurship*. We might ask, what are the implications for the leaders of TAFE within this dichotomy? In practice the TAFE leaders appear to accept that they are an instrument of government policy (Kosky 2000, 2001) but endeavour within those policy parameters to demonstrate *entrepreneurship* and create an (semi) *entrepreneurial* TAFE environment.

Closely aligned to the organisation's vision and the need to become *entrepreneurial* is the establishment of values. One leadership strategy that was adopted by the TAFE leaders, according to the interviewees responses, was to develop individuals and groups that had the leader's imprimatur to promote a brand of *entrepreneurship* that was endorsed by the leader. In this way the model of leadership that was practiced at each TAFE college was closely linked with the CEO's personal value-set and their assumptions in regard to leadership. Therefore to understand leadership in TAFE we need to look at the values held by the staff and also the values of the leader, because it is the values of the leader that are often dominant within the organisational values.

These same values also underpin organisational decision-making processes and are often the reasons for the individual, personal decisions and actions observable in the behaviours of staff, including TAFE leaders. More importantly in terms of creating an *entrepreneurial* culture is that the momentum for organisational transformation generally comes from the "in group" (Dansereau, Cashman and

Graen 1973, Dansereau and Yammarino 1998, Dansereau Alutto and Yammarino 1984, Scandura and Graen 1984) who demonstrate congruence with the leader's values and ideologies. Within the context of the leadership model (Figure 5.3) the leader strives to create an *entrepreneurial* culture by manipulating the extrinsic and intrinsic transformational drivers so that they are aligned with the values that the organisation wishes to embrace; for example the leader ensures trust is a component of the organisational value-set by demonstrating trust between colleagues and staff. As the staff observe and are treated in particular ways, particular values will be conveyed and it is these values that will ultimately underpin the new organisational value-set; these values in turn will shape the vision for the organisation. The vision provides the articulated future direction and is critical because it is this vision (Boyett 1996, Eggers and Smilor 1996, Quinn 2003) that sets the development of an organisational value-set into motion; and as the staff link with the leader's vision for the future they feel a bond (Myran, Zeiss, and Howdyshell 1996), a bond that commits them to the organisation.

To achieve and develop this vision and gain staff's ownership of the underpinning value-set the leader employs leadership practices derived from the leadership styles (Figure 5.3) that have their basis in development of personal relationships. Once these have been developed the leaders use these relationships (instinctively or deliberately) as the basis for establishing a culture of *entrepreneurship*. We can therefore conclude that those TAFE leaders who are adept at manipulating the emotions and value-sets of others in the building of relationships will be most successful in creating an *entrepreneurial* culture in TAFE because they will use those relationships to motivate, empower and entrust TAFE staff, who respond positively in return.

It is within the context of relationships and their capacity to empower, motivate and entrust staff that there exists a substantial similarity in the characteristics inherent within transformational leadership (Avolio, Bass and Jung 1999, Bass and Avolio 1990, Bass 1990 1997 1999, Tichey and Devanna 1986 1990) and the characteristics of emotional intelligence (Salovey, Hsee and Mayer 1993, Goleman, Boyatzis and McKee 2002a, 2002b) and leader-member exchange (Dansereau, Cashman and Graen 1973, Dansereau, Alutto and Yammarino 1984, Dansereau and Yammarino 1998). While emotional intelligence and leader-member exchange demonstrate congruence with transformational leadership, path-goal (the third leadership style at the core of the TAFE leadership model) has greater congruence with transactional leadership (Bass 1985) which sees the leader clarifying the role

of subordinates, providing rewards that motivate staff to strive for good performance and disciplining unacceptable behaviours as the path and direction is set by the leader.

5.3.2 Entrepreneurship

While the TAFE leaders are engaged in building and emphasising the need for change that will culminate in an *entrepreneurial* organisation it is this very definition of *entrepreneurship* that has the potential to impede acceptance of an *entrepreneurial* culture. The attributes and features that define *entrepreneurship* have been enunciated by numerous researchers including Sexton and Smilor (1997), Eggers and Smilor (1996), Drucker (1985, 2002), Kuratko and Hodgetts (2001), Kuratko, Hornsby, Naffziger and Montagno (1993), Kirzner (1978), Meredith, Nelson and Neck (1982) and Kanter (1983a, 1983b), however, while the premise of this research was that the "new" TAFE environment was *entrepreneurial*, it is apparent from the data analysis that the practice of *entrepreneurship* in TAFE is a reflection of a definition of *entrepreneurship* that is determined by the TAFE leaders. From the collected evidence and when searching through the interviewee's commentaries there was no clear, consistent or documented evidence of a statement within any of the TAFE colleges visited describing what it means to be *entrepreneurial*. The definition of *entrepreneurialism* waivers between what is best described as highly innovative practices and taking advantage of opportunistic business ventures.

