

THE REGIONAL HIGH PERFORMANCE NETWORK (RHPN) 2015/2016

A method for upskilling
Australian regional leaders
and managers through
peer-learning



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Abridged Final Report
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FOREWORD

Professor Roy Green
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While it is generally acknowledged that SMEs need upskilling, the question is how to best do this. Traditional training can make a difference, yet it is not being used to best effect.

This unique research project on Regional High Performance Networks (RHPN) explores a well-established, yet scarcely explored, method for upskilling Australian regional leaders and managers: peer-learning.

The findings suggest that there is a place for peer-learning within an overall leadership development strategy for regional actors, which are vital to future growth and jobs in Australia's post mining boom economy.

The importance of having vibrant regional economies is clear. In many regions it is the capability and dynamism of SMEs that will largely determine the performance of the region.

How can SME competitiveness more effectively be built, particularly among those SMEs which are remotely located? What do we need to do to address their managerial and business shortcomings?

This report shows that in knowledge-based economies, the skills of employees and leaders are critical to productivity-enhancing innovation at the level of the enterprise. And that new approaches are required to address the skills challenge.

The project was undertaken by a research team from the UTS Business School at the University of Technology Sydney.

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for Australia (ERA)

6TH

IN AUSTRALIA

41ST

IN THE WORLD

QS World University Rankings by Subject 2016

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EXECUTIVE SUMMARY



1. EXECUTIVE SUMMARY

It has been said that a leadership and management skills gap is one of the reasons for Australia's poor productivity growth. This report presents the results of an innovative, peer-based developmental program (the 'RHPN Program' or 'Program') that aimed to build leadership and management capability in regional Australia.

Regional business leaders are on the front line of an economy in transition, as Australia moves away from reliance on sectors such as mining and traditional manufacturing. However, geography means that managers of regional businesses – in particular, small and medium enterprises (SMEs) – do not have the same access to professional development as those in metropolitan centres.

The RHPN Program engaged nearly 100 people across four states – South Australia, Western Australia, NSW and Queensland. The participants took part in six 90-minute peer-learning sessions from March 2015 to June 2016.

There were 12 peer-learning groups in all, two during a pre-pilot in Gwydir and the Hunter region, run through NFP Connect, then ten for the pilot in Armidale, Hunter, Mackay, Port Lincoln, Port Augusta, Kimberley, Great Southern, Peel, Whyalla and St Vincent de Paul.

The research explored how business leaders from micro, small, medium and large organisations, in the not-for-profit, private and government sectors in regional Australia, can be engaged in developing capabilities that contribute to achieving their organisations' goals.

The study explored to what extent individuals developed their leadership capabilities through the process of peer learning. It also investigated the use of technology as an enabler to facilitate peer learning.

Instead of looking to transfer discrete skills from a trainer to a participant, the RHPN sought to determine whether leadership capabilities could be built by fostering learning among peers.

What is peer learning?

John Dewey wrote in his 1916 book, *Democracy and Education*, "Education is not an affair of 'telling' and being told, but an active and constructive process." This approach very much underpins the philosophy of peer learning, which can be defined as "an educational practice in which students interact with other students to attain educational goals"¹.

¹ O'Donnell, A. and King, A. (1991). *Cognitive Perspectives on Peer Learning*. Routledge

40%

Regional Australia accounts for around forty per cent of national economic output and employs around one third of Australia's workforce. Yet, these facts are not widely known, let alone discussed in prevailing narratives about Australia's economy.

In management and leadership development, recent research emphasises that learning is a by-product of participation in broader communities and networks of practice^{2,3,4,5}, as well reflection and peer interaction.

Research Questions

This research sought to answer the following questions:

1. How can effective peer-learning groups, focused on leadership and management development, best be formed and sustained in regional Australia?
2. What enables and constrains effective peer-learning experiences in this context?
3. To what extent do the peer-learning experiences vary by module, participant type and group composition?
4. What impact do peer management learning strategies have on individuals and their workplaces?
5. Is there a significant demand for leadership and management development in regional Australia?

Data was collected via participant assessments as well as instruments such as observation and semi-structured interviews. The study took a longitudinal approach, being rolled out in three stages.

Research data was collected throughout the Program, particularly through two broad program assessments and three module assessments, taken before and after each of the six sessions. These assessments sought to determine: (1) the enablers of, and barriers to, learning, (2) changes in knowledge, skills and mindset and (3) the impacts of learning outcomes. A mix of observational notes and critical incident interviews supplemented the assessment data.

² Carroll, B., & Nicholson, H. (2014). Resistance and struggle in leadership development. *Human Relations*, 67(11), p.1413-1436.

³ Carroll, B. J., Levy, L., & Richmond, D. (2008). Leadership as Practice: Challenging the Competency Paradigm. *Leadership*, 4(4), p. 363.

⁴ Nicholson, H., & Carroll, B. (2013). Identity undoing and power relations in leadership development. *Human Relations*, 66(9), p. 1225-1248.

⁵ Watkins, K., Lysø, I. and DeMarrais, K. (2011). Evaluating executive leadership programs: A theory of change approach. *Advances in Developing Human Resources*, 13(2), p. 1-32.

Results and Key Findings

Overall, the Program was reviewed positively. It was successful in equipping many participants with new knowledge and skills, helping them develop a business mindset and engendering greater confidence. The following are the key findings:

- 1. Peer learning is an effective learning process in regional Australia that significantly enhances leadership and management skills as well as improved workplace behaviours.**
 - > Self-assessed competency levels showed a marked improvement across all 15 management skills, 13 of which were statistically significant.
 - > Benefits that participants took from the Program included developing a business mindset, improved confidence, increased efficiency, greater strategic focus and enhanced peer community openness and trust.
 - > The impact on participants, their groups and their regions scored well, but to varying degrees.
 - > The impact on participants' organisations was limited, most likely because it would be difficult for one person to make a measurable difference in a short time frame.
- 2. The design and delivery of the module content supported the peer-learning process.**
 - > Overall the quality and presentation of module content was rated well by all participants.
 - > Learning outcomes and reactions to module content were generally positive, but varied across modules and groups.
 - > Module content ought to be adapted to meet the particular needs of different professional environments, i.e. not-for-profit, private and government.
- 3. Peer learning was supported and strengthened by various enablers.**
 - > Groups with a stable core of participants (measured in terms of attendance) had better learning outcomes than the groups that did not.
 - > The optimal number of group participants, in terms of results, was five to seven, which corresponds to the view of participants that the ideal group size was six to seven.

- > Organisation size is an important factor in management performance; groups with members from larger firms scored better than groups with members from smaller firms.
- > Diversity and similarities within a group produced positive group dynamics; it is important for participants to 'speak the same language', while also being able to bring new perspectives.
- > Previous level of education and skills did not pre-determine a participant's ability to benefit. More important was the attitude and desire to learn from the group.
- > The role of the lead facilitator is key in keeping the group engaged and focused on learning.

