

## The organisation of multi layer development

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*In this workshop the focus is on an innovation of secondary education in Slovenia. The aim was the Modernisation of the Financial Administrative System (MoFAS) introducing lump sum financing in four pilot schools.*

*Such innovation requires the cooperation of different parties/stakeholders operating at different layers of the system, i.e. national, regional or local views, and therefore working towards quite different goals. The key issue is to organise a converging process in which all differences are acknowledged and accounted for. In this workshop we will demonstrate an approach that provides governors a means for steering and executers a means for self steering.*

Keywords: multi layer development, secondary education, change policy, organisation of self steering

It appears to be difficult to obtain from a project a result as initially intended. And in case a result is obtained, it appears to be even more difficult to disseminate and sustain the result. What are the possible reasons and how to deal with this problem?

In this paper we give account of a new approach that has been developed to overcome these problems in a trajectory that was aimed to innovate the system of secondary education in Slovenia.

### Description of the problem

The initial description of the problem from the Slovenian side had a focus on an algorithm for the calculation of the lump sum and the subsequent organisation of education. Dutch ministry of education however advised to focus on the development of new culture and to take much time for the introduction of the actual new financing system. The Slovenian policy on educational change has adopted broad EU-objectives and the idea was to fit in lump sum financing. These are examples of the actual differences in focus on lump sum financing.

### Approach

The project adopted the aim to organise a learning process about the landscape of a responsive school. In advance was clear that the realisation of the Slovenian ambitions would require a deep change with moving targets. To deal with deep change the following rules of thumb were used to organise the learning in a system:

- Set apart concrete solutions and focus the communication on (shared) perspectives
- Involve all stake holders in the discussion about perspectives
- Assign the needed technological development to multi layer working groups
- Involve the experts also in the use of products in particular contexts (tuning groups)
- Organise mutual reflection on products and good practice to articulate good principles
- Organise articulation of revised objectives on basis of good principles

The six rules of thumb have been addressed to four squares of a learning cycle. In Slovenia the learning cycle was run through 4 times in the course of 2 years.

At application of the rules multiple layers of aggregation and organisation play a role. Layers of aggregation are concrete target, routine, convention and perspective. Routines are relevant within working communities. Conventions are relevant between working communities in a chain. The perspective is the shared identity of players in the chain. Layers of organisation are e.g. operation, management and governance. The operational layer is concerned with a working technology, the management about efficiencies and the governors with the allocation of means to goals. Changing of focus on different layers (of aggregation and organisation) is a means to organise continued learning in the learning cycle. Continued learning is needed to muddle through phases of determination & identification, exchange of experience, provision of information and automation of information supply.

The change of focus described above is applied in a cycle of multi layer learning. This is to be realised by team responsible for the drawing up of agenda's in the gremia of discussion in the cycle (figure 1).

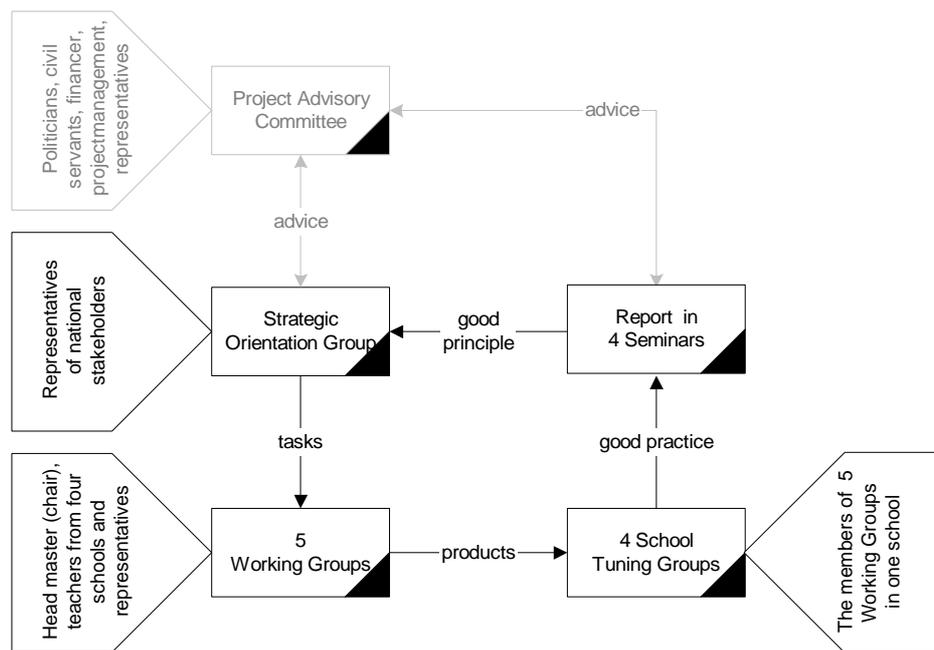


Figure 1: The cycle of multi layer learning

### The application of the cycle in the case of MOFAS Slovenia

In this section we will describe the application of the cycle in the MOFAS project in Slovenia. We will focus on three crucial phases in the MOFAS project to give a sense of the dynamics of learning in the cycle of multi layer learning. The three phases are: A. The MoFAS model, B. About regions and school size and C. The priority in values.

