

Presentation to QPEC (Quality Public Education Coalition)

REBUILDING PUBLIC EDUCATION:

***LESSONS FROM UNITEC'S 'TRANSFORMATION'
EXPERIENCE***

UNITEC BRANCH OF THE TERTIARY EDUCATION UNION

MONDAY, 14 APRIL 2018



Background:

- The philosophy that informed Unitec's transformation (i.e. restructure) can thus be summed up: *Public vocational education should prioritize and focus wholly on the needs of business.*
- Education to be business focussed, not student focussed
- Unitec's 'transformation' began in earnest in late 2013, with the restructure of the design school, with staffing being reduced from 53 to 17 permanent positions.
- Half of the teaching hours were to be filled by industry 'experts'
- Increased online learning, with intended dramatic reductions in face-to-face teaching

Background:

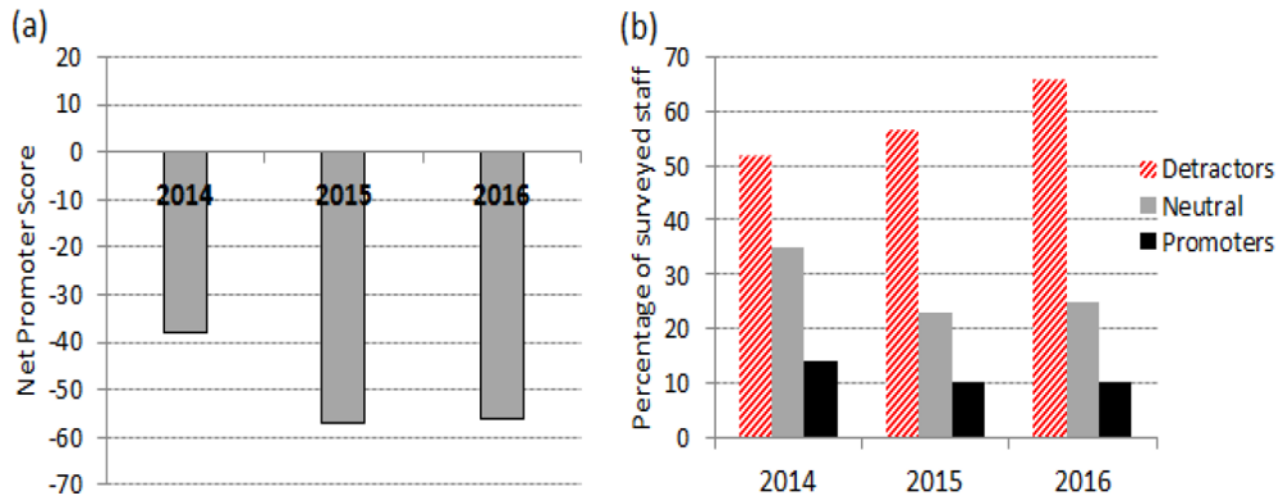
- *"It's fair to say we are fundamentally repositioning the role of an academic in this space... We see the need for quite different jobs in this mix - they are academic jobs but a different balance of things we are asking them to do. That is quite confronting for the Tertiary Education Union."*

Rick Ede, former Unitec CE

- In 2014, traditional academic faculties and departments were disestablished and replaced with so called 'Networks' and 'Practice Pathways'
- Networks and practice pathways would supposedly facilitate vastly increased employer input into course and programme content, and thus streamline students into work.