4. Peer learning was subject to various characteristics including barriers.

- > A lack of commitment and attendance were the main factors in negative group dynamics.
- > Diversity and similarities within the group contributed to negative (as well as positive) group dynamics; group composition is thus an important consideration.
- > Resistance to change and changes in the professional circumstances of individuals are important barriers to attendance and learning.
- > Peer learning complemented by auxiliary resources was beneficial.
- > Participants frequently requested additional resources outside the peer-learning session to help them apply their learning to the workplace.
- > During a peer-learning session, participants needed time to 'catch up' with others, and to define actions to implement after the session.
- > Regional professionals want to be inspired. There was a shared desire to hear more from speakers who were "inspiring business leaders who are innovating and making a difference" or "successful regional business owners".
- > For geographically dispersed participants, technology was a viable platform to help build learning communities.

5. The RHPN Program suggested peer learning can be sustained.

- > Three participant institutions asked to implement an RHPN-style program, suggesting peer learning can be an effective learning and development (L&D) mechanism within regional organisations.
- > Although group attendance fluctuated and was affected by seasonal effects, most of the peer-learning groups were found to be sustainable post-delivery of the program.

What did participants have to say?

'Good leadership and management skills are key success factors in any business. In regional areas access to good quality management development programs is commonly limited by distance from capital cities and a lack of local providers. City-based business counterparts often have access to a wide range of skills development, mentoring and networking programs facilitated by state government agencies and business groups. Typically, these end at the end of the metropolitan area.

The RHPN Program helps to fill this important gap for owners and managers of SME business in regional areas. The program was relevant and included new and contemporary management techniques, which were often able to challenge entrenched management thinking and practice. Participating business managers in Whyalla found the program useful to help improve both management and leadership skills. Importantly, the program also provided opportunity to consider and reflect on day-to-day business decisions, problems and opportunities with other managers operating in a similar environment.'

WHYALLA LEAD FACILITATOR

Implications

There is strong evidence of a need – and demand – from regional Australia for management and leadership development. The RHPN Program shows that a peer-learning model works, and could be made even more effective.

The core of the RHPN is a low-cost, widely relevant and stimulating learning and development experience. The Program is flexible, it helps businesses tap into broader information sources, and it can be incorporated into other programs for the benefit of regional Australia.

Up-skilling management and leadership is paramount for Australian SMEs generally, and for businesses of all sizes in regional Australia. All businesses could benefit from being open to new ways of operating, thus opening gateways for connection into global value chains. As expressed by one lead facilitator, change is one of the biggest challenges for regional businesses: a common attitude is that ‘it has always been done this way’.

Policies that encourage flexible learning will help lift productivity in Australia. This can be done through structures that support informal learning and by subsidising skill developmental programs in regional Australia.

Universities have a role to play too. There is potential for firms in regional Australia and universities to collaborate on solving business problems and challenges, possibly through public-private partnerships.

Talent development is essential for both emerging and current managers. Investing in education and fostering business acumen skill development in micro-businesses and in SMEs is vital to help them grow and create jobs for regional Australia.



Dr Roy Green
Dean, UTS Business School

Roy Green is Dean of the UTS Business School at the University of Technology Sydney. His doctorate is from the University of Cambridge and he has worked in universities, business and government in Australia and overseas. Roy has published widely in the areas of innovation policy and management and undertaken projects with the OECD and European Commission.

Roy chaired the Australian Government's Innovative Regions Centre and CSIRO Manufacturing Sector Advisory Council, and he has served on the Prime Minister's Manufacturing Taskforce and as expert adviser to the recent Senate Innovation System inquiry. He was last year appointed chair of the Queensland Competition Authority.



Dr Renu Agarwal
Associate Professor, UTS Business School

Renu Agarwal is an Associate Professor, Operations and Supply Chain Management and also Research Director, The Future of Innovation & Innovative Systems, Centre for Business and Social Innovation. She did her doctoral study at Macquarie Graduate School of Management and has worked in universities and businesses in Australia and overseas. Renu has published widely in the disciplinary fields of supply chain management, service value networks, service innovation, dynamic capability building, management practices, management education, innovation and productivity, and policy making.

Renu has been instrumental in managing several federal and state government research project grants working in collaboration with LSE, McKinsey and Stanford University. In addition to many other industry and government funded research grants, Renu is currently the Chief investigator for the *Australian Management Capability Survey* project with DIIS Canberra being launched by ABS, and a research investigator in the *Service Innovation: developing business models for future Value Chains* theme, part of the Wealth from Waste CSIRO Flagship Cluster project.



Don Scott-Kemmis

Don Scott-Kemmis is a consultant specialising in innovation management and policy. He is also an Adjunct Professor at the University of Technology, Sydney. Previously he was an Associate Professor at the Australian National University, where he led the Innovation Management and Policy Program, and held research appointments at the University of Sussex and University of Wollongong. He has been a consultant to many national and international organisations, including the FAO, ILO, UNESCO, EU and GIZ. He was a manager in research and innovation policy branches in the public sector in Australia and a Ministerial Adviser. He holds degrees from the University of Sydney and University of Sussex.



Dr Emmanuel Josserand Professor, UTS Business School

Emmanuel is a Professor of Management at UTS and Director of the Centre for Business and Social Innovation. His research focuses on intra- and inter-organizational networks. His writings and research have been published in more than 100 scientific publications, including books and peer reviewed journals. Emmanuel was formerly a Professor at University of Geneva where he served as the Head of the Steering Committee for the PhD in Management, the Director, Executive MBA and the Delegate of the Rectorate for e-learning. He was before that an Associate Professor at Paris-Dauphine University. In addition to his academic work, he was the co-founder of Self-Leadership Lab, a spin-off from University of Geneva that specializes in innovative leadership development and was formerly Academic Associate of a boutique strategy consulting firm in Paris.



Dr Helena Heizmann Senior Lecturer, UTS Business School

Dr. Helena Heizmann is a Senior Lecturer in Business Communication at UTS Business School. She holds a PhD in International Communication from Macquarie University, Sydney. Helena's research focuses on knowledge sharing, communication and learning across professional, cultural and organizational boundaries. Her work in this area was recognised at major international conferences, including the Australian and New Zealand Academy of Management (ANZAM) 'Best Paper in Not-for-Profit Stream' and a Nomination for the Carolyn Dexter Award from the Academy of Management (AOM). She has published articles in peer-reviewed international journals such as Management Learning, Journal of Knowledge Management, and The International Journal of Human Resource Management. Helena is also an experienced educator in business communication and has supported over 3000 students in developing their communication awareness, knowledge, and competencies.



BUILDING PEER-LEARNING COMMUNITIES IN REGIONAL AUSTRALIA



2. BUILDING PEER-LEARNING COMMUNITIES IN REGIONAL AUSTRALIA

Overview

The RHPN Program ran from March 2015 until June 2016 and was conducted across four states: South Australia, Western Australia, NSW and Queensland. There were 12 peer-learning groups in total, two for the pre-pilot in Gwydir and the Hunter region, through NFP Connect, and ten for the pilot in Armidale, Hunter, Mackay, Port Lincoln, Port Augusta, Kimberley, Great Southern, Peel, Whyalla and within the St. Vincent de Paul organisation.

The pilot groups were put together with the help of a range of development-focussed intermediaries: chambers of commerce, regional development organisations, state government development organisations and regional councils.

Design

As shown in Figure 2.1, the design and content of the RHPN Program progressed through several iterations, as it was tested by the two pre-pilot groups and refined in the lead facilitators' workshop. This ensured the pilot benefited from participant feedback while respecting the framework and scope of the RHPN.