#### A. The MoFAS model

The first test of the ‘truth’ of the project description is the inception. For a further elaboration of the composition and potentials in the project all the stake holders are visited at the inception. This is before the first cycle of multi layer learning starts.

##### *So many objectives*

The authors and a representative of PriceWaterhouse Coopers are invited by a large delegation at the ministry of Education, Science and Sports. The over-all policy of the minister of Education was cited from the *White Paper on Education in the Republic of Slovenia, 1995*:

- a comprehensive and high quality system of education

- based on the principles of democracy, autonomy and equal rights and
- available to as many people as possible, at all layers (or levels).

More in particular, as brought forward by Mrs. Kotnik, the Constitution states the following:

- Education is free; financed from public funds
- Responsibility of the state for the compulsory education (up to primary school – 14 years)
- Responsibility of the state to give its citizens the opportunity to obtain adequate education
- Separate regulation of the rights of the Italian and Hungarian ethnic minorities

The relevant legislation is:

- Organisation and Financing of Education Act
- Special acts regulating the individual areas (1996)
- Regulation concerning norm(ative)s and standards (separate in VET, general education...).

The ministry has formulated the political aims as follows

- to enable optimal development to individuals regardless to their sex, social and cultural background, religion, national origin, physical and mental handicaps
- to educate for mutual tolerance, raise the awareness of the equality of rights
- to offer choice at all levels of education
- to provide equal educational opportunities in regions with special developmental problems
- to provide equal educational opportunities to children, youth and adults with special needs
- to promote life-long learning
- to enable everybody to acquire a broad base of knowledge and obtain a vocational qualification

Mr. Zgonc, a high level administrator, said that the main bottle necks to realize these aims are in the structure of the system and also in the financial system: *too centralized, too rigid and not flexible enough.*

The MoFAS project needs a solid basis as a point of departure for financing. Lump sum financing means that the government should pay for what she wants; you will get what you pay for. *Which one of these aims and critical reflections are the basis for lump sum financing?*

In the European Union the main objectives of VET are 1) educating all, 2) qualifying at high levels and 3) support competitiveness of regions. Is it possible in Slovenia to support these three aims with lump sum financing? It would be unique, because the conventional lump sum systems pay for students in schools and for issued qualifications. Or, the schools are not penalized for drop outs or wider for students that are not in the school. And schools are neither paid for contributions to regional development. What will the basis for MoFAS be?

#### *Unexpected help*

One of the visits during the inception is to the Educational Institute of Republic of Slovenia (CPI). The directors are present and also the representative of the Chamber of Commerce and Trade.

The project leaders ask CPI to co-ordinate the projects:

- standardisation, modularization: CPI
- teacher training: CPI, Davorin Majkus
- MoFAS: Stoas Research, PwC (and later also MDF)
- dropouts: CPI
- start and disseminate changes in curriculum in schools: CPI.

The first answer is that financial project is something separate from educational development and what is than a point of co-ordination? The CPI is worried about the effect of lump sum financing for the bottom segment of the students; the drop out problem may increase. Co-operation with the chamber is difficult due to lack of money, since 1995 the chambers do not get money anymore to support education and that situation should improve first.

How to get these parties in the MoFAS-project? We argue that there is a relation between the qualities of examination and the reward in the lump sum for the quantity of exams. And, that lump sum should

encourage schools to enrol all (youngsters) without work. And, that VET ought to the competitiveness of the region through the supply of the needed competence in the region. The arguments are written on a white board at the wall. And then figure 2 pops up.

Values	Quantity	Quality
Enrolment	Students	Participation and drop out rate
Regional development	Portfolio's	Demand and Activities in regions
Qualifications	Diploma's	Competence based curriculum Exams

Figure 2: The values in the MoFAS-model

The outcome of the discussion full enrolment, regional development and qualification. These were called the values of MoFAS. The values need to be quantified, so as to the count can be used as a basis for the allocation of money. The values should have quality to gain the trust of tax payers, parents, teachers, etc.

The project leaders had immediately contact with the policy makers in the ministry (mr. Zgonc, mr. Skerjanc and mrs. Kotnic). And the next morning with the responsible politician (mr. Bandelj). The values of MoFAS-model were accepted. They were presented and discussed in the first seminar on Friday the 5<sup>th</sup> March 2004.

