



Capability Framework Introduction

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Introduction

Our investment approach is about anticipating change and future-proofing the system, and getting better value for learners, the society and economy from our investment. We see these changes being delivered through a more self-regulating system where incentives for good performance are clear.

We think this work will help us work together to achieve this and would like to work with you to see if we can.

The goal of the Capability Framework (the framework) is to build future-oriented sector capability to educate New Zealanders, with particular reference to the priorities and aspirations reflected in the Tertiary Education Strategy. The focus of the framework is on continuous improvement aimed at building capability in a dynamic environment.

A healthy tertiary education system¹:

- is valued for intrinsic contributions to knowledge and extrinsic impact on broader social, economic and political goals
- has goals determined by internal and external stakeholders
- balances the public and private purposes and benefits of tertiary education
- balances individual institution interests and autonomy with the functioning of the system as a whole
- has sufficient diversity of provision to enable the system to respond effectively to new demands and learning opportunities
- objectively applies status or resourcing differentials
- has a student population that is broadly representative of society
- has sufficient funding from a diverse range of sources, and
- is regulated to support outcomes important for both external and internal stakeholders.

The intention is to provide an overview of individual Tertiary Education Organisation (TEO) capability that can be used by TEO staff, leaders, governance groups, and the TEC to inform ongoing investment priorities and decisions aimed at improving the health of the system. The framework is also intended to support the TEC in its role as steward of the national tertiary education system, ensuring that the system is given the opportunity to grow and evolve efficiently.

Values implicit to all focus areas of this framework:

- the importance of sector resilience, agility and change in tertiary education as enablers of future success for New Zealand
- leadership from the sector, operating as autonomous entities within a collaborative and coordinated system, is key to its ongoing health
- role of education as a social institution supporting economic growth and wellbeing
- respect for the Treaty of Waitangi, and for the many cultures and communities in New Zealand, and
- operation of tertiary education as an integrated system, maximising the impact of public investment on the country.

TEC is interested in TEO capability...

We get things done through others – and the more capable they are, the more likely that desired outcomes will be achieved. We don't currently have a systematic way to recognise the TEOs who are capable of doing more – we want to be able to do that with you.

¹ Brown, R. (2011). *Higher education and the market* (pp. 4-5). Abingdon, UK: Routledge. Features relevant to tertiary selected from a wider set.

...and in particular dimensions...

TEOs need to have certain capabilities to drive a self-improving, self-adjusting tertiary system. This includes the likes of meaningful learner information, deeper community linkages, better support for priority learner groups, and responsiveness to industry and employers.

...without adding additional compliance.

The Framework will provide a future-focused picture of capability – a shared understanding that TEOs can use to set out their capability improvement intentions in their Investment Plans. It will provide a system view of the key capabilities that matter - that is not available through other means. Engaging with the framework in this initial form will enable us to develop this with the sector in a way that maximises value while minimising collection and reporting costs.

We want to build our relationships...

We don't want to 'require' compliance through imposition of funding conditions but we do want you to care deeply about your capability in such things as meeting the information needs of your students or engaging meaningfully with employers.

...and we want to create the right incentives.

We want you to invest in your own capability because it makes sound business sense to do so. What we are focusing on are things that make an educational business a good business – and asking the same questions you should be asking yourselves. To provide further encouragement we could provide:

- greater certainty through longer-term Investment Plans for high-performing TEOs
- more funding if TEOs have the capacity and capability to deliver to learner or industry need
- more sharing of risk with TEOs to test and pilot new initiatives, and
- reduced compliance in terms of engagement with and reporting to the TEC.

Capability Framework Assessment Process Overview

This introduction is designed to support the process of capability assessments by TEOs using the Capability Framework Workbook. TEC Investment Managers have been trained to support the process of assessment and are available to discuss what is expected as evidence for any of the assessments and to help throughout the process. Assessments will be reviewed by the TEC when submitted and judgments moderated against other TEO assessments, this will include opportunities for TEOs to revise assessments and provide further evidence.

The remainder of this section provides an overview of the components of the framework and brief instructions on completing the assessments.

What is Capability?

As with quality, capability is not a specific thing in itself but rather is defined by reference to specific activities undertaken by TEOs. The activities engaged with are those that enable the sector to respond proactively and effectively to a dynamic environment, ensuring that the New Zealand tertiary system is well-placed to meet future needs of the learner. It gives a holistic view of the TEOs engagement with those activities in ways that reflect resilience combined with flexibility, effective leadership systems, and the ongoing balancing of risk management and agility.