Figure 2.1: The staged design process of the RHPN Program

‘This program is exactly what I have been waiting for, and then all of a sudden there it is.’

- RHPN Participant

Learning Modules

A core element of the set-up phase was choosing the topics for the learning modules and preparing content. While two modules were licensed from peer-learning specialist CoachingOurselves (CO), four modules were designed by UTS. Table 2.1 sets out the six pilot modules and their learning objectives.

Module	Learning objectives
Mindful Leadership	<ol style="list-style-type: none"> 1. Understand how mindfulness relates to effective leadership 2. Appreciate how leadership competencies can be strengthened through mindfulness 3. Help develop a daily mindfulness practice
Strategic Blind Spots (CO)	<ol style="list-style-type: none"> 1. Increase awareness of strategic blind spots and specifically those most prominent in your organisation 2. Investigate unexplored opportunities 3. Learn how to capitalise on your insights
Thinking Entrepreneurially (CO)	<ol style="list-style-type: none"> 1. Understand how to think entrepreneurially 2. Explore techniques for actively shaping the future of your organisation 3. Generate ideas for driving new growth vectors
Collaborating and Networking	<ol style="list-style-type: none"> 1. Identify people who can help you build your network 2. Learn how to write an elevator pitch for networking and collaboration purposes 3. Identify the best organisations for possible collaboration
Instilling a Talent Mindset	<ol style="list-style-type: none"> 1. Hire the right people 2. Identify good performers and reward them 3. Motivate people to give their best 4. Enable your staff by developing and empowering
Efficiency and Effectiveness	<ol style="list-style-type: none"> 1. Free up time to work on the business (as opposed to working in the business) 2. Differentiate between 'important' and 'urgent' tasks 3. Delegate effectively and ask for help 4. Manage your time 5. Set goals

Table 2.1: Six pilot modules and their learning objectives

Research Design

The research was designed with the ultimate aim of informing the development of policy and services that support the economic fabric of regional Australia.

In assessing the effectiveness and efficiency of the RHPN, this study draws upon data obtained from a combination of quantitative and qualitative methods. These include participant assessments, both Likert-scale questions and qualitative questions, pre-Program interviews, observation, and critical incident interviews one to six months after the last session.

PARTICIPANT ASSESSMENTS

The assessments sought to determine: (1) the enablers of, and barriers to, learning, (2) changes in knowledge, skills and mindset and (3) the impacts of learning outcomes. Table 2.2 sets out the principal assessments administered during the pilot and the number of responses obtained for each.

Assessment	Used to...	N
Pre-Program	Establish self-assessed baseline level of leadership and management skills	67
Post- Program	Establish exit level of leadership skills	37
Pre-Module (6)	Establish baseline level on topic skills	295
Post-Module (6)	Collect immediate impressions on topic and the module	216
Post-Module, Reflection and Skills Application (6)	Determine modifications in behaviour, taken one month following the session	170

Table 2.2: Summary of all major pilot assessments

NOTA BENA

The empirical data presented in this report reflect those obtained from the ten pilot groups. Due to participant turnover and low post-Program assessment numbers, only 18 records match both the pre-Program and post-Program assessments, which is not enough to support any statistical testing. Analysis throughout this report is completed using both matched and unmatched data. Where analysis is based on matched data, it will be specified. Therefore when unspecified, it should be assumed the data is based on the full post-module assessment sample.

OBSERVATION OF PEER-LEARNING SESSIONS

A UTS researcher observed each of the peer-learning sessions, either in person for the pre-pilot and lead facilitator workshop or remotely for the pilot workshop. Observing the peer-learning sessions allowed the researchers to see how content was handled and meaning negotiated among participants. It also provided insight into group dynamics, co-reflective practice and learning processes, including enablers and barriers to the participants' learning.

INTERVIEWS

Before the pilot began, all lead facilitators (n=10) were interviewed in order to gain an understanding of their work context and previous facilitation experience, their motivation to participate in the Program and any challenges they anticipated. These 30-minute interviews were semi-structured and conducted face-to-face.

In addition, one to six months after the Program, critical incident interviews were conducted with a sample of the participants and lead facilitators (n=24). These interviews captured emerging changes in participants' behaviours and attitudes within their workplaces and drew on the 'Critical Incident Technique'⁶. Participants were asked to describe incidents where they had used what they had learned. These phone interviews were conducted in a semi-structured format and lasted 20 to 60 minutes. All interviews were transcribed.

⁶ Flanagan, J.C. (1954). The critical incident technique. *Psychological bulletin*, 51(4), p. 327

KIRKPATRICK FOUR LEVELS OF ASSESSMENT

We chose as the foundation for RHPN training evaluation and assessment the Kirkpatrick Model, which has long been the most widely used model for training evaluation. Table 2.3 explains each of the levels and provides an outline of possible assessment approaches for the RHPN.

Dimensions	Possible assessment approaches
<p>Level 1 – Reaction</p> <p>To what degree do participants react favourably to the training?</p> <p>Customer Satisfaction</p> <p>The original definition measured only participant satisfaction with the training.</p>	<ul style="list-style-type: none"> > Did the participants believe that the training was worth the investment of their time? > Did they think that it was successful? > Which topics were the most/least valuable? > Would they recommend this course to colleagues? > What were the biggest strengths/weaknesses of the training? > Did they like the presentation style? > Did the training session accommodate their personal learning styles?
<p>Level 2 – Learning</p> <p>To what degree do participants acquire the intended knowledge, skills, attitudes, confidence and commitment?</p> <p>Knowledge 'I know it.'</p> <p>Skill 'I can do it right now.'</p>	<ul style="list-style-type: none"> > Specify the learning objectives, e.g. knowledge, confidence, awareness > Assess the levels of each of the objective areas prior to and after the training <ul style="list-style-type: none"> • What knowledge was learned? • What skills were developed or improved? > What attitudes were changed?
<p>Level 3 - Behaviour</p> <p>To what degree do participants apply what they learned during training when they are back on the job?</p>	<ul style="list-style-type: none"> > Did the participants put any of their learning to use? > Are trainees able to teach their new knowledge, skills or attitudes to other people? > Are trainees aware that they've changed their behaviour?
<p>Level 4 – Results</p> <p>To what degree did targeted outcomes occur as a result of the training and subsequent reinforcement?</p>	<ul style="list-style-type: none"> > Did participants see positive outcomes in their organisation after the learning and behavioural changes?

Table 2.3: Kirkpatrick's Four Levels of Evaluation

What did participants have to say?

'The RHPN program was not only a great learning opportunity, however it also allowed for a regular networking session and relationship building between key economic development professionals in the region. We had one participant that was also completing their MBA and it was interesting that she found that there was very close alignment between the two programs, and that the RHPN complimented her MBA by giving her the opportunity to discuss how her theoretical learnings could be put into practice.'

MACKAY LEAD FACILITATOR



RESULTS – WHAT IMPACT DOES PEER LEARNING REALLY HAVE?



3. RESULTS – WHAT IMPACT DOES PEER LEARNING REALLY HAVE?

The analysis of the data generated from program assessments and critical incident interviews found that, overall, participants had enhanced their existing capabilities. Many had gained new knowledge, particularly in the areas of planning, forecasting, people management and strategy. Participants had also developed a business mindset and bolstered their confidence.

