“Wine and cheese or chalk and cheese?” Discovering the ‘attitudinal ecology’ between VET and small business for capacity building in regional South Australia.

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Abstract

Bagshaw (2000) writes that emotional intelligence is embedded in life and work, an asset with strong commercial advantage for the organisation’s stock of emotional capital. ‘Emotional capital’ is not well defined in the Vocational Education and Training (VET) discourse despite debate about capabilities based platforms to meet the social, environmental, economic and cultural needs of changing regional Australia. This qualitative research is exploring a social partnerships construct of learning ecologies in VET for connecting learning regions and the enablers and barriers to learning partnerships with small business. Small business, it has been argued, is opting out of responsibility for formal training and the last bastion of market failure for VET. This paper discusses what constructs this ‘attitudinal ecology’ between VET and small businesses. It questions how similar visions and common values about lifelong learning can be promulgated between small business and community stakeholders in a market economy of VET. It finds there are more similarities than differences though in the effect of regional economic policy on practitioners and small business, and suggests enculturing resilience and healthy resources of emotional capital in learning partnerships is not only a concern for small business, but warrants further investigation within VET too.

Introduction

"A discourse, according to Edwards and Usher (1994), ‘defines what can be said, which is based on what cannot be said, on what is marginalised, silenced and repressed’. It is essential, therefore, that we try to loosen the discursive blinkers and extend our field of vision." (Martin 1999, p.188).

The ANTA National Strategy (2004-2010) is promulgating lifelong learning through public private sector partnerships and a contribution across all stakeholders in VET (Australian National Training Authority 2003). In this light, this research is redefining a social partnerships construct of learning ecologies for capacity building through learning partnerships with small business in the Adelaide Hills, South Australia (Plane, 2001; 2002a, b, 2003a, b). This paper explores the ‘attitudinal ecology’ which it is suggested is underpinned by the emotional and spiritual capital within the organisation. In getting to the heart of the matter, how is emotional capital defined in regional small firms? What enabling policy climate is conducive to a healthy attitudinal ecology between VET stakeholders? What erodes emotional capital in the small organisation and how might current regional economic policy weaken or strengthen sustainable alliances at the grass roots level? The paper attempts to shed light on an extremely emotive area in VET, which touches at the core of people’s beliefs about lifelong learning: redefining the contribution of the public and private sector, the responsibility for lifelong learning by all community stakeholders, and yet at the same time, generating a return on investment for industry.
The small firm in regional Australia - losing resilience under market reform?

It is topical in the VET discourse to discuss generic competencies or ‘soft skills’ to equip workers with a broad based portfolio of transferable capabilities for embracing lifelong learning and the world of work (Unesco and ILO, 2002, OECD 2002; Australian Chamber of Commerce and the Business Council of Australia, 2002; Curtis and Mckenzie 2003, Department for Employment, Training and Further Education 2003). Falk and Smith (2003, p 6) find generic skills however, are only as useful as contextual knowledge of the environment and a key leadership capability in VET is alliance building. The nature of VET partnerships have been discussed by Falk and Smith, (2003), Kilpatrick and Guenther, (2003); Falk and Kilpatrick (2002) and small firm participation in VET or lack of, by Smith and Billet, (2003), Billett, (2003, 2001); Cully, (2002), Hall, Buchanan and Considine (2002), Kearns, (2001, 2002). That contribution however, is debated mostly in the economic rationalist paradigm; a supply and demand market generating a return on investment for the firm. Culkin and Smith (2000, p 149) argue any interventionist policy which does not consider the personality and complexities of the small firm decision maker in context, will always be in exile. For the National Training Strategy Leary (2003, p.20) states training packages may not suit the small business environment and Chappell et al (2003, p.23) call for a greater understanding of contextualisation in small firms who are ‘often unimpressed with the content’. There is a gap in defining leadership attributes for VET partnerships with small firms; whilst the competencies expected of employees are often debated, the capabilities base of the stakeholders outside VET remains in question. There is little critique too of the extent of ‘soft skills’ used in the small firm context, as a capability for a learning workplace conducive to lifelong learning and workforce development.