Capability is not primarily a consequence of quality, but reflects resilience combined with flexibility, effective leadership systems, and the balance of risk management and agility. The focus of the framework is on continuous improvement aimed at building capability in a dynamic environment.

Focus areas and statements

The framework assesses the capability of TEOs using focus area statements. The current version has five focus areas:

- Governance
- Stakeholder engagement
- Infrastructure
- Support for learners progressing through the system, and
- Support for staff.

Each focus area is described by a set of focus area statements that capture the key priorities for the New Zealand tertiary system addressed by the focus area. These statements are listed in Table 1.

Governance
G.1. TEO leadership is informed, guided and monitored by an active governance group.
G.2. TEO plans articulate and support a differentiated and future-oriented educational mission.
G.3. The TEO has a quality system informing and sustaining continuous improvement of its educational activities.
G.4. The TEO benchmarks its educational activities in collaboration with other TEOs.
Stakeholder engagement
S.1. Key stakeholders are active partners in the oversight and guidance of TEO educational activities.
S.2. Key stakeholders are actively involved in the provision of TEO educational activities.
Infrastructure
I.1. Infrastructure enabling the TEO's educational activities is sufficient and aligned to the evolving and diverse learner contexts served by the TEO.
I.2. Infrastructure enabling the TEO's educational activities is sustained in collaboration with other TEOs.
Support for learners progressing through the system
L.1. Learners are provided with comprehensive information and support in order to select and prepare for educational activities.
L.2. TEO systems actively enable learner movement between other TEOs in the sector.
L.3. Learners are provided with mechanisms to demonstrate evidence of their achievements, knowledge and skills, in a range of forms, suitable for communication with key stakeholders.
Support for staff
D.1. Staff have substantive and systematic professional development aligned to the TEOs current and future educational activities.

Table 1: Capability Framework focus areas and statements

Dimensions of capability

Each statement in the framework is examined on five dimensions (Marshall and Mitchell 2006). An organisation that has developed capability on all dimensions for all focus statements will be more capable than one that has not. Strong capability at particular dimensions that is not supported by capability at the other dimensions will not deliver the desired focus statement outcomes. Each focus statement is assessed from the synergistic perspectives of *Delivery*, *Planning*, *Framing*, *Monitoring* and *Optimisation* (Figure 1).

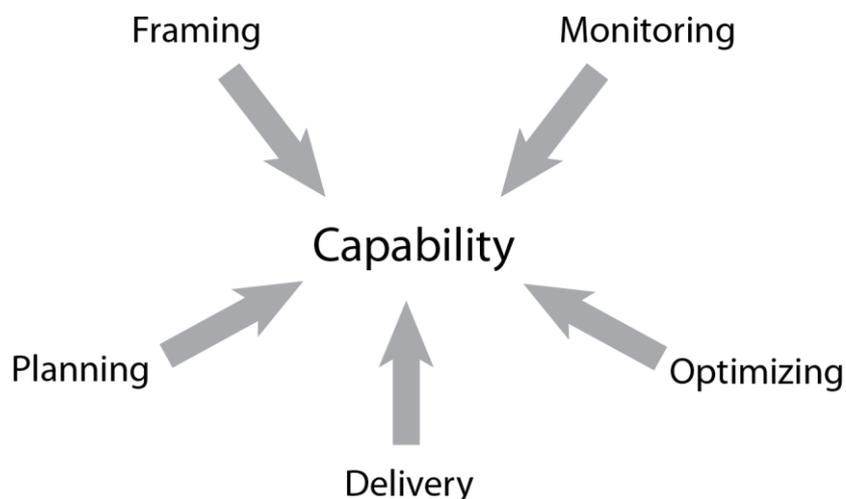


Figure 1: Capability Dimensions

The **Delivery** dimension is concerned with the creation and provision of outcomes resulting from the focus statement activity. Assessments of this dimension are aimed at determining the extent to which the activity is seen to operate within the TEO. Evidence in this dimension should reflect measures of the inputs being used to sustain the activity.

The **Planning** dimension assesses the use of structured processes and activities in conducting the work needed for the focus statement. The use of structured processes potentially makes activities more able to be managed effectively and reproduced if successful. Evidence in this dimension should reflect measures of the TEO processes being used to sustain activities aligned to the focus statement.