Participants positive about peer learning

Participants were positive about the peer-learning approach, with varying degrees of learning and behaviour changes. Figure 3.1 sets out core observations within the Kirkpatrick Model.

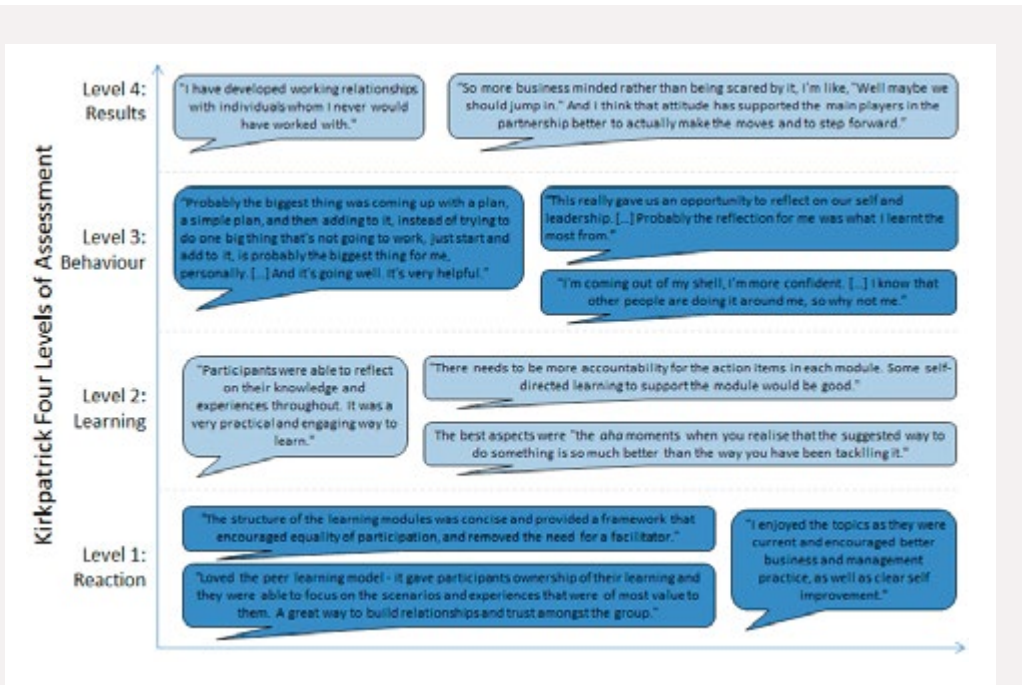


Figure 3.1: Quotes summarising the Kirkpatrick Four Levels of Assessment throughout the Program

Program recognition and reach were achieved.
However, value and impact were lacking.

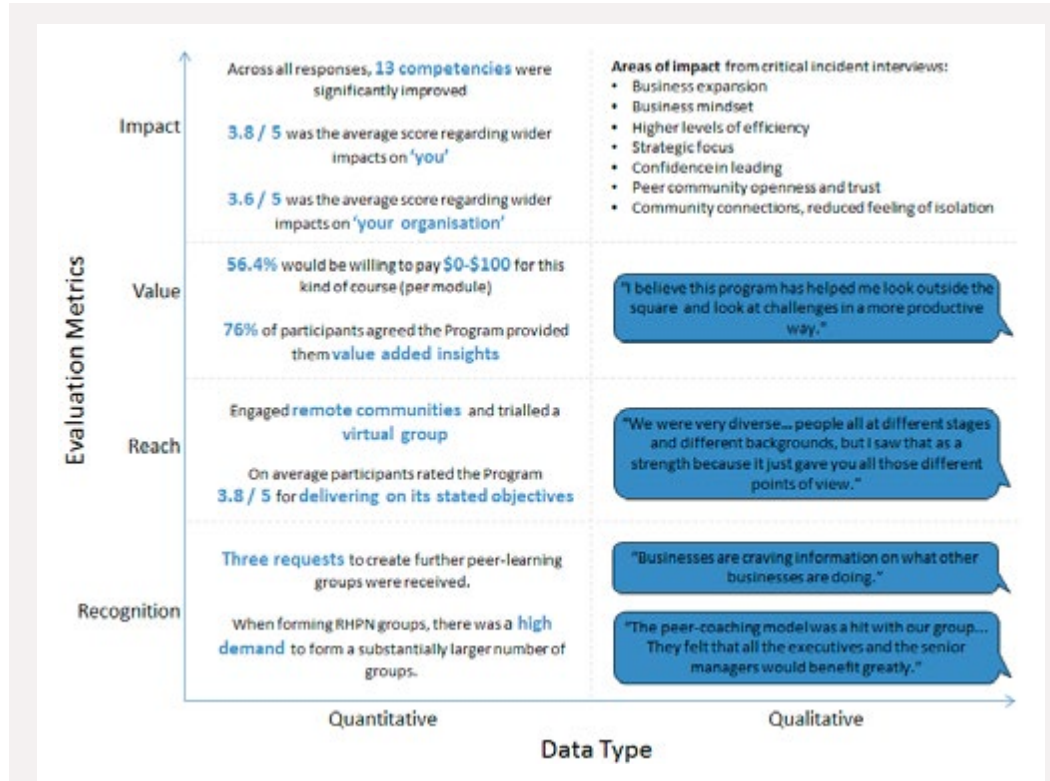


Figure 3.2: Summary of findings regarding the Evaluation Metrics

Self-assessed learning shows improvement across a range of skills

To measure learning, we asked participants to rate themselves, on a scale from 0 to 10, on 15 leadership and management competencies at the beginning and upon completion of the Program. These competencies were chosen as they reflect content covered in the learning modules and peer-learning sessions:

1. Set and rank priorities and manage my time to achieve those objectives
2. Recognise my and other people's emotions, discriminate between different feelings and label them appropriately and use emotional information to guide my thinking and behaviour
3. Actively build links with individuals and organisations relevant to my objectives, in order to exchange information and identify opportunities for closer involvement
4. Keep an open and questioning mind, identifying blind spots, hidden assumptions and taboos that limit my thinking and ultimately make the organisation vulnerable to change
5. Recruit, retain and recognise appropriate talent
6. Proactively seek opportunities to improve the organisation's performance and grow by leveraging our current assets and relationships
7. Delegate tasks and seek assistance with tasks where these improve efficiency and effectiveness
8. I'm able to calm and focus my mind and manage anxiety
9. Seek opportunities to learn from other people and organisation
10. Use actions as probes from which to learn and test assumptions, while managing risk
11. Motivate and reward good performance
12. Network and seek partners with whom I can create new opportunities
13. Develop collaborative relationships in order to achieve my objectives through sharing or exchanging resources in joint endeavours
14. Develop and empower staff
15. Learn as much from my experience, such as mistakes, surprises, feedback and successes and take managed risks to enrich my experience

Figure 3.3 gives the average self-assessed level of all participants for each competency before starting the Program as well as the average self-assessed improvement achieved through the Program. Of note, the improvement was statistically significant across 13 competencies, with 'delegate tasks and seek assistance,' 'develop and empower staff' and 'develop collaborative relationships' showing the most improvement.