But are small businesses losing their stakehold in VET and regional Australia and how might this impact on learning partnerships for the long term? Florida (2002) warns what is evolving globally is a two tier society: a knowledge creative class and a class of in service workers- not always low paid, but in servitude to the knowledge class. Pusey (2003) argues middle Australia is polarising and the two groups that have lost the most from the downside of market reform are small business and the low income earners (Pusey, p 32, 33.). Nosworthy (2004, p.10) writes current State policy is not assisting small firms in any way and they are being left to their own devices. Cheers et al (2002) find some industries have ‘won out’ over others in economic restructuring and not everyone gains from economic growth. Industry development in the regions can be patchy, and tends to benefit those already reaping the rewards. The market discourse of productivity and performance may be creating a chasm for small business in regional Australia, between those who can benefit from the high skilled, in demand, profitable end of the market to those in the traditional, but still very necessary service end of the market who cannot. Cope (2003) writes that financial success in the firm is closely linked to the entrepreneur’s emotional well being. A key concern for VET is that an already stretched community of emotionally battle scarred, small business stakeholders may not see learning partnerships as essential. It is perhaps not surprising that Billett (2001) writes encouraging participation by small business in formal VET is a ‘hard ask’. But first there is a need to address the wider panorama against which the players in the regions are performing, and to understand the complex, kaleidoscopic dynamics of the economic climate in which the stakeholders operate, and enablers and barriers to the learning partnerships process.
Learning partnerships and governance in the regions: the big picture view?

One of the challenges for a policy of lifelong learning (Longworth, 2003) and VET governance is managing the diverse and often competing interests of the stakeholders. At a global level, the OECD, (2002, 2000; 1996.) and Unesco, ILO (2002) have set an optimistic policy agenda for capacity building to resource lifelong learning and workforce development for the future. Brandsmaa and Noonan (2000) premise we are witnessing a sea change in VET globally from centralised to decentralised services and provision. The extent to which that policy is administered functionally, that is partially by the regions, with central jurisdiction or alternatively territorially, fully managed at the local level, being the subject of much debate. In the UK Lucas (2000) has argued a learning community is incompatible with a market economy of VET. Those questioning the dominant centralist, neoclassic paradigms and individualisation in the policy discourses argue rapid economic change and restructuring is outpacing strategic social policy making. They berate the rhetoric of “structural adjustments” and the language of economies of scale and neoclassic dominance of the market. The Centre for Public Services UK (2003) call for a radical shift in the policy debate from the market being the ‘all knowing the tail’ that wags the social policy dog to a collaborative, stakeholder model of social partnerships for decision making for policy in the regions. There is a tendency though for Australia to willingly adopt overseas policy without understanding its application in the local context. Social policy critics argue an over zealous push for partnerships and privatisation, along with a diminished social responsibility by government and business, is widening the gap in Australian society and hollowing out the middle (Spoehr, 1998, Pusey, 2003, Cully 2002, Hall, Buchanan and Considine 2002, Edgar, 2001, Encel 2000). What is resulting is a loss of social capital, increasing binaries in the community and between regions, and a polarising society (Cully, 2003, Argy 2003, Pusey 2003.).

At the regional level Beer, Maude and Pritchard (2003, p. 29, 36) state the outer urban regions of our capital cities have been ignored by government. In the push for “new regionalism” local bodies are being abrogated of real decision making and are mostly, very small organisations and poorly resourced (Beer and Maude, 2002; Carson and Wadham, 2001). Capacity building, they contend, is a policy which is often without systematic support and only one strategy for regional development and should not be seen as a replacement for regional base funding. While there are those advocating a devolved system of governance to the regions, Edgar (2001) argues policy cannot be relegated entirely to the localities because of the need for a balance of central and local decision making to maintain a democratic playing field. Like Pusey, (2003), he warns of the effect of two decades of neo liberal reforms in Australia, and not decentralising all governance to the regions, because of inherent parochialism and that: “Too much of the literature about community, about civil society, about social capital and participatory democracy, is sentimental pap, ignoring the reality that groups have competing interests and can get very nasty.” (Edgar, 2001, page xvi). Cheers et al (2002) argue to move forward there is the need to work towards collaborative goals in regional development and local politics has to take a back seat to the wider common good. A significant question then for a social partnerships model of VET is how conducive is the VET and small business workplace culture to alliance building and cross sectoral learning partners? What emotional attributes are necessary in the leaders in the community and how might VET policy weaken or strengthen sustainable alliances at the grass roots level?
Leadership, VET partnerships and emotional capital?