The three values have become the steering principle of the project: at first tentative and in the course of time as vested a stronghold. The story above is a nice example of a disagreement between parties that could be turned into an advantage for all.

#### *MoFAS-model*

The inception report about the MoFAS-model.

1. *Full enrolment.* This is said in many different ways. Education for every one. Full participation. No drop outs. More money for those with fewer chances. Etcetera.
2. *Regional development.* Schools should meet the local needs. The right qualifications and the right numbers. But there is more. Schools should also learn from innovation in services and business. Schools on their turn should spread the new acquired knowledge to services and business, notably the small and medium sized enterprises (SME). Students are the most effective carriers of new knowledge to and from SME.
3. *Qualifications.* Schools should equip students with competence based qualifications. Qualified students should be effective in the communities of practice where they start their career. Young workers should have the ability to remain effective, also when they change jobs (to different jobs or to jobs at a higher level performance); students need to learn to maintain employability.

*For the distribution of money each school needs means to count these three values, hence counting of the quantity is one! For the organisation of the trust (of ministries and public) the schools need to proof the quality of delivery of the three values. This proof is the real work of lump sum financing: the counting of the quantity and the proof of quality!*

*An external independent body, like an accountant, could annually control if the distribution of the money has been done according to the agreed conditions.*

#### *How to count and assess?*

1. *Enrolment – the social value.* Students can be counted. How to assess enrolment of a high quality? When no youngsters can be found in the streets and when no drop outs hang around?
2. *Regional development – the contribution to knowledge dissemination during the (practical placement or) stage and 20% free space, can be counted with reports written by students – a port*

*folio*<sup>1</sup>. Local demand can be identified and the match between this demand and the supply students realise can be assessed.

3. *Qualifications – the economic value. Diploma's can be counted. The quality of diploma's can be proved with examinations or assessment procedures.*

## **B. About regions and school size**

One of the big issues in the discussion about regional development was the definition of *region*. Regional development ... and also other concepts are difficult to picture in a process of educational change. This is at stake in the Strategic Orientation Group meeting in the third cycle of multi layer learning.

The definition of region was one of the concepts for the technical Working Groups to develop. There were some dominant options. "Do we take the 14 regions for which regional development plans have been made already" or "Do we take the division into 4 regions that has been developed for application of EU-regulations?" The first reaction was to find an administrative definition of region. Or is an economic, a social, or ethnic division more appropriate? The principles of schools in Velenje, Ptuj, Nova Gorica, Senjur en Ljubljana consider the complete different challenge for each of them to negotiate with regional captains of industry. Teachers in the technical Working Groups realise that the region for a solitary mining course in Slovenia differs tremendously with the region for a hair dressers course that will be offered by many schools.

The conclusion is that schools themselves determine the definition of region and of regional development. Characteristics of geography, demography, regional partners and tasks, provided courses, high and low economy and civil context will differ for each school. And they will differ in the way they change. Region is a dynamic definition of the working area of the school. The school needs reflection to picture and maintain its regional function.

Region is one example of development of language in a process of change towards responsive schools. Other examples are school size, personal development plan, nova praxa, etc.

School size is an important issue, since lump sum requires a minimum size. The ration is that a school needs a minimum size to respond in a flexible way to changes in the demand for full enrolment, regional development and qualification. This does not make an absolute figure of school size. A few examples will enlighten this.

A school offering a limited number of courses can be smaller than a school offering a large number of courses. In fact each course must be full for a break even exploitation. Large courses can compensate for small courses.

A school with one strong location (for example in a big town) can be smaller than a school (in the country side) with many locations in the reach of (young) students. In fact each location must be a viable unit with full loads for the staff. Here also, a large location can compensate for a smaller location.

Slovenia has 100.000 VET-students in almost 140 schools (what is the number of locations?). One hundred schools have less than 1.000 students (how many courses do they offer?).

The large schools are at present the most successful in educational change. They work together, because – in their opinion – they are too small to succeed on their own.

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<sup>1</sup> Regional development is in the first place a value of the school for the region. In the proposal above however, to the benefit of the region, the contribution to regional development is counted from activity by students. The form proposed - a port folio - may serve two other purposes. First, the port folio may be used for an assessment of prior learning (APL) based on NVQ's (national vocational qualifications) as a tailor made extra to the diploma. This approach guides the student on his first steps on the track of life long learning (LLL). And second, when the demand for regional development is articulated by authorised bodies and the contribution by students is evaluated by these bodies, this may lay a **structural basis for acquiring EU-funds** for regional development from Equal.