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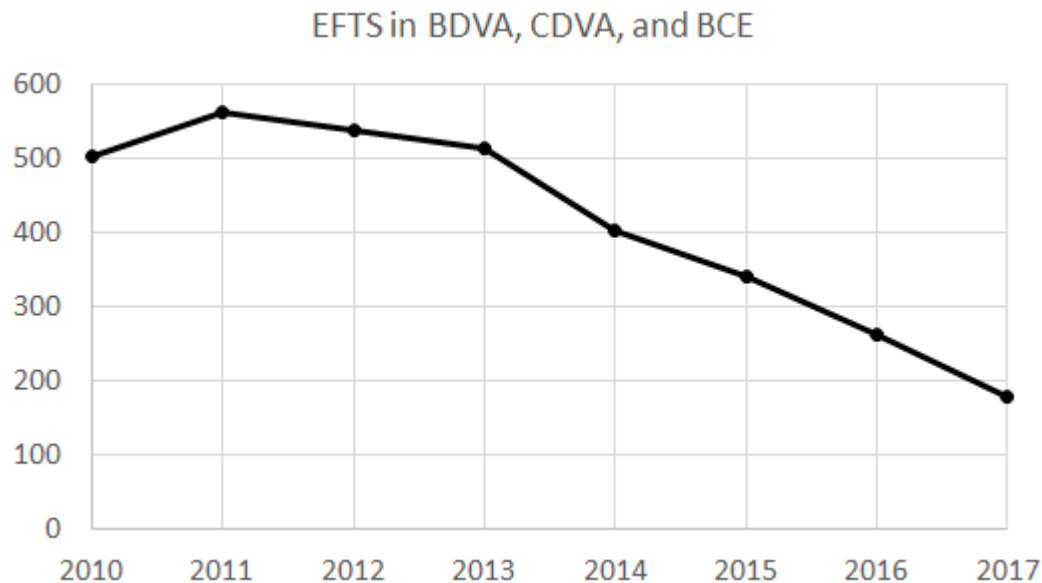
- Culture of fear and bullying put into place. The former deputy CE who oversaw the changes would enjoy describing himself to staff in terms such as *'the terminator'*, *'Dr Death'*. Such an attitude spread throughout the management structure at Unitec.
- Reflected in four successive years of appallingly low staff morale, with only 10% recommending Unitec as a place of employment (2017 results, worse than 2016 not shown).



Unitec staff surveys (a) Net promoter scores, and (b) Detractors and promoters.

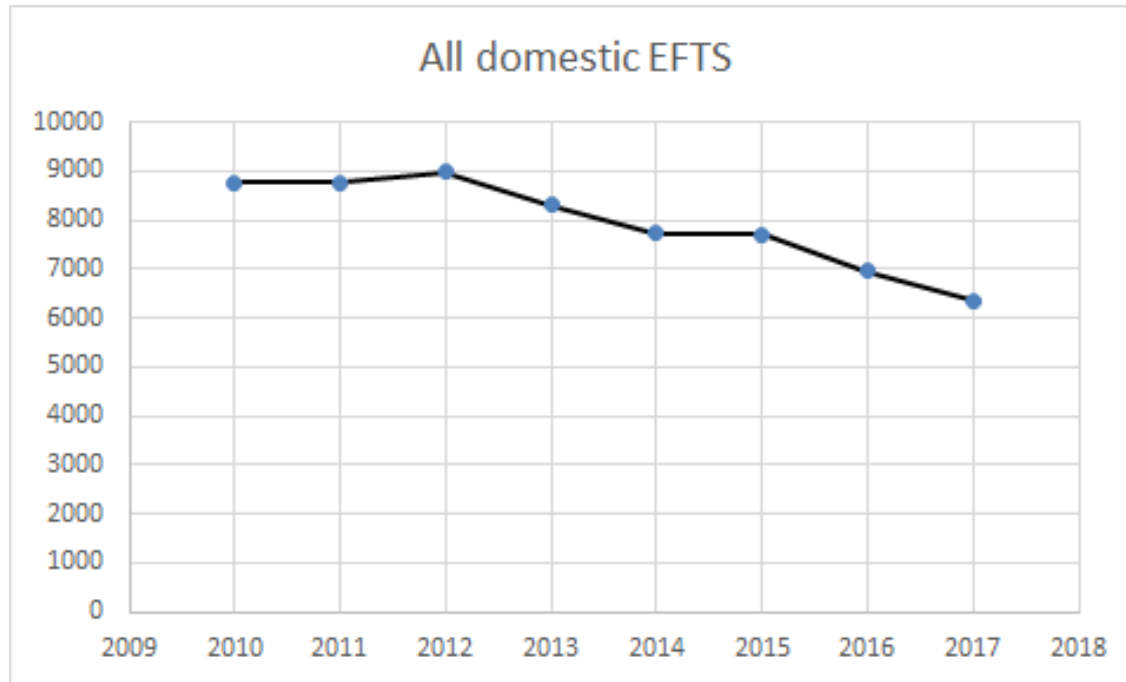
Results of transformation:

- Many industry staff lacked experience in education, and would often prioritise their main employment over the needs of students.
- Students spoke with their feet. For example student enrolments plunged in the design school.