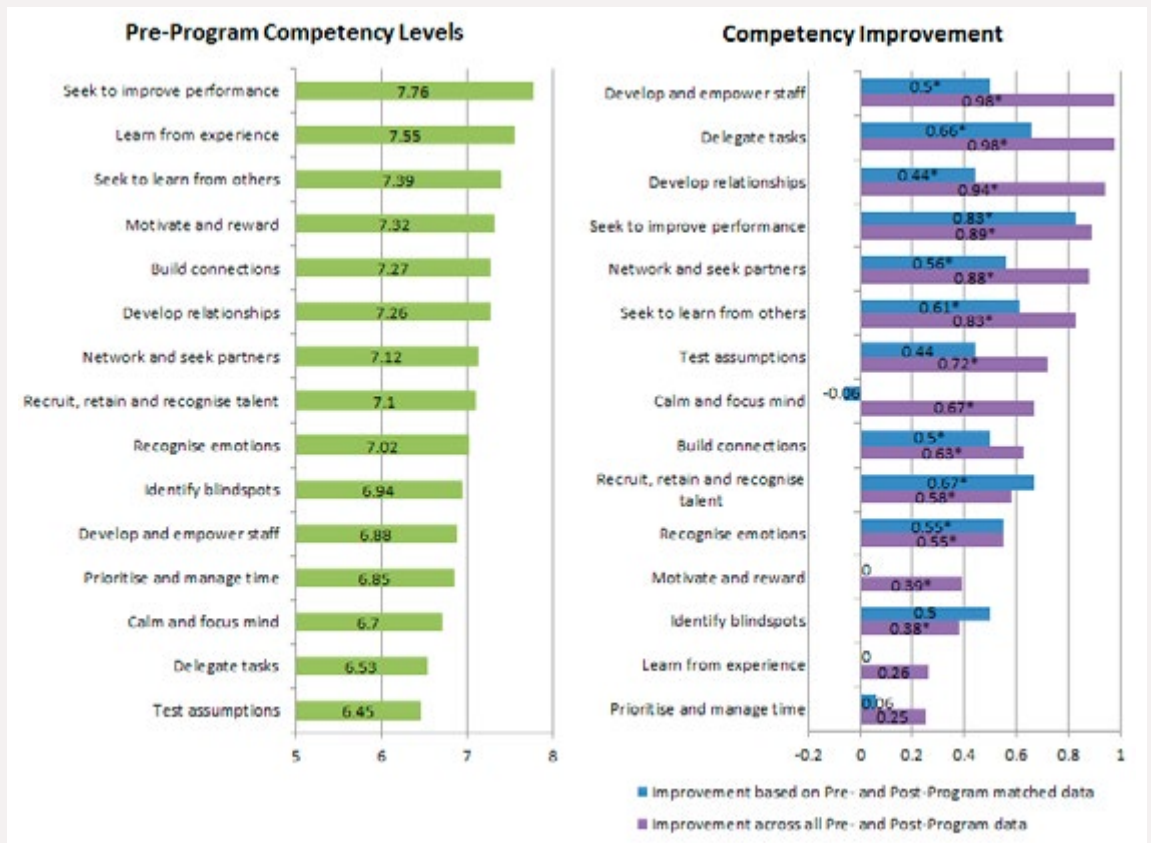


Figure 3.3: Average Pre-Program competency levels and variation attributed to the Program; *represent significant difference at 10% level

Where the responses in the Post-Program Assessment could be aligned to the matching respondent in the Pre-Program Assessment (n=18), improvement is statistically significant for nine competencies. The largest improvement was seen for 'seek to improve performance and grow.' 'Delegate tasks and seek assistance' and 'recruit, retain and recognise talent' were the second most improved competencies. Notably, one competency averaged a small decrease and two had no change for the aligned data primarily driven by two groups, Peel and Port Lincoln.

RESULTS – WHAT IMPACT DOES PEER LEARNING REALLY HAVE?

Furthermore, participants were asked in the Post-Program Assessment to note what skills they had developed during the RHPN Program. As shown in Figure 3.4, efficiency and effectiveness skills were most commonly noted, including time management, goal setting, saying no, prioritising, listening and communicating. Talent identification and management, along with motivating teams, were also enhanced for many participants. Thinking entrepreneurially was the other most noted area, including strategic planning and decision-making. Five participants also identified that they had improved their ability to self-reflect, while two said their confidence was enhanced as the Program provided affirmation of their skills and practices.



Figure 3.4: Frequency of management and leadership skills developed for pilot participants by the RHPN Program; based on Post-Program, open-ended question

Benefits for participants

Data obtained through the critical incident interviews (n=24) and the Post-Program Assessment show participants were able to develop a business mindset, grow in confidence and build rapport with other participants.

A BUSINESS MINDSET

All interviewed participants mentioned having developed a business mindset over the course of the Program. For some, the Program acted as an eye-opener, allowing them to feel more comfortable about their role as a leader. One interviewee described how overwhelmed she had been by her role as a leader before participating in the RHPN. Following the Program, she approached people management in a different way, with a different mindset.

Others mentioned being able to now focus more on strategy, rather than being consumed by the operational aspect of business. One respondent described how he employed a new manager so he could 'step away from the day-to-day client management' and focus his attention 'on achieving the strategic objectives of the organisation'.

Interviewed participants also shared how the RHPN was a contributing factor to their business partnership moving forward:

We've expanded our contracting business. We've bought three more vehicles and put on another six or eight people. Obviously [the Program] isn't the sole reason for all that, but I think it's a contributing factor.

In addition to general business expansion, the interviewee explained that the business partnership had also experienced a change in business mindset, resulting in a measurable impact on the bottom line:

We actually went to several banks and got the best deal and then came back to who we normally deal with. We were more proactive and instead of just buying the place we borrowed more money to stock it with cattle straight up, cleared it and put in fence lines. So we haven't just done things little by little; we've jumped in and spent the money and now we're getting a return rather than waiting four or five years.

Across the interviews, respondents agreed that regular personal contact with people in a similar situation was central to change in terms of their approach to leadership and management. One respondent explained that one particular group member had offered her an entirely new perspective on business, saying: 'It was one basic thing, there was one fellow ... it was just the way that he looks at things'.

RESULTS – WHAT IMPACT DOES PEER LEARNING REALLY HAVE?

CONFIDENCE BOOST

The interviews suggest it is common for the founders of SMEs in regional Australia to stumble into their new roles, seeking to create a revenue stream in an environment where employment opportunities were limited. As such, the Program gave some participants the courage to lift their professional game:

I'm more interested in where we are going and also stepping up to learn more. I also think that by doing that the partners will think that I've got things to bring. So I want to be more business minded, rather than being scared by it. I'm like, 'Well maybe we should jump in.' And I think that attitude has supported the main players in the partnership better to actually make the moves and to step forward.

Another example:

You hear other people's stories and you see that other people are doing it, and that, as I said, it's not too hard because you can actually see examples of success around you. And when you're doing the modules and stuff, you think, oh well if I can talk about it and people don't think that you're stupid, or that you've got something worthwhile to contribute, well maybe you should take a step and back yourself.