The variances in definition therefore give rise to actions that mirror the definition and therefore what passes for *entrepreneurship* in one TAFE college and/or one TAFE system is not considered *entrepreneurial* in another environment. Thus tensions have subsequently developed between TAFE staff, who have personal perceptions of what it is to be *entrepreneurial*, and the TAFE organisation. These misalignments in definition stimulate confusion and foster tensions throughout TAFE organisations in regard to *entrepreneurship*. The role of the leader therefore becomes critical because it is against these sometimes confusing messages that the leader must strive to develop a vision that encapsulates the role of *entrepreneurialism* within the organisation and thus ensure that the actions that model *entrepreneurship* are displayed without ambiguity. The leader in these circumstances might adopt a leadership strategy of clarifying expectations, assigning tasks that are congruent and challenging with an outcome that fosters the development of *entrepreneurship* (House 1971, 1977, House and Dessler 1974, House and Mitchell 1974, 1983, House, Spangler and Woycke 1991). At the same

time the leader attempts to develop leadership strategies that are supportive of the group's (House 1971, 1977) *entrepreneurial* effort and endeavour. To achieve these goals the leader fosters and nurtures group support through building rapport and positive relationships that allows them to motivate staff to develop an *entrepreneurial* ethos within the organisation. It is against this imperative to motivate staff that leaders draw upon the elements within the leader-member exchange and emotional intelligence paradigms to "sell" and "gain staff commitment" to the vision of *entrepreneurship*; this process requires the leaders "to move the follower beyond self interest through idealised influence, inspiration, intellectual stimulation or individualised consideration" (Bass 1999, p. 11).

Entrepreneurialism in TAFE represents a contradiction because the definition of *entrepreneurialism* is at best variable throughout the TAFE network. However, and regardless of definition, the message that accompanies the call to *entrepreneurship* is influential and inspirational to staff. Consequentially the leader's influence, inherent in the relationships they have built, dictates the actions of the followers. Rost (1991) reminds us of the capacity of relationships when he writes, "leadership is an influence relationship among leaders and followers who intend real changes that reflect their mutual purposes" (Rost 1991, p. 102). Similarly, *entrepreneurial* leadership is an influential relationship where successful leaders are able to influence their subordinate's "emotions in order to direct cognition in the workplace and with leaders making decisions based on emotional information being more able to effectively and efficiently make decisions" (Gardner and Stough 2002, p. 77). This process is facilitated and would have experienced less success if not for the positive relationships between the leader and the follower.

It can be concluded that TAFE leaders see that they have an unmistakable responsibility to facilitate, direct and lead the transformational process to create organisational culture of *entrepreneurship*. The strategies they employed to transform the organisation are many and varied (Figure 4.1), and they range from the changing of staff through to a selection and recruitment process, restructuring organisational reporting and position responsibilities, using planning processes to engender ownership of the changes, and articulating the accountabilities inherent in being a government sponsored agency. All of these strategies to promote *entrepreneurship* might be referred to as the tangible acts of change; these are those clearly visible signs that indicate that change is occurring; they are generally unmistakable and are signposts to the staff and the organisation illustrating the direction of the change. These signposts include the establishment of

organisational units to support innovation, changed reporting relationships to enable staff to perceive the significance of the evolving culture.

To achieve these changes this study presents a leadership model that will promote organisational transformation. The leadership model (Figure 5.3) has been developed to provide a blueprint for the development of an *entrepreneurial* culture within the TAFE environment. It will achieve this outcome when leaders capture the intrinsic transformational drivers (i.e., trust, motivation, inspiration, communication, loyalty to work colleagues and relationships and emotions) and the extrinsic transformational drivers (i.e. business planning processes, organisational structures, rewards and recognition, modelling behaviour, creating interesting work and [management by] walking around) and manipulate these, through their relationships with staff, to shape the new TAFE culture; because it is these drivers that ultimately create the culture (Figure 5.2) and it is culture that underpins the way the TAFE organisation operates.

5.3.3 Relationship Building

TAFE leaders have responded to the agenda to create an *entrepreneurial* TAFE environment by working with their staff to build relationships that have been the catalyst and the vehicle for achieving a transformation in their environment. In many instances the building of these relationships has worked from the foundation that the very same TAFE leaders have been at the coalface of teaching some years previously. While the background of many of the TAFE leaders helps to build relationships that promote acceptance of the change process, there are a similar number of instances where the TAFE leader has not been able to gain the trust of TAFE staff because of past relationships with TAFE leaders. These relationships therefore work in two ways: firstly, to promote change because of the positive relationship between leaders and followers, and secondly to stifle change because the relationship between the leader and followers is founded on the previous knowledge and experience of one another. While these relationships are facilitatory to achieving organisational transformation the leaders seemed, based upon their commentary, able to manage the diversity of relationships to achieve their objectives.

It is the contention of this research that TAFE leaders are capable users of the relational aspects of human interactions. All of the CEOs and MLMs demonstrated an understanding of the value of positive human interaction to motivate and empower TAFE staff to undertake change. There were examples whereby the CEO

and/or MLM indicated that they had employed relationships to build working coalitions capable and responsive to the need to change. As these relationships are built on the interactions between leaders and followers they take on a purposeful approach with leaders using personal exchanges, developing personal bonds, and leader-follower rapport to promote acceptance of the change process. The influence that is exerted through this process promotes compliance and acceptance of the leaders point of view and value-set. While the influence in some instances is subtle and covert (House 1977, Goleman 2002b), in others the influence exerted by the leaders is open and overt. In many ways the personalities and behaviours of the TAFE leaders are determinants of the reactions and support leaders receive from their staff. Clearly relationship building is of a high priority and a primary tool used by TAFE leaders because it is through the influence generated within these relationships that they are able to achieve the organisational outcomes.