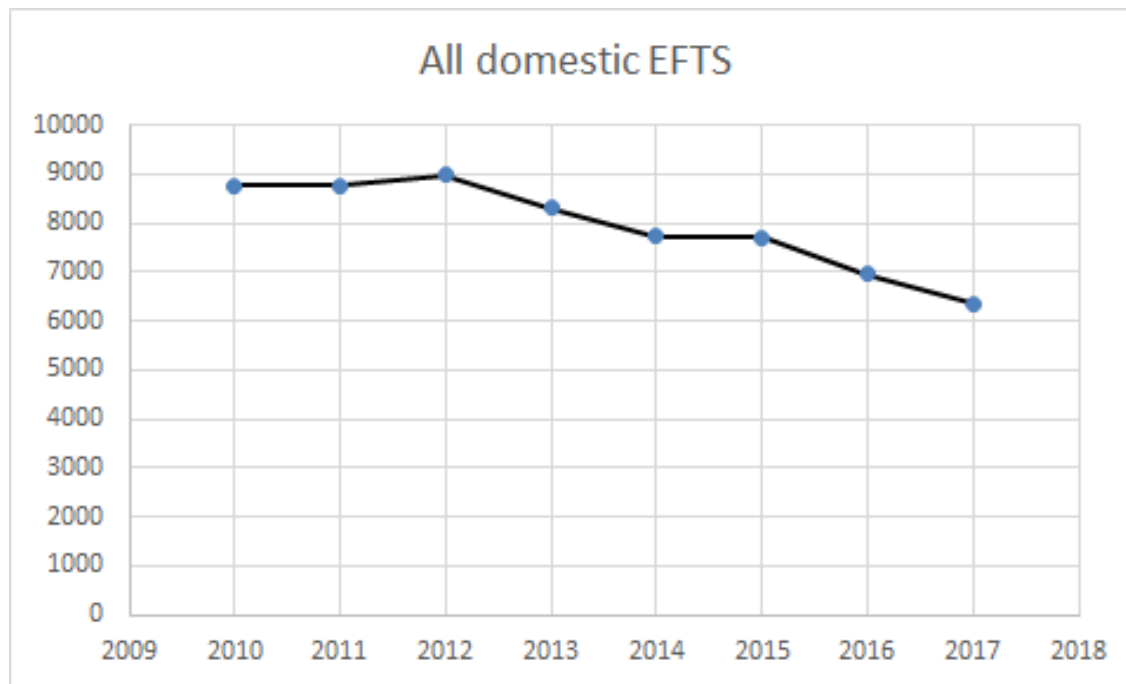
Results of transformation:

- Domestic student enrolments worst of all Polytechnics in NZ, down by 24% since 2013