Some of the participants said they felt more confident about themselves and the way they work:

I'm coming out of my shell, I'm more confident ... I know that other people are doing it around me, so why not me?

Another participant shared that the peer-learning group helped give her the confidence to ask for a promotion:

I've asked to be reviewed for a new career pathway. I never would have done that a year ago, but by participating with other people that are going ahead and getting organised and stuff it's like, wow, maybe I could do that too!

Another spoke of new skills:

I've really struggled before to sort of say no ... And so, yeah, not only have I sort of used it, but I've then been able to use it with others to help them understand how they can prioritise their work and how it's okay to put some limits around that.

The next page sets out four success stories that surfaced from the critical incident interviews.

A NEW FOCUS ON CORPORATE STRATEGY

Reflections with peers around the need to bring in another layer of management and leadership brought change to a small, integrated service provider. As the business continued to grow, the owner-manager found himself consumed by day-to-day client management.

“My head was at explosion point. We spent so much time in this crisis space, responding and responding. We now have a manager of programs and what that means is that person is responsible for the delivery of our services. I’ve now focused my attention on achieving the strategic objectives of the organisation.”

Success is on the way, but it is not an easy exercise.

“It’s always about letting go because you are the boss.”

NEW CONFIDENCE AND PRIDE

A small business owner-manager backed himself with a more entrepreneurial mindset and was able to overcome his anxiety about delivering project proposals at less than 100 per cent perfection.

“I used to take a back seat to not make mistakes. Now there is that amount of pride in our result. You have to get the ball rolling and allow feedback loops.”

The success is visible. Communication with customers is shaped by dialogue, feedback has become more meaningful, and projects are being launched in a more timely fashion.

“I’m not talking about being careless, but you can operate in an environment where the most important thing is not the report, it is the outcome of that report.”

FARMING BUSINESS TAKES INITIATIVE

Inspired by the examples of success around her, one participant took a new approach to leadership and turned around her farming business. She realised that opportunities to create revenue had previously been lost.

“Instead of just buying the place we borrowed more money to stock it with cattle straight up, cleared it and put in fence lines. Now, we are getting a return rather than waiting four or five years. We have also bought three vehicles and put on another six people.”

She can be proud of her achievement. Not only is the business expanding, everyone is working harder and experiencing higher levels of motivation to manage the challenges associated with farming in regional Australia.

“They are looking at it as a business rather than just ‘It’s all too hard’ and ‘Why do we live on a farm?’”

RESULTS – WHAT IMPACT DOES PEER LEARNING REALLY HAVE?

MORE COMFORTABLE TO TAKE THE REINS

Having stumbled into ownership of a small real estate agency, mainly out of the need to generate an income, one of the participants found the RHPN gave her new confidence to accept her role as a leader.

“I have to take the reins. Someone has to do that. I used to not like being referred to as the boss. It always felt very sort of ‘them and us’. But, anyway, that’s my role. Sometimes you are not going to choose that, it’s going to be put upon you and you just have to step up.”

Further change is yet to come – in the shape of strategic plans that are being developed for the first time since the business has operated.

TRUST AND RAPPORT AMONG PARTICIPANTS

Respondents emphasised that the peer-learning group also played a key role in initiating a change in terms of openness and trust. One respondent said most of the group members had known one another beforehand but had been reluctant to initiate a conversation about business and leadership before the RHPN sessions.

Across the interviews, respondents expressed that they felt less isolated and more connected after having completed the Program. The RHPN had raised their awareness that others face similar situations, which ultimately acted as a motivator:

It’s like going along to a playgroup – you realise that you’re not the only one that’s going through those challenges and it’s nice to share your frustrations ... it’s one of those things where you walk away and think, ‘Oh, I’m not the only one beating my head up against a wall’.

Impact for participants and their organisations was measured

Participants were also asked to give their level of agreement, on a scale of 1 to 5, with a series of statements:

1. I have developed a greater belief in the potential of my own professional development and see how to do this
2. I am more confident and capable as a manager and leader
3. I have learnt how to deal more effectively with specific work issues.
4. A peer group, reflection and action learning approach is effective for my continuing development
5. My actions led to positive outcomes that overcame previous limiting factors or problems in my organisation
6. I was able to provide better guidance to colleagues in the workplace, due to the RHPN.

As set out in Figures 3.5 and 3.6, while general agreement was achieved regarding the impact on individuals (statements 1 to 4), there was less agreement regarding the impact for organisations (statements 5 and 6). Furthermore, as shown by the length of the individual lines, the levels of agreement varied significantly within some groups, for some questions.

With regard to 'having developed greater belief in the potential of my own professional development,' Armidale, Port Lincoln and St. Vincent de Paul showed 100% agreement –significantly higher than others. Hunter was found to be significantly lower than others.

With regard to being 'more confident and capable,' Armidale and St. Vincent de Paul stood out as being significantly higher than others, with Hunter being significantly lower than others.

With regard to learning to deal more effectively with specific workplace issues, six of the ten pilot groups averaged 4 or above, with only Peel being significantly lower than others.

Lastly, pilot participants agree (3.9/5 average) that peer learning is an effective means for their professional development. Mackay was found to have significantly higher levels of agreement than other groups, while Port Lincoln and Port Augusta were found to be significantly lower.

RESULTS – WHAT IMPACT DOES PEER LEARNING REALLY HAVE?

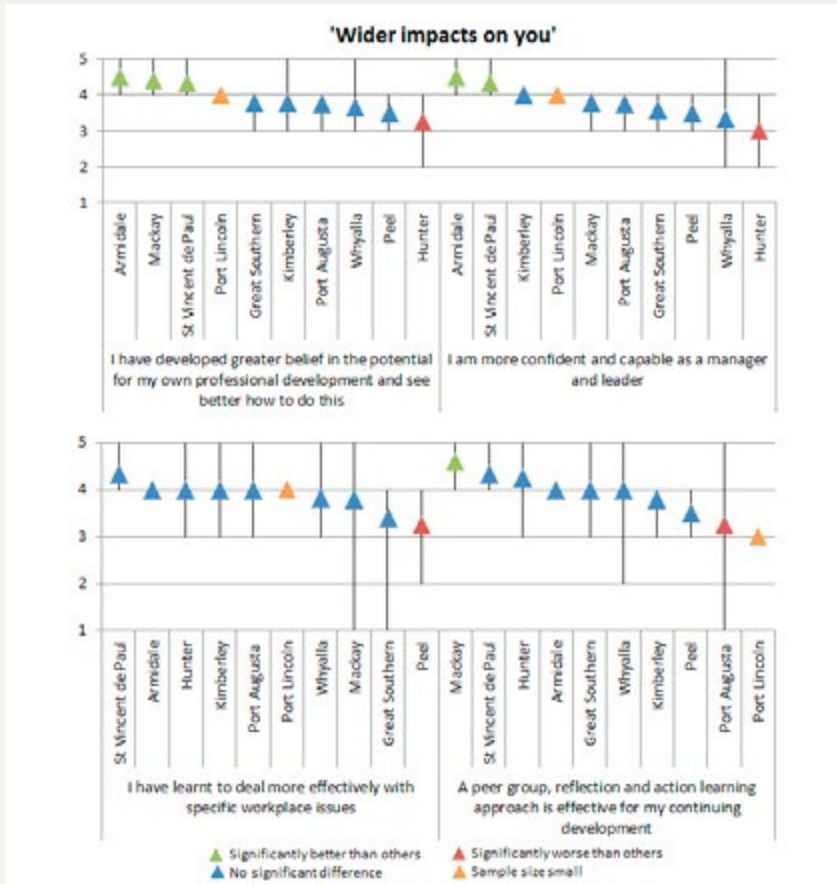


Figure 3.5: Average responses to the quantitative statement on the impact of the RHPN Program on 'you', significance at the 10% level

However, with regard to the statements regarding benefits for organisations, the overall average responses dropped, with very few average levels of agreement exceeding the 'Agree' (or 4) level.