How does the development of powerful relationships influence the practice of leadership in TAFE? The TAFE leaders indicated that relationships were a valued tool that they used with great effectiveness to lead and manage within the TAFE environment. These relationships enhanced the TAFE leader's capacity to build a working environment that was capable of embracing and enthusiastically (Goleman 2001a, 2002b, Salovey, Hsee and Mayer 1993, Salovey and Mayer 1994, Salovey, Mayer, Goldman, Turvey and Palfai 1995) developing an *entrepreneurial* workplace environment.

The leaders strive to achieve the transformation of their respective organisations by developing relationships with their followers and follower groups that will entice and direct their organisations toward *entrepreneurship*. How do they develop those relationships? Primarily, according to TAFE leaders, they do so by encouraging, cajoling, motivating, supporting, entrusting and generally working with the emotions of their staff to achieve their goals and by implication the goals of the organisation. In this way the leaders in TAFE are practicing the principles that are inherent within the concept of emotional intelligence (Goleman, Boyatzis and McKee 2002a 2002b, Salovey, Mayer, Goldman, Turvey and Palfai 1995, Salovey, Hsee and Mayer 1993, Salovey and Mayer 1994). The practices of leadership in TAFE have undoubtedly borne success, in that the TAFE colleges have exhibited significant change in the last decade. The conclusion however is one that recognises the intuitive and experiential nature of the current practices of leadership in TAFE while at the same time being mindful that if there was a concerted nation-wide endeavour to develop CEOs and MLM's knowledge and skills

in leadership theory and practice, specifically oriented to the creation of an *entrepreneurial* TAFE, then progress toward *entrepreneurship* within TAFE colleges would be improved and progressed.

5.3.4 Conclusion

The conclusion that might be drawn from an analysis of the data derived from the interviews has been illustrated through the identified complexities of leading the development of an *entrepreneurial* TAFE environment. The research acknowledges the limitations of this study in regard to the percentage of TAFE leaders interviewed in comparison to the significant cohort[11] who were not contacted for this research. However in terms of defining the leadership styles used in TAFE, they are difficult to classify in terms of a specific style, rather the styles of leadership are intuitively successful or unsuccessful has a consequence of the experience of the leader. It is more appropriate to define the leadership activities of TAFE leaders as leadership strategies, which might be drawn from multiple leadership styles depending upon the TAFE leaders assessment of the situational circumstances.

Leadership in TAFE is characterised by the practices of those TAFE leaders who subsequently use leadership paradigms that can be situational, circumstantial and personalised to meet the context and the individuals they are interacting with at a specific point in time. The three (path-goal, leader-member exchange and emotional intelligence) paradigms are in many instances used concurrently and seemingly not in conflict with one-another. It appears to be implicit that throughout the Australian TAFE network, the practices the TAFE leaders can be identified within these three paradigms of the leadership. However the theories that are traditionally spoken of are insufficient to define the totality of leadership practice in TAFE because in many ways traditional leadership theorists have developed theories that are not focused on the multi-dimensional aspects of leadership practices and activities that occur in TAFE.

A major conclusion that can be drawn as a result of the interviews has been the evolving and developing nature of leadership in TAFE that appears to parallel the characteristics and attributes within path-goal leadership (House 1974a, 1974b, 1983), leader-member exchange (Dansereau, Cashman and Graen 1973,

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[11] It is estimated that there are in excess of one thousand TAFE leaders nationally who might be categorised as either CEOs or MLMs.

Dansereau, Alutto and Yammarino 1984, Dansereau and Yammarino 1998) and culminating in a strong correlation with emotional intelligence (Goleman 2001a, 2001b). While it would be expeditious to consider that leadership in TAFE evolves and develops consistently through the three leadership theories that are described above, the reality is that TAFE leaders seem to deal with individuals at multiple levels dependant upon situational circumstances and personal interactions. The leadership model (Figure 5.3) captures the essence of the three styles of leadership theories, which are at the heart of the model, and suggests that leaders would variously employ leadership strategies and tactics to best achieve the management of the factors (i.e. within the three categories of intrinsic and extrinsic transformational drivers and the impediments) to transform and create a culture in TAFE that promotes *entrepreneurialism*.

Leadership in TAFE is perhaps best described as a model of multiple styles and TAFE leaders seek to employ the skills of necessity that are based on their experience and intuition, which correlate with major leadership theories of individualised, directive leadership and group development as a method of leading. Given that we might conclude that perhaps the most important question for the respective State Ministers of TAFE is whether there should be a consistent approach to the leadership in TAFE; the answer is best found in the fact that each State operates its own TAFE system that is expected to operate in a competitive training market, which in many ways will always exclude the notion of a consistent approach throughout the TAFE network of Australia. Competition in the training marketplace dictates that training colleges will be different to each other as they strive to differentiate, maintain and grow their proportion of the training marketplace. Correspondingly leadership practices within each of these environments will be different because the leadership practices reflect their environmental situations and because each environment is different; consequently the leadership practices be different. In conclusion it would appear that the success that TAFE has experienced to date is because of the application of leadership practices that have been found suitable to the environment and the capacity and experience of its leaders to promote a culture of transformation.