There are schools that merge to survive. They need a minimum size to bear the risks of development. They need a minimum size to be a partner in the region and to realise regional impact. Employers want a strong partner to deal with and not a bunch small ones.

However, there are a few small schools that have to sustain by law to guarantee a true ethnic identity. Also for school size, the conclusion is that the answer is not a fixed number. There is neither a blue print for the structure. School size is like regio, a dynamic sort of thing in a changing world and an issue of reflection by the school itself.

Other concepts that appear difficult to picture in the process of educational change are issues like competence, personal development plan (PDP) and assesment (also the recognition of prior learning). Also these latter issues need to be understood, because lump sum financing should not hinder the development of these.

### **C. The priority in values**

During the meeting on the 12<sup>th</sup> December 2004, half way the project in the thrid cycle of multi layer learning, an inventory was made of the progress of the Working Groups 1, 2 and 3.

Each of the Working Groups was thinking about tools to deal with the *three values: full enrolment, regional development and qualification.*

- Working Group 1 elaborated the vertical relation between the school and the government. What should the government receive about the schools performance – on basis of the three values - in exchange for the lump sum money?
- Working Group 2 elaborated the new situation in the school due to the required performance on basis of the three values. What is important to realise and how is that organised?
- Working Group 3 worked on the relations in the region in order to perform. Who and where are the stake holders in respect to the three values and how to articulate their demand?

The outcome of the inventory was that the work on full enrolment and qualification went on well. The work on regional development however, appeared to be difficult.

The project leaders discussed this outcome with the civil servants from the ministry of education and sports: ‘Are we happy with this result?’ and ‘Shall we put emphasis on the two issues that develop nicely or to the contrary on the one that appears to be difficult?’

The outcome of the discussion was ‘We are not happy with the result and we will focus on the difficult issue of regional development!’

The reasoning is the following:

- the public function of the school is to provide competence to public; VET-schools provide competence to meet the needs of employers in business and services
- the provision of competence is important for first entries in the labour market (initial VET) and also for those that need to adapt to changed requirements (life long learning, LLL)
- the needs on the labour market for initial VET and for LLL is not a stable demand; it is different for the regions and it changes in the course of time
- the school needs to respond as quick as possible to the dynamics of the labour market (this does not mean that the school provides function training)
- in order to organise the response of the school to regional demand the school should contribute to the articulation of the demand for competence. The school should work together with employers in business and services to analyse and interpret the developments in a region
- in order to realise full enrolment, the school needs information from the region to motivate students to develop themselves. And in order to offer the required qualifications, the school needs the same information from the region.

The information from the region is not only necessary for the steering of the contribution to regional development. The information is vital for the steering of all three values. That is why the focus in MoFAS has been put on regional development.

This reasoning and conclusion was conveyed to the three Working Groups and through them to the four School Tuning Groups of the pilot schools. And it has been accepted.

Teachers from the pilot schools have been able to realise unexpected new relations and services with the regional stake holders. The way this has been done and the actual service differs for Nova Gorica, Velenje, Senjur and Ptuj.

## Conclusion

The concrete objective of this project was the introduction of lump sum financing in secondary education in Slovenia. At the inception of the project appeared that the stakeholders were not prepared to co-operate on basis of concrete objectives. It was possible to share all parties behind three principles: full enrolment, regional development and qualifications.

The initial objective, lump sum financing, moved to the back ground. The new targets became the development of quantitative and qualitative operators for the three principles. The quantitative aspect is necessary for the calculation of the lump sum and the qualitative aspect is needed to organise trust. The scheme below summarises the objective.

Principles	Quantity	Quality
Full enrolment	Students	Participation and drop out rate
Regional development	Portfolio's	Demand and Activities in regions
Qualifications	Diploma's	Competence based curriculum, Exams

Working group 1 gave thought to the handling of new quantitative data between schools and the ministries of education, finance and labour. Working group 2 worked on the changes for the school community (quantitative and qualitative). Working group 3 elaborated the relation between the school and the region, in the widest sense. Working group 4 tried to articulate the new roles and routines that emerged implicitly in the working groups 1, 2 and 3. Working group 5 started to articulate new functionalities in data traffic for ict.

## Discussion

One important and striking effect is that the four pilot schools adopt lump sum financing as a means to deal with an uncertain future. They say however, that they cannot take away the fear of colleagues that did not join in the pilot.

In the beginning the discussion about principles has been confusing and difficult to fetch. The project however gained interest in the course of two years. The final seminar was attended by 150 persons and 29 more schools want to join and achieve a lump sum contract. The learning cycle will be maintained after the project. The new schools make School Tuning Groups and join in the cycle.

The most important effect is possibly that stakeholders that did not meet before now have a language and the understanding to discuss mutual action.

The approach provides customers a means for steering and executers a means for self steering.