As seen in Figure 3.6, Mackay and St. Vincent de Paul were found to be significantly higher than others when it came to positive outcomes that 'overcame previous limiting factors or problems', while Peel, Hunter and Port Lincoln were seen to be significantly lower than others.

The ability to provide better guidance to colleagues in the workplace due to the RHPN Program was found to be significantly higher in Great Southern and Kimberley. By the same token, Peel, Armidale and Port Lincoln were found to be significantly lower than others.



Figure 3.6 Average responses to the quantitative statement on the wider impact of the RHPN Program on 'your organisation', significance at the 10% level

The Challenge of Change

While resistance to change is a common tendency amongst managers, in this project it was a frequently highlighted growth barrier. Most of the lead facilitators and participants were found to be resistant to change, but, on the positive side one of the participants expressed his motivation to participate in the program as follows:

“Business in the country is really resistant of change. I find when I am talking about change with stakeholders in the community, they are resistant of it: ‘This is the way it has always been done.’ And somehow ‘the way this has always been done’ has confirmed with the ‘right’ way of doing things. You could have been doing the wrong thing for generations, but getting them to embrace change is the major challenge for regional Australia. So somebody needs to lead the narrative around that.”

Effective peer learning – it's all in the attitude

When analysing the data and exploring the reasons why some groups obtained better results than others, we found there are several intangible, difficult-to-predict or control elements that influence the effectiveness of a peer-learning group: the group dynamic, group composition and participant behaviours such as trust, attendance and commitment to the group. Intelligent facilitation was also a key enabler to learning.

GROUP COMPOSITION

Contrary to more formal learning processes, where knowledge is transferred from an instructor to a student, peer learning allows for learning to be created by and to emerge from the group. Group composition is therefore key to success.

While some participants considered participant diversity to be a positive dynamic factor, others pointed to similarity as being a positive factor (c.f. Table 3.1). As groups had varying degrees of organisational diversity (see Section 8.3 Group Demographics of the full report), the term 'diversity' was experienced differently by Program participants. However, through the critical incident interviews, it became clearer that diversity within the same organisational type was the ideal configuration as people then 'spoke the same language' while still being able to bring a new perspective to an old problem.

It is evident that group members need to not only share an interest in the module topic but also, and most importantly, come with the right attitude and desire to share and learn together and from each other. Inversely, when participants come with the wrong attitude, the learning capability of the group is strongly compromised. For example, the attitude of one participant in a particular group caused initial challenges. However, once this participant had left the group, the dynamics changed and learning became possible.

Table 3.1 sets out the positive and negative factors cited by participants that affected the group's ability to learn. Openness and willingness to share, diversity, respect, acceptance and valuing others' experiences were the top positive factors, whereas a lack of commitment and poor attendance were seen to be negative factors.

Positive Factors	(N)	Negative Factors	(N)
Openness and willingness to share	10	Lack of commitment	6
Participant diversity	10	Poor attendance	6
Respect and acceptance	8	Participant similarity	4
Value others' experiences	8	Tension or conflict in the group	2
Honesty, trust and confidentiality	7	Too much group diversity	1
Desire to learn	5	Lack of respect	1
Open mindedness	5		
Participant similarity	3		
Existing relationship with group	2		
Lack of competition amongst participants	2		

Table 3.1. Factors identified by participants in Post-Program Assessments, open-ended question

TRUST AMONG PARTICIPANTS

One participant expressed after the second session that, 'It takes time for a peer group to form to a state of sufficient trust and proficiency where authentic views are tabled and perspectives are challenged without individuals being offended.' Another participant shared, 'If you are really going to get a great deal from this, you need to have an established level of trust with the group.'

PRESENCE OF STRONG GROUP CORE INCREASES PROPENSITY FOR LEARNING

The research showed that groups with a strong 'core' of participants, – participants who attended at least four sessions – reported higher levels of learning than groups that did not have stable 'core' members. As set out in Figures 3.7 and 3.8, the pilot had 50 'core' participants, 30 of whom attended all six sessions.

RESULTS – WHAT IMPACT DOES PEER LEARNING REALLY HAVE?

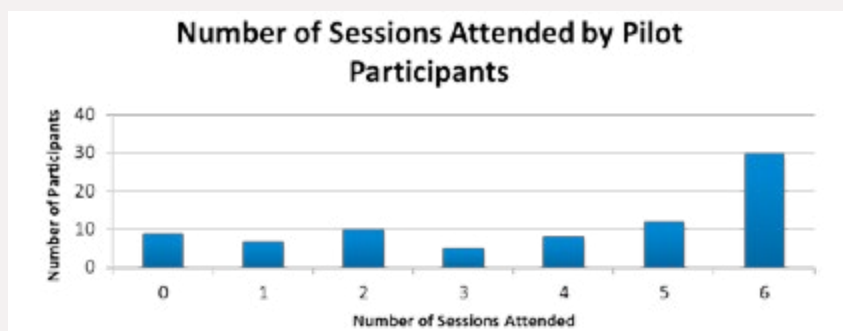


Figure 3.7: Distribution of the number of sessions (n=6) attended by the pilot participants

Figure 3.8 gives the breakdown of the groups into four categories of participant, based on attendance. In addition to the 'core' category, there were 'fence sitters' who attended two or three sessions, 'tourists' who came to one, and 'no shows' who never attended despite being enrolled in the Program.

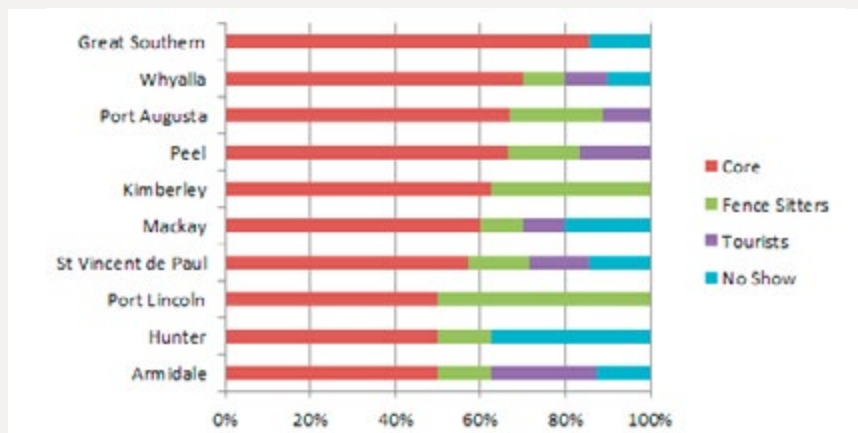


Figure 3.8 Composition of the groups based on participant attendance.