One does not gain popularity in either the ‘survival of the fittest’ world of small business, or cost benefit analysis world of corporate VET for debating intangibles such as ‘emotional capital’ (Thomson 1998) and their value to the newly endorsed National Strategy. Emotional intelligence capability though is another alternative bottom line for VET, which Thomson (1998) argues the organisation ignores at its peril. Goleman (2003, p20, 23) too, warns a lack of soft skills in leaders in the workplace has hard consequences. Bagshaw (2000) writes that emotional intelligence is embedded in life and work, and an asset with strong commercial advantage for the organisation’s stock of emotional capital. Healthy businesses mean a healthy community, yet emotional intelligence (Bagshaw 2000, Goleman, 2003, 2003; Mathews, Zeidner and Roberts, 2002) is not cited often in the VET literature despite the need for capabilities based platforms to meet the social, environmental, economic and cultural needs of changing regional Australia. Falk and Smith (2003) and Hager, Crowley and Melville (2003) find generic skills are highly context specific, and vary across organisations. Goleman, Boyatzis and McKee (2002, p 21) studied the capabilities of dissonant and resonant leaders and their effect on the workplace. Dissonant leaders create an environment where people feel emotionally discordant. Resonant leaders are passionate and enthusiastic, attuned to people’s feelings and may be more likely to invest in people. Falk (1998) has called for ‘situated leadership’ in regional communities where there is a “growing recognition solutions must be armed with both economic and social measures” (Falk 1998, p2). He writes of the need for knowledge resources and identity resources, the latter being- the willingness of people to work for the common good of the community. But to do that it is argued, organisations need high levels of resilience and emotional capital.

Culkin and Smith (2000, p148) state the heart of any leadership and small business decision making is with the owner manager. Entrepreneurial learning according to Rae and Carswell (2001, p150) is closely tied to their self efficacy, self confidence, personal belief and achievement. According to Cope (2003) understanding entrepreneurial learning needs to include the learning events and lived experiences of the small firm owner. Whilst dismissed as another populist, management fad by some, emotional intelligence is mostly discussed in the larger organisational context (Bagshaw, 2000; Goleman, 2003, 2002, 1998, 1995, Guthrie and Callan 2002.) Imel (2003) defines it as the “the ability to process, understand and use emotions effectively”. Illeris (2002) states human emotions play a complex role in the assimilation and accommodation of learning; which comprises of cognitive, social and emotional components each interrelated and contextualised. The Antidote Campaign for Emotional Literacy (2003) state ‘emotional literacy’ constructs a bridge between cognition and affective learning conducive to empowerment, personal capacity and self efficacy. Termed also ‘emotional capital’ (Thomson 1998) these soft skills are essential leadership qualities in the workplace (Goleman 1995, 1998, Goleman, Boyatzis and McKee 2002). Goleman (2003) argues for eighteen key competencies of emotional intelligence in the workplace, including self awareness, self management, social awareness and relationship management. Although there is contention in the literature as to the unsubstantiated benefits to improved workplace performance, (Matthews, Zeidner, and Roberts, 2002), proponents of emotional intelligence argue EQ it is more integral to workplace function, learning and success than IQ. It might also be essential for cross sectoral sustainable learning partnerships.
Research methodology

