Skills recognition in the Australian rail industry: opportunities and challenges

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Abstract

Skills Recognition (SR) processes, including Recognition of Prior Learning and Recognition of Current Competencies, are not currently used to their full potential in the Australian rail industry. This is not necessarily due to a lack of will—many rail organisations see merit in recognising the prior skills, knowledge and experience of their employees and recruits. There are, however, perceived and actual challenges to SR in rail. In this paper, we report on some findings from a qualitative research project funded by the Co-operative Research Centre for Rail Innovation. Researchers from the University of South Australia and Central Queensland University are developing strategies to assist the Australian rail industry to adopt a more unified and effective approach to SR. This paper draws on national and international VET literature, industry documentation and research interview data. 59 semi-structured interviews were held with human resource managers, learning and development managers, employees, trainers and assessors from rail organisations and RTOs across Australia. The research highlights certain challenges for SR in the context of rail. Being a safety critical industry, there are risks associated with the recognition of skills. Across Australia, each state and territory has its own rail regulators, operating systems and codes of practice. Equity is also an issue within the culturally diverse rail workforce. These factors must all be taken into account when developing leading practice SR guidelines which meet industry needs. Our research has identified practical strategies for maximising the potential of skills recognition in the industry. We highlight the positive role skills recognition can play across certain Human Resource Management functions at a time when the rail industry is facing documented workforce shortfalls.

Introduction

The Australian rail industry is currently experiencing a number of workforce risks including widespread labour shortfalls, an aging workforce and problems with staff attraction and retention (ARA 2008; Mahendran & Dockery 2008). One remedial strategy is to develop a more standardised Skills Recognition model for the industry (Mahendran et al. 2007). SR is an assessment process which ‘formally acknowledge[s] skills, abilities and knowledge obtained through previous study, work experience and/or life experiences’ (Wodonga TAFE n.d.). Skills Recognition includes (but is not limited to) Recognition of Prior Learning (RPL) and Recognition of Current Competencies (RCC). In a prior scoping project Maher et al. (2010) identified a number of problems with current SR processes in the Australian rail Industry. These included lack of uptake, concerns around integrity and equity, and inconsistency in how SR, RPL and RCC are understood and practised. It was proposed that many of
these difficulties could be addressed via the development of a national Skills Recognition framework tailored specifically for the rail industry. This approach was intended to increase confidence in SR, helping to counteract a perception that it is too hard, too time-consuming and too costly. A national SR framework would also contribute to the industry’s moves towards greater harmonisation, while reducing training time and costs. However, as a safety-critical industry, there are particular concerns around the perceived or actual risks of SR, especially for those operational staff designated as ‘rail safety workers’. These factors must be taken into account when developing leading practice SR processes for this industry. This paper draws on published literature, rail policy documents and early findings from exploratory qualitative data collection conducted as part of the CRC for Rail Innovation (Project P4.111).

**Background and literature**

Since the announcement of their National Reform Agenda in 2006, the Council of Australian Governments (COAG) has promoted SR as one mechanism for ‘human capital reform’ designed to ‘increase in the proportion of adult workers who have the skills and qualifications needed to enjoy active and productive working lives’ (COAG 2006, p. 2). As one element of this, COAG (2006, p. 13) has argued for better processes to recognise the existing skills of workers to maximise workforce potential and minimise unnecessary (re)training (COAG 2006, p. 14). COAG envisage that industries have a critical role to play in creating solutions to these training and workforce development issues. In addition to the anticipated economic outcomes, SR has a social justice dimension. As Billett (2005) observes, ‘Those whose work is low paid and least valued (e.g., women, migrants, non-native speakers) often have the greatest need for skill recognition’ (p. 943). However, the actual uptake of SR among equity groups is relatively low (Bowman et al. 2003; Wheelahan et al. 2003). Referring to RPL, Cameron (2006, p. 135) concludes that it has failed to act as a mechanism for social inclusion due to ‘highly bureaucratic procedures, assumptions underpinning RPL practice in terms of RPL applicants’ abilities and familiarity with formal learning systems, and, a hierarchy of values surrounding differently derived forms of knowledge’. Thus, the social justice potential of skills recognition has yet to be fully realised (Cameron & Miller 2008).