The **Framing** dimension covers the use of defined and documented standards, guidelines, templates and policies that reflect the TEO context and systems relating to the focus statement. A TEO operating effectively within this dimension has clearly defined how a given activity should be performed. This does not mean that the staff of the TEO necessarily follows this guidance. Evidence in this dimension should reflect the context that the organisation operates within and the alignment of the TEOs systems and activities with that context.

The **Monitoring** dimension is concerned with how the TEO manages the implementation of activities aligned to the focus statement and ensures the quality of the outcomes. Capability within this dimension reflects the measurement and analysis of activity outcomes. Evidence in this dimension should reflect measures of the outputs achieved by the TEO through this activity.

The **Optimisation** dimension captures the extent a TEO is using formal approaches to improve its activities. Capability of this dimension reflects a culture of continuous improvement. Evidence in this dimension should reflect measures of the TEO's organisational feedback loops that are improving the activity.

Undertaking capability assessments

The objective of the assessment process is not that of an audit. Completion of the assessment is intended to help the TEC engage with the TEO as part of the investment process and help provide a narrative that places the TEO's operations into the broader system context.

Reference points are provided to provide guidance around the degree of capability. **These are examples, not checklists or specifications.** We encourage you to describe similar levels of capability in ways that are aligned to your context and systems. You are not expected to undertake all described activities where multiple examples are provided.

TEOs are expected to provide a detailed and specific elaboration of the evidence supporting their capability assessments in the box provided. Links to web resources or references to supporting documents should also be used as appropriate. Please do not create a single evidence statement and cross-reference from other statements or sub-statements.

To align evidence with the appropriate dimension, we encourage you to review all five dimension sub-statements before you start the assessment of a focus statement. Where a focus area has more than one statement these should also be reviewed to understand the relationships between them.

The introduction text for each focus area describes the rationale for inclusion of the statements and provides suggestions for suitable evidence that can be used to support assessments. The listed evidence is illustrative rather than exhaustive.

Your Investment Manager can discuss with you the expectations of supporting evidence for the assessments and can help you through the process.

An example of a completed focus sub-statement is shown in Figure 2.

G.1.1.	Delivery	How is the TEO performance framed by the governance group?
Assessment reference points		
<i>Not Adequate</i>	<i>Governance oversight of and engagement with the TEO limited to annual performance reviews and occasional update reports.</i>	
<i>Partly Adequate</i>	<i>Governance oversight of and engagement with the TEO is ad-hoc, reactive, conducted informally, or only focuses on limited aspects of the TEO operations.</i>	
<i>Largely Adequate</i>	<i>Governance oversight of and engagement with the TEO is formalised and reflects regular and systematic interaction but lacks explicit outcomes and measures of success other than broad measures such as overall financial performance.</i>	
<i>Fully Adequate</i>	<i>Governance oversight of and engagement with the TEO is clearly systematically and actively undertaken with clear evidence of success apparent through a range of measures and outcomes valued by a range of key stakeholders, and addressing the full extent of the TEO activities and learner contexts.</i>	
Capability assessment (clear all but one):		
		<input checked="" type="checkbox"/> Largely Adequate
Evidence in support of capability assessment:		
<p>The TEO has a Board that sets performance expectations in discussion with the senior leadership team on an annual basis. This is complemented by detailed performance measures aligned to the Strategic Plan goals and association actions.</p> <p>Performance expectations are stated in the attached document and address the operation of the TEO over the agreed three year budget plan (also attached).</p> <p>Reviews of TEO performance are undertaken annually and reported in the annual report (see attached for last completed reporting year). Interim reporting is undertaken mid-way through the year at normal board meetings and is a standing item able to be discussed as needed at other meetings.</p>		

Figure 2: Focus statement assessment example

Where the focus statement addresses stakeholders, multiple assessments can be included as shown in Figure 3. Evidence drawn from key stakeholders directly is particularly valued in supporting relevant *largely adequate* and *fully adequate* assessments.