The research is adopting qualitative techniques of appreciative enquiry and asset mapping (Kenyon and Black et al. 2001; Kretzmann and McKnight 1993) with semi structured interviews, with practitioners and small business (Piantinida and Garman 1999; Guba and Lincoln 1989, Rubin and Rubin, 1995.). Small business is defined as the owner managed small (6-19 employees) or micro workplace (1-5 employees) respectively. Approximately a hundred cross sectoral interviews have been undertaken to date. The researcher has adopted what Rubin and Rubin (1995) term ‘conversational partners’ as interview style, to be a least intrusive as possible to all parties. Any case study analysis has limitations, but it may offer new interpretations on community capacity building with VET. Below are the questions which have attempted to ‘dis-cover’ how practitioners and small business ‘feel’ about learning partnerships and the attitudinal ecology that exists between them.

Practitioners:

1. What experiences do you have of working with the small business community?
2. Are there challenges in developing learning partnerships with the small business?
3. What qualities do the partners need? What makes a successful learning partnership?
4. Does learning equate with success for small business?

Small business:

1. What do you enjoy about being in small business? What is the most difficult thing about being in small business?
2. What do you think the community finds the hardest to understand about small business?
3. What makes a successful partnership? What qualities do the partners need?
4. Does learning equate with the success of the firm?

Findings practitioners:

There are successful partnerships with small firms although informally and non formally within the community, VET in Schools, environmental groups, and traineeships. Extending VET to others is problematic though and some voiced frustration with the small business community. Practitioners are stretched in meeting the needs of a high growth region and for some, small business and its learning are clearly not part of their mandate. They expressed a willingness to reach out to the small business community, but often lacked the resources to extend outside their organisation. Small business owners might not want to pay for fee for service courses or participate, and provision needed to be carefully tailored. “A business reflects its owner” said one, and “you can tell a well run business the moment you walk through the door”. A propensity towards learning may be a prerequisite for this success, and a willingness to train people and put business processes into place. When asked if learning equated with success several said; ‘Yes’, but this could be a simplistic analysis though, and there were more variables that impact on success than learning per se. Another though spoke of ‘two tiers’ of small businesses: the successful,
visionary fliers at one end of the spectrum, and those ‘grinding away’, struggling to cope at the other. Because owners ‘are’ the embodiment of the business, mentors had to be very skilled in intervening, to suggest and encourage. They said raising self esteem and encouraging owners to value what they know can be important in groups. This self efficacy in learning might affect encouraging formal and informal learning in others. But with participation in formal learning: “You can lead a horse to water— but you can’t make them drink” said one. Other businesses don’t always feel comfortable and ‘confident about training other people’. Another spoke of times when employers had to commit to formal training and: “I don’t think there is a great level of training and education going on in the workplace”. But VET can also be rigid for small business and incentives for formal training are ‘just too low’.

When asked about concerns for small business alliances, it appears the tough side of economic reform can bring out the worst side of the small business personality. Whilst practitioners spoke of partnerships, altruism and philanthropy and professionalism in small business operators, at the other end of the continuum were the self interested and only concerned with ‘What’s in it for me’. They felt for most businesses the preoccupation would be with just surviving. Market pressures may mean some feel that a course offered has to be for them alone. One said: “They think, if I give you any information you will use it against me, and ‘they don’t trust anyone and quite frankly, I can’t blame them”. They had seen incidences of businesses undermining each others success, withholding essential information, which may be of benefit to the business down the street or across the paddock. Participation is not across the board: “They won’t go to meetings up here” one said, and when they do arrive, they are aggressive, suggesting negative emotions have been simmering for a while. Another was disappointed at their lack of sensitivity to the needs of young people and emotional investment in new workers. There were some that practitioners thought quite honestly the region would be better off without: “we need to get rid of the shonky operators” said one. Although competition is healthy, one said, too much becomes a “downward spiral” for everyone concerned.