5.5 THE IMPLICATIONS OF GOVERNMENT POLICY FOR TAFE

A fundamental proposition that has underpinned the discussion in this thesis on *entrepreneurialism* in TAFE has been the pursuit by governments, both State and Federal, to increase the level of non-government revenue to the Australian TAFE network. The Australian National Training Authority (ANTA 2003) articulated these criteria for TAFE colleges when it posited an agenda for the Australian VET sector to increase the level of employer funded training nationally. A further impetus for *entrepreneurialism* in TAFE appears to have been the lack of consistent growth funding in line with the ever-increasing number (NCVER 2002) of Australians wishing to participate in vocational education and training. And lastly, it has become evident that State governments, according to the leaders in TAFE, have struggled to fund their respective TAFE college networks sufficiently to cover escalating TAFE college costs and expenses.

Additional to the above motivators, that have sought to promote *entrepreneurial* endeavour there has been an increasing trend by State Governments toward the use of competitively allocated resources, in preference to the provision of such funds through direct grants to TAFE colleges. On top of these motivators, the introduction of the concept of competitive neutrality and the National Competition Policy (Hilmer 1993) by the Australian Federal Government in 1993 gave rise to a view that competition was a stimulator of good business practice and increased efficiency. Amid these environmental pressures TAFE colleges have embraced [or attempted to embrace *entrepreneurialism* with varying degrees of success] *entrepreneurship* as a response strategy.

Governments too have become wedded to *entrepreneurship* because the results of that *entrepreneurship* have seen a significant growth in non-government funding to TAFEs nationwide. The result of this is that governments have been able to limit [in real terms] their contributions to the TAFE network, thus saving the State from significant funding contributions. Evidence of an increasing reliance by TAFE colleges on revenue streams, other than that provided by government, is found in the commentary made during the interviews with the CEOs and the MLMs and is corroborated by the fact that fee-for-service revenue in TAFE has increased by four percent between 1997 and 2002 (NCVER 2002). To further illustrate the growth in revenue from non-government sources, the Campus Review (2004) reports that twenty one percent of the total Victorian TAFE revenue is from non-government sources.

In light of the contradictory position of government's statutory control over TAFE colleges and the seeming pressures to generate alternative revenue streams the question is whether there is a *real* desire by the Government(s) to have their TAFE networks freed from the legislative and statutory restrictions that impede the development and practice that likely results from an *entrepreneurial* culture. While the State Governments have continued to espouse the view that the TAFE network should be *entrepreneurial*, in the same breath there is legislation and policy that ensures the TAFE network cannot compete within an open market place. This fact is reinforced when senior officers of the government (Kosky 2001, Fernandez 2004[12]) indicate that the State TAFE networks are a strategic instrument of government and a mechanism for the implementation of government policies. These policies underpin the daily activities of most TAFE operations.

Risk aversion within the TAFE network remains a strong agenda for governments and the subsequent implications for TAFE colleges is that they are often excluded from advantageous commercial opportunities. This is not to say that the TAFE colleges are not competitive in terms of cost and the service they provide, rather they experience difficulties because of processes and procedures that are risk averse (Funnell 1993). The TAFE leaders during the interviews expressed a view that their capacity to generate revenue streams is inversely proportionate with the government's capacity to free TAFE colleges from the legislative, statutory and compliance restrictions.

The various governments and the decision-making authorities must decide what they desire from their TAFE network because to make the decision and to concisely communicate that determination is to potentially free the TAFE network from its current restrictions. It cannot be stated frequently enough that governments across Australia must decide what they want from their TAFE network, either a continuation of contradictory practices where TAFE colleges operate in no-man's land whilst continuing to attempt to be *entrepreneurial* within restrictive parameters; or do governments make the choice to actively embrace *entrepreneurialism* and therefore free the TAFE network to be *entrepreneurial*? It is interesting and worthwhile noting that the current success of the Australian TAFE college network amid these legislative, compliance and structural constraints may well encourage governments to maintain the status quo. The TAFE system has experienced significant continuous growth (NCVER 2003, ANTA 2002 2003) in

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[12] Neil Fernandez, Deputy Director General – Training, Western Australia. Speech to Managing Directors of TAFE Western Australia on 8 February 2004.

terms of numbers of students engaged in VET studies, while at the same time it is widely recognised that TAFE colleges have been able to increase their non-government funding sources. With such a record of performance it may well stimulate governments to resist any significant changes to the legislative arrangements for TAFE because the current outcomes are acceptable to government.

Any decision by governments to change legislative arrangements for TAFE will realise a need for a change in organisational structures; this in turn will potentially culminate in a greater alignment between the vision that governments have for their TAFE systems and the vision each of the TAFE leaders create within their organisations. Any changes to the way business is conducted (i.e. greater *entrepreneurship*) will see the need for changes to existing organisational structures because it is widely recognised that organisational *entrepreneurship* is affected by government policies, commercial infrastructures, cultural norms and physical infrastructure (Reynolds, Bygrave, Autio, Cox and Hay 2002). Similarly the degree of *entrepreneurial* success is dependant on the creation of an organisational structure that enables the creation of freedom and independence (Carrier 1994, Ghosal and Bartlett 1995). As government's make changes to policy guidelines there will be the potential for the TAFE organisations to motivate employees through a rewards and recognition process that is reflective of the business community not necessarily one that might be expected within a public sector environment. The current organisational structures were put in place to support and underpin the operation of a TAFE system that was heavily influenced by the requirements of the public sector, however, today the imperative is to operate TAFE colleges more along business lines and new organisational structures and processes are required to enhance their operations.