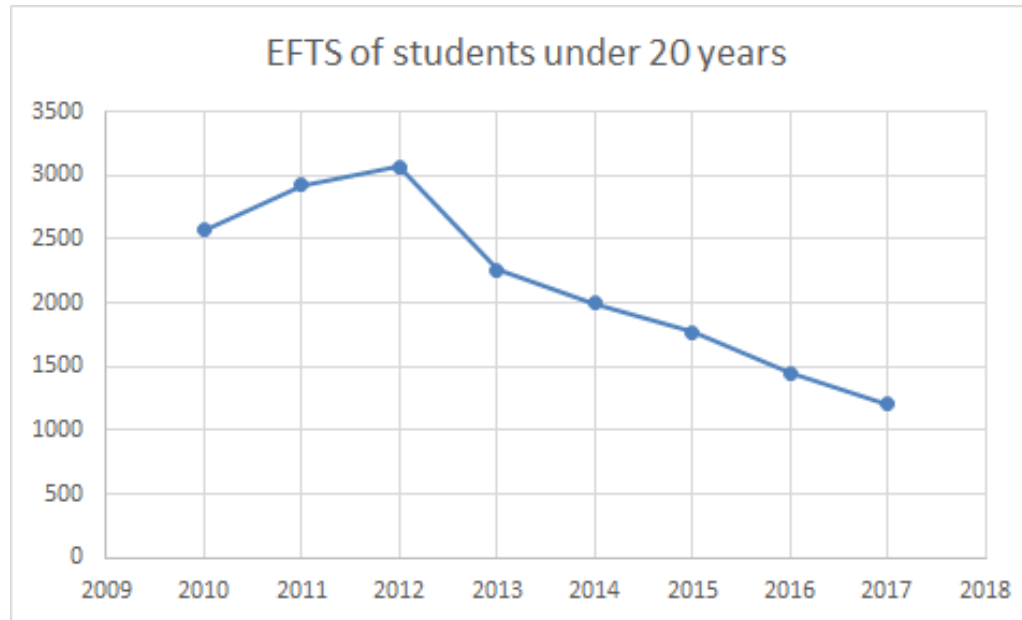
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Privatisation and Centralisation

- In late 2015, Dr Rick Ede announces 55 job losses in relation to the centralization and **outsourcing of student services and the application to enrolment process** - to the multinational business services company **Concentrix**.
- Unitec promised Concentrix *“would provide students with faster, personalised help using technology and a world-class customer care environment to identify their needs and guide them to the services they need.”*
- Dr Ede said: *“We also want to offer the best possible customer service to our students. Concentrix are specialists in customer-centric service provision, and this partnership will ensure we achieve this....”*
- Management seemed to have extraordinary confidence in Concentrix’s ability to do the job – in spite of Concentrix having **no previous experience** in providing tertiary services.

Concentrix

- The business model was essentially about **outsourcing and centralizing** the jobs of in-house staff who provided student services, support, applications and enrolments, to a **call centre**.
- **Low paid student workers to become a *centralized one-stop-shop of knowledge and services***. Admin staff with years of *discipline specific* and institutional knowledge to be replaced by students working part time.
- **Even a properly functioning phone system was deemed unimportant**—competent in-house telephonists were disestablished, to be replaced by a confusing hierarchy of automated voice responses, run by Concentrix.

Concentrix- Union and staff concerns

The Unitec branch of the TEU made a detailed submission (Sep 2015) on the changes. Among the many concerns raised:

- Academic staff raised concerns of administrative work (due to loss of administrators) spilling over into the work duties of those who remained employed at Unitec.
- In moving to a 'call centre' type approach, with reduced human to human interaction, it was pointed out that: *“because we attract a high proportion of Māori, Pacific Island, older age and students without secondary qualifications a face-to-face connection is often needed to ease their anxieties about re-entering what has often been a hostile education system and secure their enrolment.”*
- Privacy concerns were raised – students have access to the personal information and academic records of their classmates
- The submission pointedly asked *“What mandate does Unitec have to use taxpayer funds for the benefit of a private, profit-driven company?”*

Concentrix: Some difficulties encountered

- Frustrated applicants and students given the wrong information and passed from pillar to post.
 - *From a mature student, returning to Unitec to complete her engineering degree (she last studied at Unitec 15 years ago)*