There was also a range of ‘emotional capital’ in practitioners too. Some are very positive about the region and like the successful small businesses, had highly sophisticated networks in their industry they could call for assistance or advice. Others were just as jaded, tired, and disillusioned with current policy. Regional practitioners were the most helpful, talking at length on issues of concern and though stretched, giving freely of their time. Some found reports or advised of where to go for papers or information or who to talk to next, particular people that might give more insight and understanding. But in a few cases, the dark side of economic reform appears to bring out the dark side of human nature in practitioners. As with all workplace cultures, there were those who were protective of their turf patch and power base, and showed reluctance to answer questions, or offer information. Not surprisingly they did not suggest who to listen to next. Others articulated the workplace culture did not fit their core values at times, suggesting a source of tension and role strain. One was troubled by competitiveness and a possible loss of quality: “I am sure that a commitment to excellence disappears”. Another spoke of policy and its effect on individual wellbeing. “Band aid” measures are more expensive to ‘mop up’ they said, than policy being right in the first place. Several spoke of a “policy vacuum”- a sad reflection on the workplace culture for developing partnerships with stakeholders outside VET, and who perhaps don’t really understand it.
Findings small business:

‘Below stairs’, small business people at the regional level are ‘beavering away’, working long days and most pretty oblivious to what is happening in the VET sector. One owner operator, with experience of both cultures: VET and small business said: “It’s just two different worlds”, but it is a world which is just as competitive, isolating, all encompassing, taking their emotional energy and at times, all their patience. There were interesting responses to what they thought the community found the hardest to understand about being in small business. Not only maintaining healthy internal relationships with staff, but working with the general public was mentioned often and the intensity of that relationship. Some spoke of ‘training’ customers to be better customers, and the time it took to cultivate trust. ‘It’s hard for an honest business’ said one because: “They don’t think you are telling the truth”, suggesting that ethical standards in business vary widely. The perception of the general public too was their success they said, was not attributed to hard work, but “luck, not effort”. One emphasised the hours they work in the firm as if the common view is very different. In most cases taking any time off is problematic and: “that you have to realise anything you do outside the business takes away from it”. As with practitioners, the emotional capital in small firms varied from very high at one end of the spectrum to very low. Some small businesses talked about their profile in the community. One had previously held a high position in government, but now felt the common perception of her ‘status’ in the community was that “she just cooked chips”. Some believed other firms were performing better than they were financially, so professional jealousy reared its head at times. They spoke of a demanding public, always expecting discounts and said “I think there are some people who never intend to pay for anything”. As Cope (2003) has argued, it appears healthy economic capital in the firm is closely linked to emotional wellbeing. Not being worth what you think you should be worth in the market place may lower self esteem and emotional capital.

When asked what was the hardest thing about running a small firm they said managing stress levels and health, risk management, insurance issues and business survival, ethics and quality, were daily ‘worries’. There is evidence ‘top downness’ and accountability falls heavily on the small organisation. Like the practitioners, increasing paperwork to meet regulatory needs had put hours on their already long working week. Some were employing people to do administration to take the overload off the firm- but others could not afford to do so. On one level they are being overregulated out of the market place, but on another level they felt insurance, price undercutting concerns, and fair trading issues are not being regulated enough by government. Like Pusey (2003) found, there were high levels of anger in some. Fiercely independent, they didn’t want intervention, but at the same time there was little faith that policy would improve the current economic climate for small business at the local level. Again, like practitioners, market pressures meant at times they felt they had to behave in a way which went against core values. A health professional spoke of the role strain in meeting the ongoing needs of clients and balancing the financial constraints of the business. Another talked of her spiritual commitment and social contribution to the community, but at the same time: “I can’t let them send me bankrupt”. For some there was feeling of no sense of community and others were struggling to keep pace with changes in the economy in the region. Learning may contribute to small firm success, they said- but there were many external factors that impacted on them which were outside their control, and not possible to predict.
But when asked what they enjoyed, many were so enthusiastic and passionate about their product, their service, their business and it place in the context of the ‘Hills’. They loved the self management, autonomy, independence, doing the hours they wanted to. Owners liked working with people and had high standards of customer service. One said: “You have to love what you are doing or it is just a chore”. They talked of the importance of business ethics and satisfying customer needs, but also the knowledge base needed to do this successfully, which was not easily transferable to others. These small business people believed the community valued what they do and appreciated their business, the local commercial and social relationships. Others spoke of their role in customer education, giving advice, information, or filling a gap or need in administrative services that used to be filled by government, and they felt they were appreciated by the community. There are successful clusters and one spoke of how effective it had been for her particular industry. Business owner’s have to be prepared to change, she said, and to let go of old ways of learning and thinking about managing a small business. But another said “there is a clear need for more networks up here” for small business to support each other, but felt the ‘old school’ culture between firms in the region worked against building rapport. Skilled regional facilitators in capacity building were integral for building this collaboration. One, when asked about a project designed to enculture business community partnerships, stated it was: “The ones who valued their skills and felt they had something to offer that contributed the most.” Another was concerned though about small firms picking up this tab, and adopting community concerns the community itself had abandoned, suggesting like practitioners had said, that the social fabric of the region is changing.