Government policy in respect of vocational education and training is a complex arrangement that enables governments to balance economic growth and social commitment with the independence and maintenance of its respective departments and statutory authorities. The importance of having a vehicle (i.e., statutory authorities and departments etc) that is directly controlled by State Government Authorities remains a high priority by government. Within this context there is currently little [if any] evidence that would suggest that future policies will change significantly which would then allow the Australian TAFE network greater autonomy [from a policy perspective] to be *entrepreneurial*. If Governments were to give more freedom to TAFE colleges, the processes and procedures that support those

policies will necessarily change to reflect different employment arrangements and a greater acceptance of risk. To be successful, management and organisational structures will need to be transformed to reflect a corporatised and business oriented environment and will not necessarily be hierarchical and focused upon compliance as it is often found within a traditional government bureaucracy.

If TAFE is to be *entrepreneurial* in outlook and practice, government policy must stimulate the development of such an environment. It is not sufficient to provide rhetoric that eulogises *entrepreneurship* and yet continues to stifle that same *entrepreneurship* through the deployment of policies that are not enunciated in an *entrepreneurial* manner. In a recent study Laszlo Szerb (2003) found that *entrepreneurship* was often restricted by government policy and it was important to recognise that the successful promotion of *entrepreneurialism* would only occur if government policies were supportive and not restrictive. If the policies embraced *entrepreneurship* they would as a consequence encourage TAFE CEOs and MLMs to more actively pursue the development of an *entrepreneurial* culture in TAFE. Governments should take the opportunity to initiate and develop government policies that promoted *entrepreneurialism* and then as a consequence the TAFE leaders would have the capacity to offer greater and more tangible levels of inducement, which would in turn, would motivate and encourage staff to greater heights of endeavour.

Should governments reconsider their respective policy position with regard to TAFE colleges in order to create a more *entrepreneurial* environment? According to TAFE CEOs the answer is an emphatic yes. It is clear that governments want their TAFE systems to embrace corporatism (Funnell 1993) and to be *entrepreneurial* in their approach and that can only occur through the lessening of policy strictures that currently impede true *entrepreneurship*.

Given these circumstances it is important for government to consider a policy review and evaluation that would free TAFE from the contradiction of the *entrepreneurial* rhetoric and restrictive policy. This may mean that the enunciated reference to *entrepreneurship* and competition needs to be tempered and a more realistic appreciation made in respect of the role of TAFE. Without changes to the policy and guidelines that direct TAFE, the factors raised by the TAFE leaders will continue to be unresolved and continually stifle *entrepreneurship* in TAFE.

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Appendix A: Middle Level Managers Interview Questions

Middle Level Managers
Question Format for Interview

1. How is your vision of an entrepreneurial TAFE College, the same or different to that of the Chief Executive Officer?

2. In your mind, can you describe what is meant by a TAFE College with an entrepreneurial culture and does your College have an entrepreneurial culture?

3. In what way does your position contribute to the development of an entrepreneurial culture?

4. What leadership strategies and techniques do you personally use to promote and develop an entrepreneurial TAFE Culture?

5. What personally motivates you to use the strategies and techniques to promote and develop an entrepreneurial TAFE culture?

6. Do you use your position to encourage your subordinates in advancing the Chief Executive Officer's vision and goals?

7. How do staff react to the strategies and technologies you use to promote the development of an entrepreneurial culture?

8. Do your fellow management team members strive to work together to develop an entrepreneurial culture in TAFE?

9. What changes do you think are necessary both personally and professionally to equip managers to achieve a cultural change?

Appendix B: Chief Executive Officers Interview Questions

Curtin Vocational Training and Education Centre

Chief Executive Officer
Question Format for Interview

1. How much of the College's vision/mission/goals is related to being entrepreneurial in the running of your College and the delivery of Vocational Education and Training? Can you describe what you mean by entrepreneurial?

2. Do you think being entrepreneurial is critical to a TAFE College role and survival in the delivery of VET locally and nationally?

3. What are the steps you have taken to implement your vision across the institution?

4. Have you encountered any organisational/personal/cultural barriers to implementing entrepreneurial practices and culture across the institute?

5. In terms of organisational structure and personnel, how and what have you done to initiate and then establish an entrepreneurial culture across the institute?

6. Can you describe these initiatives and how they have contributed to the development of entrepreneurial culture?

7. How would you characterise your leadership style and technique particularly in the development of an institutional entrepreneurial culture?

8. What have been the managerial and leadership techniques you have adopted to ensure your middle level managers are active participants in implementing the entrepreneurial culture?

9. In what ways, subtle or avert, have you changed your leadership techniques to achieve an entrepreneurial culture. manage the development of your middle level managers (to achieve an entrepreneurial spirit / ethos and culture)

10. How would you describe your own interpersonal communication and motivational skills and techniques when dealing with your middle level managers?

Appendix C: Letter of Introduction from Supervisor

Curtin Vocational Training and Education Centre

Dear Research Participant

This is to introduce Peter Whitley, who is a student of Curtin University of Technology, enrolled in the Doctorate of Business Administration.

