



## Submission to the Productivity Commission on New Models of Tertiary Education

### Submitter information

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## Overview

We are lecturers at Whitireia Community Polytechnic (Auckland), teaching a range of business management courses in the degree programmes. We are currently conducting research on the perception of employers' expectations of graduate competencies – and – the perception of graduates' qualifications to gaining employment.

Questions 32-34 of the Issues Report clearly aligns to our research topic, and we are using online questionnaires to graduates and employers with a particular focus on our research topic and the questions 32-34.

A competency is an underlying characteristic of an individual that contributes to job or role performance and to organisational success. Organisations are exploring and using competencies as the underpinnings of several Human Resource Management applications. As a result, a number of competency related studies have been undertaken by the education, training and professional development sectors, particularly in tertiary education.

At higher education levels, students approach the learning institution with the assumption that they will be taught the requisite knowledge and skills to become competent future leaders. However, employers demand more specific 'softer skills'. Tertiary education institutions in New Zealand are also facing increasing demands from employers and other stakeholders. The employers demand that the higher education of today should provide relevant skill-sets needed by the current organisations. However, what kind of skill-set required by employers and what institutes are offering to their graduates is yet to be determined, and in many cases, they are not aligned.

This study is an attempt to fill the gap in the literature from New Zealand public sector organisations and academic studies. Therefore, this paper aims to answer the following research questions:

1. What is the relevance of the current competencies of business graduates to the job market? Or what competencies do the employers demand when employing business graduates?



2. What are the future business competencies that will be required in the labour market and what are the employers' expectations?
3. What is the contribution of the business schools to the labour market?

The objectives pursued in order to answer the research questions are, based on what we hope to achieve:

1. To assess the current level of the Business Graduate competencies taught by educational institutes
2. To identify the nature of skill-sets or functional competencies required by the New Zealand public sector;
3. To determine the impact of current skills on organisational effectiveness and performance;
4. To investigate the gaps between educational institutes and the New Zealand public sector, evaluation and future trends and finally,
5. To explore the nature of problems and obstacles in both educational institutes and New Zealand Public Sector organisation and to develop strategies to address these problems.

**Method:** For this exploratory study, a mixed approach (qualitative and quantitative) will be deployed. On-line surveys will be distributed to the HR managers/ practitioners from New Zealand public sector organisations, through Human Resource Institute New Zealand (HRINZ). In order to get the in-depth insights, focus group interviews (qualitative method) will be carried to further understand how the gaps can be reduced between what employers expect and what business graduates expect.

**Conclusion and Implications:** Tertiary educational institutes and New Zealand public sector organisations require more thorough research to address the gaps in the expectations of required skills and competencies. We believe addressing the gaps will help improve the effectiveness of both sectors, particularly in areas of efficiency and global competition for skilled workforces.

In the June/July 2015 issue of the HRINZ magazine, Simon Woolley of Hay Group states, "80% of NZ employers state they struggle to find graduates with the necessary people skills to support future business growth." He goes on to suggest that employers are requiring graduates with greater work and communication skills, and that there are a very small number of graduates who have people skills or emotional and social competencies.

The job evaluation process which Hay Group use to measure the value of a position (job), places a lower weighting on technical skills, and a higher weighting on interpersonal and conceptual skills. Employers subsequently recruit and select candidates for vacancies focusing on these higher weighted skills as opposed to qualifications and technical competencies.

His article provides a succinct recommendation whereby New Zealand organisations need to recruit and select candidates 'not only' for technical competencies necessary to do the job, but also for the right soft skills, which would be more important in order to do the job effectively.

As lecturers at Whitireia Community Polytechnic, our requirement based on NZQA and TEC curriculum components, we are here to teach technical competencies so that students' become qualified. While we may delve into using soft skills in the delivery of the curriculum, our main focus still has to be upskilling students on technical competencies. Ten percent of learning from students' comes from formal teaching, twenty percent comes from colleagues, and seventy percent comes from learning how to do the job. This implies that students' are capable of doing jobs without any formal education, because their learning comes from the employers.