“Hi

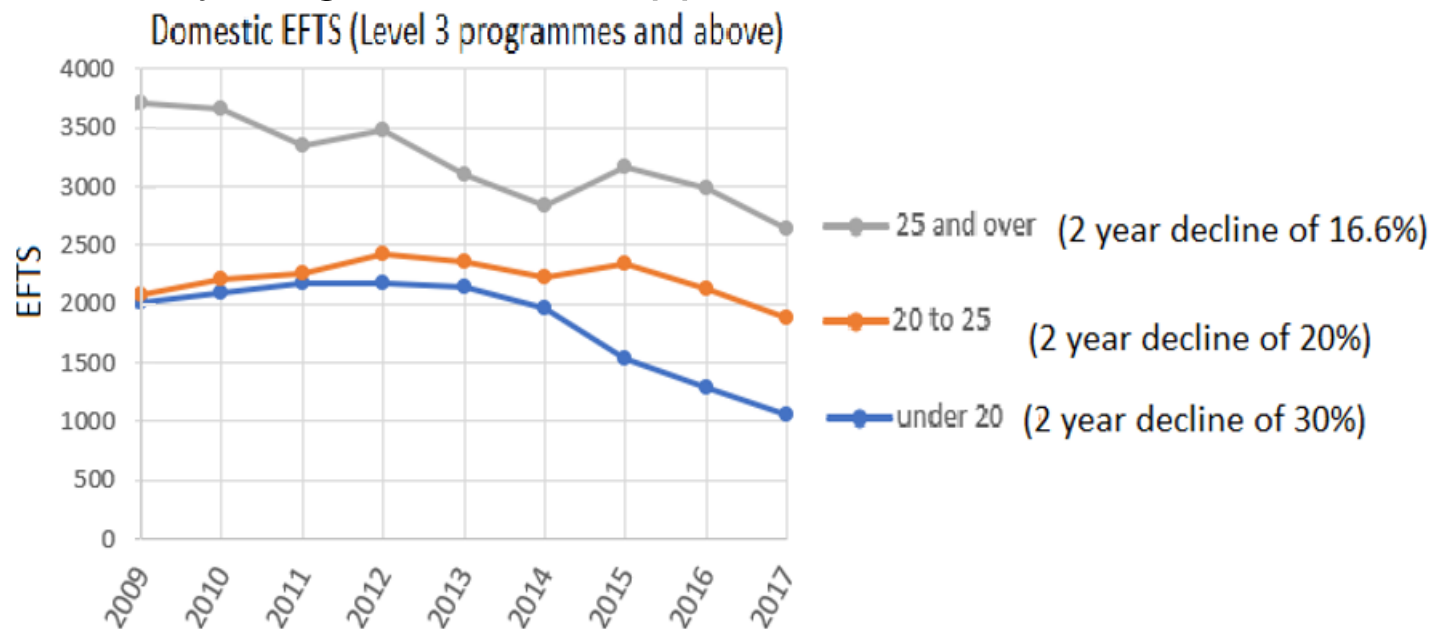
I am having so much trouble with unitec.

They ended up sending my invoice to baycorp yet failed to change the name of invoice to my wk. They were waiting to pay after numerous attempts no invoice. My last attempt of coming in to student services filling out forms to enroll and getting invoice changed and to be sent. Found my account at baycorp.”

- Ridiculously long delays in carrying out enrolments and variation of enrolments. Here is but one example of many: a group of engineering students had a simple change of enrolment take **five months** to carry out, much to the frustration of the lecturer and students involved.
- This causes enormous frustration for staff, as issues that were supposedly resolved have to be revisited again and again