Peter is conducting research on the development of an entrepreneurial culture in the Technical and Further Education (TAFE) environment across Australia. Of particular interest are the leadership and change manage strategies that TAFE Senior Managers employ to achieve an entrepreneurial culture.

Thank you for your participation in this research which, when published as a thesis, will contribute to the body of knowledge on entrepreneurialism and leadership. Specifically, this will be of benefit to the TAFE leaders community.

Again, thank you for your participation in this research.

Yours sincerely

Dr Richard Ladyshewsky
Senior Lecturer
DBA Supervisor

Appendix D: Consent Form

Curtin Vocational Training and Education Centre

CONSENT FORM

I _____ agree to voluntarily participate in the research project that explores entrepreneurialism in TAFE Colleges. The research will involve my participation in two interviews by Peter Whitley (DBA researcher from Curtin University of Technology) and reviewing the transcription of that interview.

The research forms a primary and integral component of a thesis to be prepared and submitted by Peter Whitley to Curtin University of Technology for the award of Doctoral Degree of Business Administration.

I understand that I will not be identified, nor will the information published be able to identify myself or the institute in which I work.

_____

Signed

_____

Date

Appendix E: Participants Information Sheet

Curtin Vocational Training and Education Centre

INTERVIEW INFORMATION SHEET

This information sheet has been prepared to provide information to the interviewee regarding the research being undertaken by Peter Whitley as part of his study in Curtin University of Technology – Doctorate of Business Administration.

Aim of Research

The aim of the research is to examine the change management strategies and techniques that TAFE Senior Managers employ to initiate and implement an entrepreneurial culture in the TAFE College Environments.

As Australian TAFE Colleges continue to be vehicles through which State and Federal Governments improve skills and promote economic growth, so too will there be demand for constant development of entrepreneurial environments. This research will identify the change management strategies and leadership techniques by which leaders initiate and promote entrepreneurial development. The published data will add to the body of knowledge on the development of an entrepreneurial culture.

Description of Interviewee Participation

The research interviewee will be involved in research through interview(s) with the researcher (Peter Whitley). It is expected that the interviews will take the form of two, one-hour interviews. The interviewee will be asked to respond to a range of questions that focus upon the development of an entrepreneurial culture in the TAFE College environments and their role within that process.

Subsequent to the interview, the interviewee will be provided with a "hard copy" of the transcribed interview, which the interviewee will have the opportunity to clarify and correct the transcribed statements.

Confidentiality of Information

No personal data or information will be published in the final thesis document, however, acknowledgement of the interviewee's participation will be made at the commencement of the thesis (eg name, title and College name), should the interviewee desire this acknowledgement.

The transcript of the interviews will be maintained in a secure environment with access only by the interviewer. Audio-tapes of the interviews will be destroyed once the transcription of the interviews has been completed and confirmed by the interviewee.

Withdrawal from Interview

It is understood that the interviews are voluntary and the interviewee may terminate the interview at any time for any reason.

The interviewer accepts the interviewee's right to halt the interview. Should the interview be halted for any purpose, the researcher will not use (in any way) any data/information gained from the interviewee.

Contact Details:

The researcher in this project is:

Peter Whitley
Director
Vocational Training and Education Centre
Curtin University of Technology

Telephone: 08 9088 6701
Email: p.whitley@curtin.edu.au

Research Supervisor:

In the event that you wish to contact the researcher's supervisor for any purpose, please contact:

Dr Richard Ladyshewsky
Graduate School of Business
Curtin University of Technology
Telephone: 08 9266 3832
Email: ladyshr@gsb.curtin.edu.au

Human Research Ethics Committee:

In the event that you have an issue, complaint or comment that you wish clarified and confirmed, please contact:

Tania Lerch
Graduate Studies Officer
Office of Research and Development
Telephone: 08 9266 2784
Email: lercht@vc.curtin.edu.au

Appendix F: Characteristics and Definitions of Categories

Category Title	Category Definitions and/or Characteristics
Business Planning	• Included within the *category business* planning were: • *business planning* as a direct quotation; • the interviewee's descriptors which alluded to the interviewee's perception that business planning was a critical aspect to creating an '*entrepreneurial*' TAFE environment to successfully operate in the market driven economy. Statements and descriptors that suggested this included, we need strategic planning, planning is the key, better operational planning is essential, our plans don't match our activities, with good planning you can change culture and planning should compel the organisation to change.
Charismatic leadership	• Included within the category *charismatic leadership* were: • *charismatic leadership* as a direct quotation; • those comments from interviewees who suggested their style or others style was charismatic and exhibited personal and task oriented energy, moral conviction, personal influence, high levels of self confidence and commanded staff loyalty (Conger and Kanungo, 1998).
Communication	• Included within the category *communication* were: • *communication* as a direct quotation; • the interviewee's descriptors that eluded to a perception that communication is a critical aspect that contributed to organisational transformation. Statements such as, you must walk the talk, you can only convince staff by talking and staff expect leaders to paint the future emphasis the importance of communication.
Contingency leadership	• Included within the category *contingency leadership* were: • *contingency leadership* as a direct quotation; • commentary from interviewees, which suggested that they employed contingency leadership strategies to achieve their objectives. The comments that substantiated the interviewee's assertion were associated with motivation to achieve tasks, their motivation to develop relationships (Fielder 1967) and the relationships between staff (members) and the TAFE leaders.
Emotional Intelligence	• Included within the category *emotional intelligence* were: • *emotional intelligence* as a direct quotation; • commentary from interviewees, which suggested that they employed emotional intelligence as a strategy to achieve their objectives. The researcher substantiated the interviewee's contention through complimentary statements that emphasised the development of interpersonal relationships; inter-group relationships; interdepartmental relationship; development of