S.2.1.	Delivery	How do key stakeholders contribute directly to educational activities that are consequential to the student outcomes?
Assessment reference points		
<i>Not Adequate</i>	<i>No evidence of stakeholder involvement in the TEO's educational activities.</i>	
<i>Partly Adequate</i>	<i>Stakeholder involvement in the TEO's educational activities limited to a few courses in specific areas, or is inconsistent or irregular. Stakeholders involved are not representative of the diverse groups operating within the TEO context.</i>	
<i>Largely Adequate</i>	<i>Stakeholders are involved in the majority of the TEO's educational activities. Exact extent of involvement varies across qualifications and in many cases, is of limited scope such as provision of content.</i>	
<i>Fully Adequate</i>	<i>Stakeholders are formally and systematically involved in the TEO's educational activities with a clearly diverse range of stakeholder perspectives used actively. Evidence shows that the involvement is substantial and significant to outcomes experienced by learners in ways that are also valued by the key stakeholders.</i>	
Capability assessment (clear all but one):		
	<input type="checkbox"/> Partly Adequate	
Evidence in support of capability assessment:		
<p>Employers Employer reference groups are provided for all trades programmes, they are invited to provide feedback on the assessments plans for all courses when they are approved and are encouraged to provide examples of specific activities they expect graduates to contribute to. Feedback from employers is shown in the attached programme review documentation for trades. Local employers are invited to provide feedback on student work as part of the moderation processes - the attached moderation report shows that has not normally been taken up in recent years for most courses.</p> <p>Māori Local Iwi contribute directly to all courses in our Māori studies programme, tutors are employed from the local community as mentors for students and each course includes at least one visit to local Marae and other important locations in the rohe. A copy of a recent newsletter produced by the local Iwi describing their role in our programme is attached where the state that the relationship is healthy and making a substantial contribution to the community and to the success of their rangatahi.</p>		

Figure 3: Focus statement assessment example with multiple stakeholder perspectives

TEOs are encouraged to review all five dimension sub-statements before starting the assessment of a focus statement in order to align evidence with the appropriate dimension. Where a focus area has more than one statement these should also be reviewed to understand the relationship between these.

The introduction text for each focus area describes the rationale for inclusion of the statements and provides suggestions for suitable evidence that can be used to support assessments. The listed evidence is illustrative rather than exhaustive and should not be treated as a checklist to comply with. Similarly, the use of terms like “policy” is indicative not absolute, and should be substituted as necessary with terminology more aligned to the TEO’s conception.

Glossary

Differentiation describes the positioning of the TEO with regard to the operations of other TEOs engaging in the same learner contexts. It does not imply the absence of overlapping provision, nor does it imply that each TEO must be completely distinctive in its model, modes of provision and context.

Educational activities describe the set of qualifications, courses, and other educational experiences provided by the organisation. This includes support activities such as formal and informal tutorials, optional experiences such as online training material, and anything else done to support learning.

Educational qualities refer to the set of measureable features of the organisation and its educational activities that are valued by the organisation, its stakeholders and the TEC. These qualities describe the TEO's priorities for ongoing development of organisational resilience, agility and support for innovation. Qualities in this context exclude the TEC Educational Performance Indicators, as these reflect the system working efficiently, not the future aspirations of the system.

Governance groups refer to the formally constituted group(s) responsible for overseeing the operation of the TEO. Examples include councils or boards.

Infrastructure is defined in its widest sense, capturing physical plan and technological systems operated directly or on behalf of the organisation. Infrastructure is not limited to facilities or resources that are owned by the TEO, and no assumptions are made regarding the nature of any commercial arrangements regarding access. Infrastructure is framed as the tools and resources used to translate capability into outcomes and qualities valued by the key TEO stakeholders.

Key stakeholders for a TEO potentially include students; alumni; donors; parents; other institutions or providers; accrediting agencies; vendors and suppliers; employers; taxpayers; non-government organisations; government; and academics.

Learners include the TES priority groups:

- Māori and Pasifika learners;
- At-risk learners, including learners in 'hard' contexts such as prisons;
- School leavers;
- International students.

Learner contexts describes the confluence of geographical, demographic and subject focus factors that frame a set of educational activities offered by the TEO.

Plans includes formal strategic planning documentation such as strategies, formal investment plans negotiated with the TEC and other documents that define the priorities and operational goals of the TEO.

Teaching staff in the capability framework encompasses all people employed by the TEO to support student learning including academics, teachers, tutors, student learning support, and other staff employed to enable educational activities.

References

Marshall, S. & Mitchell, G. (2006). Assessing sector e-learning capability with an e-learning maturity model. *Proceedings of the Association for Learning Technologies Conference, 2006, Edinburgh, UK.*



We ensure New Zealand's future success.