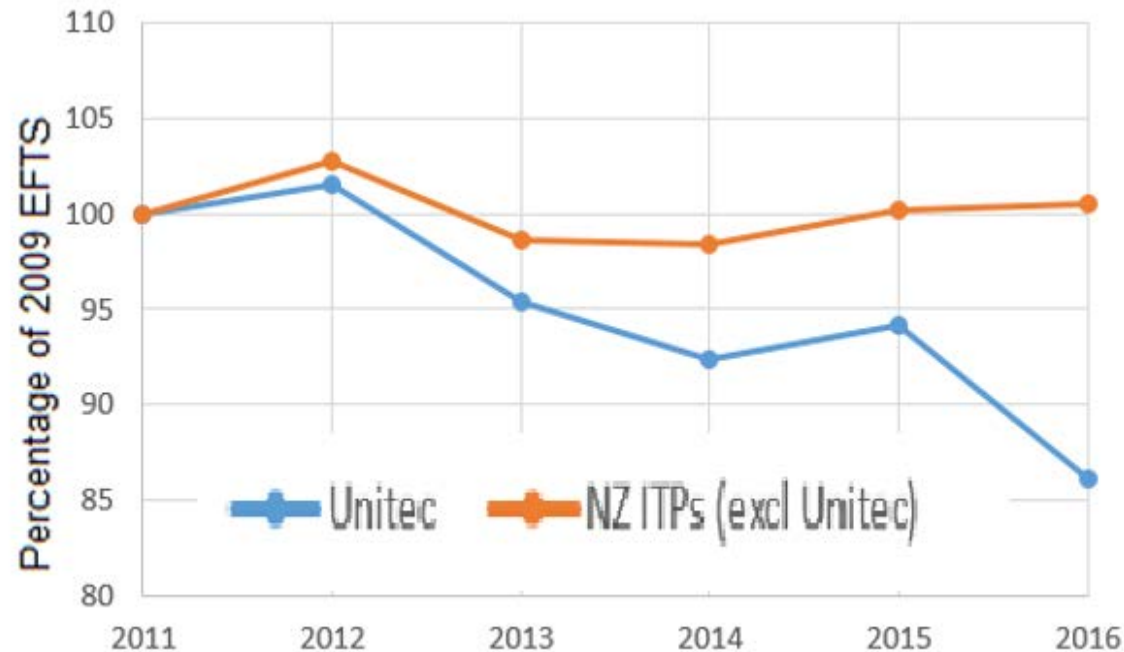
Impact on enrolments

- 2015 to 2017 (2 year decline): 20% overall decline and 23% decline in domestic students
- To provide some context the University of Canterbury experienced a similar decline in overall EFTS – but over a period of 4 years after the Christchurch earthquakes.
- 2017 (Sem 1 + Sem 2) EFTS, *lowest* since 2002.
- In particular younger students appear to have been the worst affected:



The Transformation: Unitec's falling enrolments

- Indeed the excellent Unitec Environmental Scan report of March 2017 states that of all the Metro Group of ITPs, and using 2009 as a base, Unitec is the worst performer in terms of domestic enrolments.
- It can be seen that since the transformation really gathered steam in 2012/13, Unitec's is significantly underperforming relative to the sector in terms of all enrolments (Domestic + International):



The Transformation: Revenue loss from falling enrolments (5 years leading up to end of 2016)

- We compare actual Unitec EFTS with EFTS based on the trend of other New Zealand ITPs

Year	Unitec Enrolments, EFTS			
	Actual	Hypothetical (based on main ITP trend)	Difference	Cumulative difference
2011	10180	10180	0	0
2012	10340	10457	-117	-117
2013	9715	10038	-323	-440
2014	9405	10014	-609	-1049
2015	9590	10194	-604	-1653
2016	8770	10233	-1463	-3116

- Average 1 EFT Unitec student (consider both domestics and internationals) brings in around \$15,000:
- Loss in revenue = 3116 EFTS x \$15,000 = **\$46.7 million**
- Note that this figure does not include for what will likely be significant losses over the 2016 to 2017 year*

The Transformation: Impact on staff

- Full time academic staff have reduced from 455 (in 2012) to 371 (in 2016)
- Full time admin staff have reduced from 352 (in 2012) to 292 (in 2016)
- This means that remaining staff have to work a lot harder to plug the gaps. As one member said:

“Yes, it is crazy, but as you say student needs is what drives us. I’m going to be more conscientious in recording hours worked. As I’ve been saying to people, marking has always mostly happened in the evenings/weekends, but then there would be periods when you could make a dental appointment for 3pm and expect to attend; swings and roundabouts. No such thing for me for the past two years. It will be interesting to see how the workload modelling goes.....”