### **Our suggested recommendations**

- The lesson plan should be designed based on the 70/20/10 formula. Students should be provided 10% formal lecturing, 20% peer activities and 70% hands-on (practical) learning.
- Educational organisations must develop stronger relationships with employers to help understand what their expectations are, and align these to the curriculum requirements
- While technical skills are important, educators must design their courses, assessments, and student support structures based on employer expectations for soft skills. These can be encapsulated into the courses or taught by educators in their assessments. Students' need to understand what soft skills are being used to help them understand the course content, therefore educators must also show soft skills in the delivery of their courses.
- Students' will often provide a copy of their Academic Transcripts alongside their CVs when applying for vacancies. The issue here is that employers don't pay much attention to these, because they do not tell them how students' have approached their learning. We suggest that soft skills be incorporated into all academic scripts, to show the employer not only how students' have learnt, but how students' have applied their learning to the course content, and ultimately to the position they are applying for.
- Soft skill knowledge must be part of the professional development for educators, and the application of soft skills must be inherent in the teaching, delivery and assessment structures. Students' must 'know' that they are using soft skills in their learning – for example, critical thinking, problem solving, decision-making, team-building, time management, leadership, and the full range of interpersonal and conceptual skills.

The role of Tertiary education is significant towards disseminating knowledge that will lead to the New Zealand national economy and social growth. It helps to satisfy the updated society needs to achieve social and economic development. Due to the new challenges, which the Tertiary education institutions have been facing in recent years, it makes it particularly interesting to understand the current employers' requirements. The NZ employers demand that the Tertiary-educated employees of today should possess relevant skill-sets (Technical and social competencies) needed by the current organisations. Currently, academia and organisations are performing in silos and the system could be improved by collaboration between industry and academia linkages.

**Our suggested recommendations:**

- It is suggested that there should be a frequent interactions between industry experts and academics related to curriculum review initiatives and joint research collaborations.
- All tertiary institutes should have functional advisory boards that would provide support to the students in developing their employability skills.
- Stronger collaboration across educational organisations to ensure that the demands and perceptions that have about graduates are adequately met.

In our experience employers, alumni and even students are increasingly demanding soft-skills of two types: behavioural and societal. Behavioural skills include the ability to work with others, to communicate effectively, to display multicultural awareness, time management and to exhibit some entrepreneurial and leadership qualities. Different tertiary institutes do provide these soft-skills to their graduates but not visible in their curriculum or not implicit to their graduates.

### **Our suggested recommendation**

- The Course prescriptor should be designed in the way that soft-skills components should to be reflected in all the courses in the curriculum.
- Educational organisations must be more consistent in their delivery of technical, interpersonal and conceptual skills. The variation is wide, probably because our curriculums are highly structured, allowing little room for flexibility. Some educational organisations develop and assess non-cognitive skills quite well, whereas others follow the highly structured curriculum requirements. Many of these requirements have been set by education ministries and authorities i.e. NZQA, TEC, with minimal consultation with the actual educational providers.
- Closer consultation and networking from Ministry of Education, NZQA, and TEC to educational providers is necessary to help address the anomaly of organisations having little focus on covering non-cognitive skills.

## Our input to additional questions from the Issues Report

Q2

**Do prospective students have good enough information to enable them to make informed choices about providers and courses? What additional information should be provided? Who should provide it?** Page 8

Many educational organisations use a range of methods to provide information to prospective students such as:

- Prospectus from organisations
- Website links
- Peers (students who enjoy their education in NZ will often promote the organisation they studied at to friends, family etc)
- Open-day recruitment events
- Career – Education expos
- Face-to-face interviews with educational organisations
- Agents of international students (although some of the information provided by overseas agents is often incorrect or irrelevant).
- Social media and networks

Information provided to students' should primarily focus on what they are going to be taught – and how they are going to learn. Often students' do not find out about this, until they actually attend and participate in their courses. Often there is 'too much' information available, which only confuses students' in what they should be studying – and where they should be studying. Information must be accurate and valid to students' which means, whatever is in the prospectus – must be what is being offered by educational organisations. Often the two do not align.



## Summary

It can be concluded that future graduates skills developed through Tertiary education-industry linkage would enable them to face uncertain situations better than otherwise. To facilitate more tertiary education-industry linkage, educational institutes may establish functional advisory groups, comprising business leaders and employers from major corporations from the NZ corporate sector.