What are the enablers for sustainable learning partnerships?

So what works for capacity building and collaboration across the sectors? Below are the attributes both groups mentioned for partnerships to be sustainable and may define high emotional capital and a healthy attitudinal ecology:

- Love for learning, and passion for the business/organisation
- Open to change, capability of unlearning, using new ideas, new approaches
- Humility, an open mind, be willing to listen
- Very professional in their approach, honesty, integrity is paramount
- Very high standards, very committed to the organisation
- Know where the knowledge gaps are, where their weaknesses are
- Confident enough to admit fault and don’t know it all- willing to learn
- Excellent social networks. High in social capital
- Being prepared to forge links with mentors, young and old
- Are passionate, likely to liaise with positive people
- Willingness to participate- might be already members of community groups
- Positive attitude towards learning. Are ‘doers’, and invest in people
- Regioncentric- TBL concerns very high
- Customer service is very important and central
- Are very satisfied to see other businesses/providers succeed
- Happy to promote the collective common good
- Like to cluster, they have seen the benefits in clustering
- Like people- excellent people skills
- Like each other and love the business/industry
Enculturing resilience for the future learning partnerships in VET?

In summary, there are more similarities than differences in the effects of current economic policy on practitioners and small business. Working towards a big picture view for strategic learning partnerships however, is being undermined by the short term, ‘ad hoc’ competitive climate in VET in the regions. Enculturing resonant leaders, resilience and emotional capital are not just of concern for small firms, but within VET too. Emotionally literate capacity builders with grounded experience of both cultures are needed to develop local partnerships at the grass roots level. Though overtly practitioners are promulgating alliances, covertly they are hamstrung by the policy climate and focussing on survival, resource poor for working outside their organisation. The other side of the canvass suggests for small business, there is more to encouraging participation in VET than just the economics and a return on investment. Emotional capital in small firms can be eroded by both internal and external factors and a lack of other ‘capitals’. This is exacerbated by the work overload and increased regulation, little real input into regional economic policy, no workforce development standards for valuing small firms in lifelong learning and lack of collective voice in the regions. For small business and learning partnerships it appears is not just a case of ‘you value what you pay for’, but if you are valued by VET and your community you will ultimately pay for, and contribute to more.

Conclusion

This paper has discussed what constructs the ‘attitudinal ecology’ between VET and small business in the Adelaide Hills, South Australia. It finds a range of emotional capital in small firms and practitioners and the ‘survival of the fittest’ policy climate may not be that conducive to promulgating partnerships across the sectors. Whilst there is a need for research to define emotional intelligence as a theoretical construct in the small workplace and its effect on workplace performance, this paper suggests that like Pusey (2003) found small business and VET is polarising. The knowledge powerful are winning out, but for others, the price of ‘structural readjustments’ to practitioners and small business in regional, middle Australia may be too high. How this impacts on VET governance, developing learning partnerships and connecting learning regions in Australia and around the globe, is worthy of further research.

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