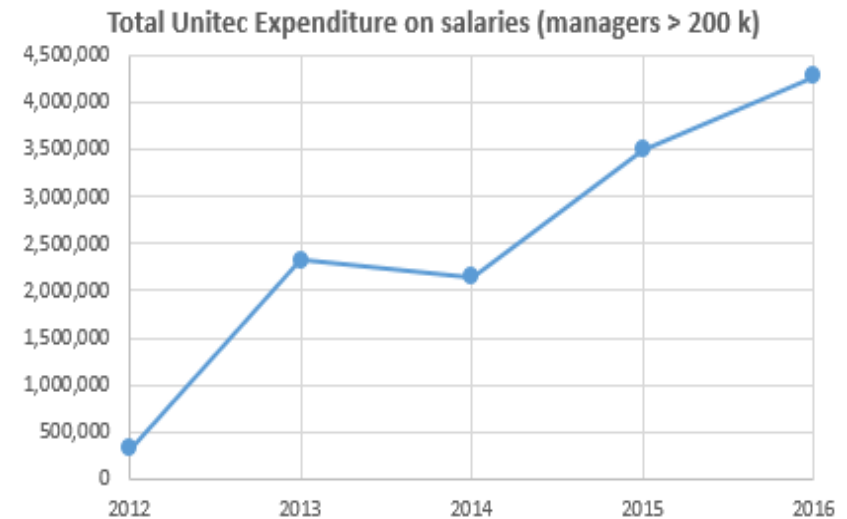
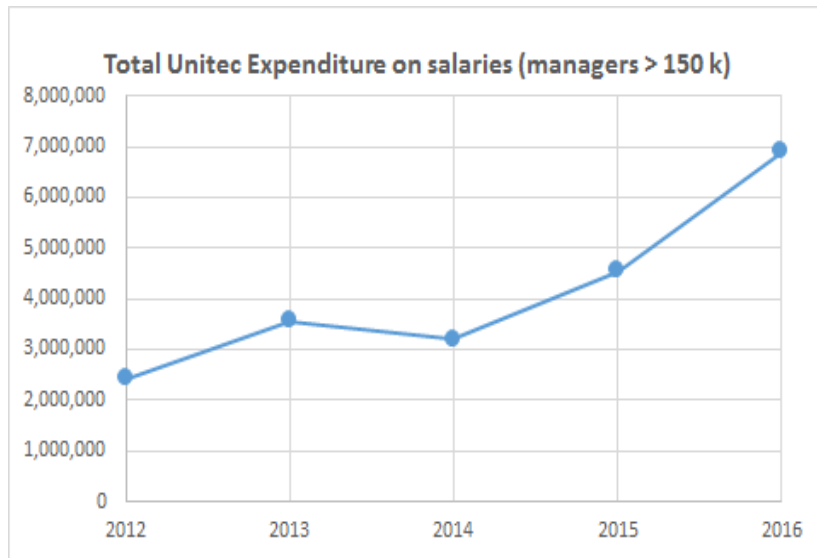
The Transformation: Management trends

- An interesting counterpoint to the decline in Academic/Admin staff numbers is provided by management trends
- Full time Managers have *increased* from 116 (in 2012) to 139 (in 2016)
- However, it is the increase in managers in the higher salary brackets that is most startling. Managers on salaries > 200 k have increased from 1 (in 2012) to 15 (in 2016)



The Transformation: Management trends

- Total salary expenditure on our higher paid managers (say > 150 k salaries), a three fold increase.
- Total salary expenditure on managers (> 200 k salaries), a thirteen fold increase.



How can this be justified against a backdrop of falling EFTS and continuous low staff morale, and a \$24 million deficit?

Demotion to category 2

- On 28th November 2016, Unitec was demoted by the New Zealand Qualifications Authority from a Category 1 to Category 2 provider .
- Of New Zealand's 18 polytechnics, only seven are listed as Category 2, while all the rest are Category 1. For example, of the six providers on the Metrogroup Engineering qualifications framework all, except for Unitec, are classed as Category 1.
- As New Zealand's largest and most well established polytechnic, this is not only an unacceptable result, but also one that was likely avoidable had staff been seriously consulted and listened to right from the outset.

LESSONS to be learned

- Public education should be for the public good, and place the needs of the student first
- Avoid privatisation of essential services such as enrolments and student support
- Get rid of the corporate management structure that has been found to be so damaging – instead educational institutions should be run by educators.
- Strong staff and student voice in Councils

Thank you for your time

Questions?