	person's self-awareness; self-confidence; self-control; commitment and integrity; person's ability to communicate, influence, initiate change and accept change (Goleman, 1998). This was corroborated through the interviewees perception that they employed emotional intelligence by being self-aware, able to communicate and influence, and were committed to developing relationships with peers, subordinates, superiors and clients (Goleman, 1998).
Entrepreneurship	• Included within the category *entrepreneurship* were: • *entrepreneurship* as a direct quotation; • those interviewees who directly verbalised the quotation "*entrepreneur, entrepreneurship, entrepreneurial and/or entrepreneurialism*" in relation to improving organisational capacity.
Government bureaucracy	• Included within the category *government bureaucracy* were: • *government bureaucracy* as a direct quotation; • comments that highlighted perceived obstacles to business generation. These included comments such as government approvals process, ministerial approval process, difficulties in developing contracts outside of traditional contracts, speed of the processes within a government environment and many more. All the comments intimated that their capacity to do business would be vastly improved if they did not have to contend with the bureaucracy (ways of working) of government.
Inspirational leadership	• Included within the category *inspirational leadership* were: • *inspirational leadership* as a direct quotation; • characteristics, as indicated by the interviewees, that supported the notion of "inspirational leadership" were those that indicated the interviewees were engaged in inspiring, motivating, aligning staff to the cause and encouraging TAFE staff to strive for the organisation's goals.
Interesting Work	• Included within the category *interesting work* were: • *interesting* work as a direct quotation; • the interviewee's descriptors that alluded to a perception that their capacities and abilities were not effectively employed within their Institute. Statements that suggested this included, the work doesn't stretch me, my talents are not used, my expertise could be better used, I'm in a position that doesn't fit my ability, you do the same thing everyday and there's no challenge in this job.
Leader-Member Exchange	• Included within the category *leader-member exchange* were: • statements that captured the notion that there were groups that were favoured by the CEOs and MLMs because they had developed a relationship. These individuals (the CEOs and MLMs noted) worked harder and were more committed to the organisation. In return the CEOs and MLMs bestowed favours upon them.

	• statements by TAFE leaders that they had special relationships with their trusted lieutenants and staff and consequently they gave them high levels of responsibility, decision-making influence, and access to resources.
Leadership	• Included within the category *leadership* were: • statements by interviewees that *leadership* was critical to their organisations transformation to operate effectively in the market driven economy
Leadership styles	• Included within the category *leadership styles* were: • statements that captured all the styles of leadership that were commented on by the TAFE leaders.
Lean and Hungry	• Included within the category *lean and hungry* were: • *lean and hungry* as a direct quotation; • comments that indicated there's a public service attitude in this place, we have too many people doing stuff that isn't necessary, people have been here too long and its not like the corporate world – there is a different attitude here. The thrust of the "lean and hungry" code captured the attitudinal and values stance that CEOs and MLMs felt hindered their organisation's development.
Loyalty to work colleagues	• Included within the category *loyalty to work colleagues* were: • *loyalty to work colleagues* as a direct quotation; • statements that captured the notion that some CEOs and MLMs felt committed, either emotionally and/or physically (in the sense of they weren't able to apply pressure to change) to their staff because of their own progress from the ranks of the staff to positions of leadership.
Managing emotions	• Included within the category *managing emotions* were: • *managing emotions* as a direct quotation; • those interviewee's sentiments that emotions, and more particularly, the management of them was critical to organisational transformation.
Modelling behaviours	• Included within the category *modelling behaviours* were: • *modelling behaviours* as a direct quotation; • the interviewee's sentiments directly related to modelling behaviours such as effective self-management, demonstrating professional ethics and values, showing enthusiasm and commitment.
Motivation	• Included within the category *motivation* were: • *motivation* as a direct quotation; • the motivational aspects enunciated by the interviewees included linking personal aspirations with the external environment (Vroom 1964), linking the motivation of staff through personal affiliation (McClelland 1962), developing a sense of future security and belongingness (Maslow 1943) and the development of meaningful work (McGregor 1960).
Organisational Structure	• Included within the category *organisational structure* were: • *organisational structure* as direct quotation; • organisational structure within the context of this code related to the appropriateness of functions identified within position descriptions, the reporting