Between 2006 and 2009 COAG implemented a national RPL Program which aimed to ‘provide streamlined and simplified RPL processes, and build the Australian vocational education and training (VET) system’s capacity to deliver quality RPL (Leary 2009, p. vi). However, the Australian rail industry has been slow to respond to the initiative, with a lack of national harmonisation in terms of infrastructure, codes of practice, regulators and signalling creating perceived and actual barriers. Regional variations have implications for SR in terms of labour mobility and transfer. In addition, SR processes for rail must accommodate the safety-focused culture and demanding regulatory requirements of the industry. The rail industry currently operates under the Rail Safety Acts of the various jurisdictions pending the proposed introduction of the Rail Safety National Law in 2012. The training and qualifications appropriate to safety-critical sectors of the industry are closely aligned with
regulatory requirements, and rail operators must ensure that their rail safety workers are competent as defined under these regulations. As one interviewee commented, ‘The risks of SR, if you get it wrong, you can kill someone. And that’s very, very real’.

Methodology

This research was exploratory and used an interpretive approach through the collection of interview data. After obtaining appropriate ethics approval, 59 semi-structured interviews were conducted with 74 individuals from organisations based in Victoria, New South Wales, South Australia, Queensland and Western Australia and operating across Australia. Interviews were held with staff from private and public rail companies, small, medium and large organisations, passenger and freight services, rail contractors and RTOs. The sample included Human Resources managers, Learning and Development managers, trainers, assessors and employees across various roles including driving, signalling, customer service, infrastructure, recruitment and management. A major review of relevant international and national literature (Maher & Morrison 2011) informed the development of the semi-structured interview questions. Relevant industry documents and policies were also collected and reviewed. The interview questions focussed on identifying if and how participants currently used SR processes, and what they thought could be improved. Interviews were audio-recorded, transcribed and analysed with NVivo software. Table 1 summarises the rail organisation sample.

Table 1: Summary of rail organisation sample

<table>
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<tr>
<th>Code</th>
<th># interviews</th>
<th>Scope</th>
<th>Type</th>
<th>Employees (Oct 2011)</th>
<th>Enterprise RTO</th>
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In addition, representatives from seven RTOs were interviewed; three from Queensland, two based in New South Wales, one each in Victoria and South Australia. A training package specialist with rail industry expertise was also interviewed.

Limitations: This project is not due for completion until December 2012. The full analysis has not been completed at the time of writing this paper, and consequently,
we focus on initial findings. Early recommendations are based on interview analysis to date and on relevant literature.

Findings and discussion

Our key preliminary findings indicate that despite the national promotion of SR and its many advantages, some rail organisations are reluctant to integrate SR into their Human Resources strategies. Reasons for this include:

- the belief that the skills needed in the rail workplace are so specific that all new employees need full training
- a preference for training as a mechanism to induct new employees into the workplace culture of the organisation
- concerns about assessment rigour and fears that SR could lead to competency gaps
- uncertainty about the cost of SR
- concerns about skills currency
- safety concerns

Some potential SR candidates also had their own reasons for deciding against skills recognition, for example:

- lack of information, leading to the perception that the process is more difficult or complex than undertaking training
- the desire to refresh previous training, knowledge or skills
- in the case of group training, preferring to stay with the peer group in order to foster collegiality
- cost (if borne by the candidate)

As Knight (2006, p. 6) suggests, legitimate reasons for rejecting an offer of SR should be respected. However, it is concerning that SR may be rejected because of the real or perceived complexity of the process.

Recommendations

Effective SR supports all nine strategic workforce development recommendations of the peak rail industry body, the Australasian Railway Association (2008):

- Strategy 1: Position the culture of rail for the future. SR can assist in recruiting and advancing under-represented employee groups (migrants, women and youth) who contribute to the changing culture of the industry.

- Strategy 2: Increase the pool of workers attracted to the industry. SR can help to fast track the entry of workers from other industries and thus increase the attraction of workers to the industry.
• Strategy 3: Retain experienced staff and the knowledge they hold. SR can underpin a formal knowledge capture database and promote informal knowledge transfer processes as an alternative strategy to (formal) skill development.