	and accountabilities and whether the organisational structure identified its direction through its structure.
Ownership of Change	• Included within the category *ownership of change* were: • *ownership of change* as a direct quotation.
Path-Goal leadership	• Included within the category *path-goal leadership* were: • *path-goal leadership* as a direct quotation; • comments that suggested the interviewees engaged in directive, supportive, participative and/or achievement-oriented leadership (House 1997). Statements that supported this notion included clarifying expectations, good relations are promoted within the groups, there is sensitivity to the subordinates' needs, decision making is based on consultation and challenging goals are set and high performance is encouraged (House 1997)
Recruitment and Selection	• Included within the category *recruitment and selection* were: • *recruitment and selection* as a direct quotation; • those statements that indicated the employment of alternate staff or staff with *entrepreneurial* skills would have assisted the transformation of the TAFE environment.
Relationships	• Included within the category *relationships* were: • *relationships* as a direct quotation.
Restrictive legislation	• Included within the category *restrictive legislation* were: • *restrictive legislation* as a direct quotation; • the notion that there was legislation, both federal and state, that were barriers to the organisations development and growth. Typifying the statements that gave understanding to this notion was 'there's a government policy that restricts us employing people outside of ... [enterprise agreement].
Rewards and Recognition	• Included within the category *rewards and recognition* were: • *rewards and recognition* as a direct quotation; • the interviewee's descriptors that suggested rewards and recognition contributed to changing the organisational culture to that which was more *entrepreneurial*. Statements that suggested this included, the staff's effort is not really recognised, the extra work isn't rewarded or recognised, the better workers are not appropriately rewarded, the organisational recognition doesn't encourage effort and with more recognition people could be so much more effective. While these statements are not exhaustive they provide a tenor of the statements that contributed to the code rewards and recognition.
Transformational leadership	• Included within the category *transformational leadership* were: • transformational leadership as a direct quotation; • statements that leaders mentored staff, engaged in motivating their staff, building a team, engaged in promoting creativity and innovation and modelled their expected behaviours (Bennis and Nanus 1985).
Trust	• Included within the category *trust* were: • trust as a direct quotation; • statements that corroborated the development of

	trust such as I am honest with my staff, I inspire staff because of my integrity, I'm trusted because of my honesty and I have confidence in staff even if it goes wrong.

Vision	• Included within the category *vision* were:
	    • *Vision* as a direct quotation;
	    • Statements that suggested/intimated direction, goals and/or objectives were being conveyed to the TAFE staff.

Visionary leadership	• Included within the category *visionary leadership* were:
	    • *visionary leadership* as a direct quotation;
	    • substantiated statements supporting the practice of visionary leadership. These included, I've been able to enhance the organisations efficiency by transferring decision-making responsibility to the frontline, now I don't have to take such a hands-on role in supervision, and now I've transferred responsibility to the troops they're learning to make decisions.
	    • additional statements, such as, the organisational mission and values assist to guide all activities and decisions and we try to inspire and motivate and encourage innovation, and creativity. (Mintzberg 1988)

Walking Around	• Included within the category *walking around* were: • Walking around as a direct quotation.

Appendix G: Memo to JK

NOTES IN REGARD TO DBA RESEARCH

To: JK

Date: 20 June 2003

Re: Coding

I'd appreciate your thoughts in regard to the codes and their classification and/or characteristics.

I think there is an absolute necessity to try and stay honest to the sentiments that have been provided by the TAFE leaders – that is instead of breaking everything down to the theoretical definition – this would in my view sterilize the TAFE leaders commentary - we should maintain the primary commentary from the leaders and use that commentary as headings for the coding of the research.

I think the labels chosen best reflects the words and descriptions of the respondents. The respondents are saying things like we are regularly mentoring, always building teams and relationships between the staff, we're encouraging innovation and modelling behaviours. This seems to fit well with the notion of transformational leadership. And it's for those reasons that the labelling seems appropriate.

What do you think and can we discuss shortly

Note:
These are typed for the purposes of this document

Appendix H: Memo to Self

NOTES IN REGARD TO DBA RESEARCH

To: Self

Date: May 2003

I've just started to collate the data and one of the issues that is occurring is the notion of *entrepreneurship*.

RL (my supervisor) in a discussion held last week has questioned whether I'm dealing with *entrepreneurship* or intrapreneurship. – One is more akin to the corporate/commercial world and the other deals with *entrepreneurship* within the context of an organisation [in this case TAFE].

This is a real issue because the TAFE people all talk of *entrepreneurship* as the way they conduct their business – none of the interviews even mention the notion of intrapreneurship. Clearly they do not see themselves as corporate/commercial *entrepreneurs* but they do see themselves as *entrepreneurs* within the TAFE environment.

I will continue with the notion of *entrepreneurship* as a TAFE element but somewhere I shall have to notarise it and its treatment in TAFE.

Note:

These are typed for the purposes of this document

Appendix I: Memo to PWB

NOTES IN REGARD TO DBA RESEARCH

To: PWB

Date: June 2003

Re: *Entrepreneurship* in TAFE

While my research has unearthed the notion of *entrepreneurship* in TAFE its hard to really justify the notion of *entrepreneurship* in TAFE

Entrepreneurship is a word that is regularly bandied around by many CEOs that run TAFE colleges. I was at a conference last week and a CEO of a University TAFE division spoke of the merits of *entrepreneurship* for TAFE colleges and teachers.

While in terms of the literature *entrepreneurship* is hard to align to TAFEs in the pure theoretical sense it is non-the-less a term that is frequently thrown out as a way forward for TAFE.

I think the term *entrepreneurship* is a little like the term leadership – it is used in a generic sense as a catch-all to embrace that sense of challenging the TAFE system, being more innovative and risk-taking then that which the typical TAFE leader might do.

While I think its best to continue to use the term [*entrepreneurship*] there will have to be recognition that the term implies something a little different in this TAFE study as opposed to the terms theoretical meaning as enunciated by Schumpter etc.

Note:
These are typed for the purposes of this document

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