• Strategy 4: Establish more effective migration arrangements. SR can enable the international recruitment of appropriately skilled employees.

• Strategy 5: Build new employment and training pathways where shortages are present.

• Strategy 6: Introduce more flexible and innovative work practices. SR can identify, for example, where un-skilled or semi-skilled work is being completed by highly skilled staff.

• Strategy 7: Ensure a consistent industry approach to skills development. A unified approach to SR can enhance skills development across the rail industry.

• Strategy 8: Collect valid workforce planning information. A comprehensive SR process can capture data to assist in workforce planning and change.

• Strategy 9: Conduct regular stakeholder communication of workforce risks and strategies. SR processes which are informed by industry skills experts and responsive to the safety critical nature of rail can support formal communication and engagement.

Where possible, it is recommended that organisations integrate SR into existing business processes so that it imposes minimal additional workload (ERTOA 2009, p. 6). The literature and interview data suggest that effective SR processes, embedded into the staffing functions of Human Resources Management (HRM) can benefit both employers and employees (ARA 2008). As a conduit between organisational levels of rail companies, HRM focuses on recruiting, training and promoting suitably skilled, experienced and knowledgeable candidates to meet workforce needs. Three aspects of HRM are considered here: staffing, human resource development and employment relations. These dimensions are among the essential target points for strategic HRM activities (Nankervis, Compton & Baird 2008). The elements within each of these dimensions which link to SR are discussed below.

**Staffing**

*Job description, analysis and redesign:* Defining the skills required for a particular job and matching these with a suitable candidate helps to ensure a good job-person role fit. Job satisfaction comes from working in a stimulating and supportive environment and retention can improve if employers are aware of the skills that employees have, and endeavour to make best use of these. Andersson and Guo (2009) note that under-utilisation of expertise is a particular risk with equity groups whose skills and knowledge are more likely to be under-recognised. SR can also assist with crossing...
terminology barriers; transferable skills may not be recognised as industry tends to use state based or organisational specific idiosyncratic language.

Attraction, branding and recruitment: A potential applicant may have the skills and aptitude required but no formal qualifications. Informing potential applicants that life and work experience will be taken into consideration is an incentive to experienced applicants who might otherwise not apply. As articulated by a Learning and Development manager in one rail company:

... I think it’s a good opportunity for the organisation when we’re looking to recruit outsiders ... it can be seen as an incentive for people, that we will recognise their existing talents or skills, and they may be able to be fast tracked into higher paying jobs ...

Selection and induction: SR can enhance workers’ employability by confirming the competence of individuals for appointment to (new) workplace positions and utilising the capabilities of individual employees that extend beyond a given role. Whether in a lower or higher grade position, organisations can benefit from identifying not only the skills required to perform a specific activity but also the experience and knowledge that particular employees may contribute to the workforce.

Managing turnover: Recognising previously underutilised skills can reduce job dissatisfaction and associated turnover (Dyson & Keating 2005). Where employees face redundancy or workplace closure, proactive SR can also support workers to seek re-employment by identifying their existing skills and showing how these skills can be transferred to other industries and employment options. Such actions improve the morale of both exiting and remaining workers. Capturing skills of employees who are leaving (e.g. through retirement) also enables the organisation to share and pass on the knowledge before it is lost. One rail operator in Australia which is undergoing restructuring is taking exit videos in the workplace to capture knowledge and skills that may be otherwise lost in the restructure process.

Encouraging diversity: SR can be built into strategies to support equity and diversity. For example, provided they remain AQF compliant, SR processes may be adapted to ensure that the needs of specific candidates are met (see Department of Education and Training 2008a, b). Equitable SR requires strategies for appreciating the different ways in which culturally and linguistically diverse applicants and employees may present their skills. SR strategies can assist in identifying the transferable skills of people undergoing employment transition due to disability or health (Gill 2009).

Human resources development

Skills audits: A need for effective systems to record and monitor employee skills was mentioned during several of the interviews. SR can be used to build more comprehensive records of staff experience, qualifications, training and informal learning, and can assist in making evidence-based decisions about individual and
organisational learning and development programs. Ideally, effective SR should extend beyond technical competencies. One trainer and assessor in a public passenger organisation suggested that non-technical or ‘abstract’ skills such as decision-making, situational awareness and communication are under-valued in the rail industry unlike some other safety critical industries: ‘I mean good decision making in aviation makes the difference between life and death, and it can be the same here.’

**Career planning, engagement and retention:** Many rail employees are highly competent in their roles but lack formal qualifications. As one interviewee commented:

> There’s a lot of people been working here for years and years, but they probably couldn’t produce a piece of paper saying ‘Here’s my qualification’, but they are very qualified people.

SR can assist in identifying employee strengths, opportunities for formal qualifications, and areas of development in career planning conversations, enabling future career prospects and possibilities to be explored. This has the potential to increase staff satisfaction and retention.

**Re-skilling:** SR processes can assist in identifying skill gaps, providing a sound basis for training needs analysis, and ensuring that training time is focussed on learning new and relevant skills rather than relearning what is already known. This can reduce the time and costs required to commence work in a given role or to acquire a qualification. One organisation has fast-tracked driver recruits with prior experience driving freight or passenger trains. While some retraining was necessary due to risk factors and the differences between states and companies, the previously-experienced trainees were job-ready several months earlier than their peers.

Currency is a factor in SR for some roles and sectors of the rail industry. In areas where technology and industry standards are rapidly changing, knowledge, skills and experience obtained more than two or three years ago may no longer be adequate or compliant. However, with some customer service, administration and management roles, the rate of change may be slower. For example, a management or accountancy qualification may still be relevant many years after it was issued. As one interviewee explained:

> If you’ve done a Cert 4 in Business Studies, in five years’ time I don’t need to go back and get recertified, it’s just assumed that my on-the-job knowledge and experience keeps you current and up-to-date, but with rail, that doesn’t apply in some of the cases. Some of the units are re-certifiable. (rail industry RTO)

SR processes can also assist with identifying atrophied skills. These may emerge as a result of underemployment or inadequate utilisation of skills and experience in new
roles following re-structuring, introduction of new technologies and organisational change (Wagner & Childs 2006, p. 59; Jolly, O’Moore & Kavanagh 2009).

**Employment relations**

*Employee motivation:* Job applicants and employees can gain self-esteem and self-confidence which can encourage further upgrading of skills and knowledge and possibly qualifications (Smith & Clayton 2009). Hopkins (1995, pp. 26-27) emphasises the role of empowerment in developing sound workplace relations, and involving and supporting employees throughout the SR process demonstrates organisational commitment to employee empowerment. As one trainer and assessor commented:

> suddenly they’ve got a qualification, and they think ‘Wow all this work I’ve been doing all these years actually stands for something. It means that I’ve got this level of knowledge and skills’, and I can tell you what it really makes a difference to a lot of people.

**Risk management**

For rail organisations, safety concerns pose real or perceived challenges to SR. Nevertheless, some organisations have developed focused strategies to mitigate these challenges. For example, an RTO servicing the rail industry minimises risk by focussing RPL at the Certificate I and II levels. For higher operational levels, rigorous evidence is required of candidates. One rail passenger operator uses a Risk-Based Training Needs Analysis model to identify roles that need regular or refresher retraining in order to maximise safety. This process also has the potential to minimise ‘training for training’s sake’, a theme that recurred in several interviews.

**Conclusion**

The need to attract, recruit, up-skill and retain workers throughout the rail industry is an urgent priority (ARA 2008; Mahendran 2009). In developing effective strategies to tackle the issue, SR needs to be considered as one component of an integrated workforce development initiative, offering opportunities to identify and maximise skills, knowledge and experience at all junctures in rail career pathways. We suggest that integrating SR into HRM practices has the potential to enhance staffing strategies, employee motivation and job satisfaction, employee development and employment relations. Embedding SR practices into HRM can, over time, ‘mainstream’ the process and help to ensure familiarity and consistency of practice across a diverse and mobile rail workforce.

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