Given the number of lead facilitators who expressed concern during the pre-program interviews about ensuring participants attended, the attendance numbers were satisfactory and reflected the perceived value of the Program. One lead facilitator explained the situation well:

I think it is going to be difficult to get people. Although they've said 'Yes, we will make the time available,' what will happen is that what was seen as desirable when I spoke to people a month and half ago won't be desirable in February next year when other priorities come to the fore. So that is part of my concern. I have a feeling that if people do not get an instant return from the first session that they will not come back to a second session.

On average, participants attended **four** peer-learning sessions.

Of interest, this group comprised a CEO and senior executives and all members attended either five or six sessions, indicating the group found value in the process.

Table 3.2 sets out the average self-assessed levels, of all 15 competencies, of all members, for each group, before and after the Program. Table 3.2 also gives the change, in points and as a percentage, for each group, as well as the number of core participants per group.

Port Augusta and Whyalla both had double-digit learning progression (in percentage terms) and six core members in their peer-learning groups. Great Southern, which also had six core members, reported healthy learning outcomes as well. Also of interest is St. Vincent de Paul, which connected remotely and showed progress of 5% in self-assessed skill levels. However, this group had only three core members, mainly because of changes in the professional circumstances of participants.

It must be noted that due to a lower completion rate of the Post-Program Assessment (n=39) compared to that of the Pre-Program Assessment (n=67), the sample base is skewed. This is particularly evident for the Port Lincoln group, with only one completed Post-Program Assessment, which can explain the drop in scores. In the other groups, the number of Post-Program Assessments matches closely the number of core members in the group.

Group	Pre-Program	Post-Program	Change	Percentage	N Core Part.
Port Augusta	7.10	8.55	1.45	20%	6
Kimberley	6.50	7.41	0.91	14%	5
Whyalla	7.96	8.77	0.81	10%	7
Hunter	7.61	8.27	0.65	9%	4
Armidale	6.57	7.10	0.53	8%	4
Great Southern	7.90	8.41	0.51	6%	6
St. Vincent de Paul	7.00	7.33	0.33	5%	4
Mackay	6.85	6.94	0.10	1%	6
Port Lincoln	7.46	6.50	-0.96	-13%	4
Peel	6.69	5.25	-1.44	-22%	4
			Average	3.8%	

Table 3.2. Pre-Program and Post-Program self-assessment level average for 15 competencies

RESULTS – WHAT IMPACT DOES PEER LEARNING REALLY HAVE?

Furthermore, as shown in Figure 3.9, the groups with core group sizes of 5 to 7 participants showed a higher level of agreement with the statement 'The RHPN delivered on its stated objectives.' St. Vincent de Paul was the exception here.

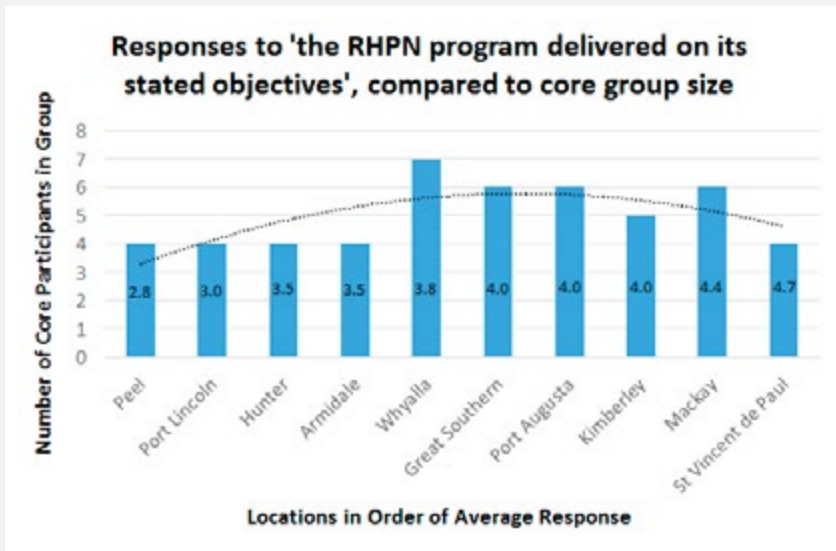


Figure 3.9. Responses to 'overall the RHPN Program delivered on its stated objectives', compared to core group size.

PRESENCE OF A STRONG LEAD FACILITATOR ALSO INCREASES THE PROPENSITY FOR GROUP LEARNING

In addition to key participant behaviours such as commitment to the group and the process, trust and openness, the lead facilitator plays a key role in the facilitation of learning – through their style and their ability to create rapport within the group.

In this respect, the Port Augusta group stood out not only for regular attendance by participants but also for a very skilful lead facilitator, who formed the group herself from contacts obtained in her role with the local Chamber of Commerce. As a result, she knew the participants well and had a high level of understanding of their businesses. Furthermore, she had had small businesses herself in the past, so understood their situations well.

In contrast, one of the lower performing groups had a facilitator who possibly did not have the skills to help support learning within the group. When asked to explain what leadership meant to her in the pre-pilot interview, the lead facilitator shared:

To be honest, I do not have a leadership role in my organisation. I am the executive support officer. There are only two of us in my organisation – so, my boss and me. He was meant to be here, but he could not make it.

When asked about her concerns facilitating, she further shared: ‘My confidence is probably my biggest concern. How to have the confidence to run the sessions in front of an all-male group? Pretty intimidating.’

While the Lead Facilitators’ Workshop hosted before the start of the pilot addressed how to successfully facilitate a peer-learning session, it did not address issues such as personal confidence. This facilitator’s comments also suggest a work culture where she was not adequately supported and the pilot was not given ample consideration before commitment.

These elements combined could explain in part the poor learning results. They could also be explained by the general dissatisfaction of the group, noted early in the pilot, due to the perceived ‘mismatch’ of the content with the calibre of the participants. The lead facilitator shared during the pilot that participants thought the Program was targeted at (already) ‘high performance individuals’ and as such found the Program contents to be too simplistic.

Lastly, we also noted that when the lead facilitator did not form the group but, rather, ‘inherited’ it – often at last minute – from the intended lead facilitator, commitment could wane, especially in the face of conflicting priorities. The Kimberley lead facilitator also ‘inherited’ the group and left halfway through the pilot. Under his direction, the group appeared to be disorganised. However, the smaller group actually ran better once the initial lead facilitator left.



SO WHAT
WORKED BEST?



4. SO WHAT WORKED BEST?

The research sought to identify the extent to which peer-learning experiences varied by learning module, participant type and group composition. To these questions, there is no clear answer. As discussed in the previous section, there appears to be a strong correlation between learning outcomes and participants' commitment to the process and the group. Nonetheless, in this section, we set out trends that were observed surrounding module content and participant organisation size.

Jury largely out in terms of the most valuable modules

According to the Post-Program Assessments, Mindful Leadership was considered the most valuable learning module, with 28% of the votes. Module content was found to be valuable when it included case studies, simple models and tools, all of which seemed to help improve the learning experience. Participants indicated that they had gained greater awareness and better listening skills and that they aimed to strengthen work-based teams.

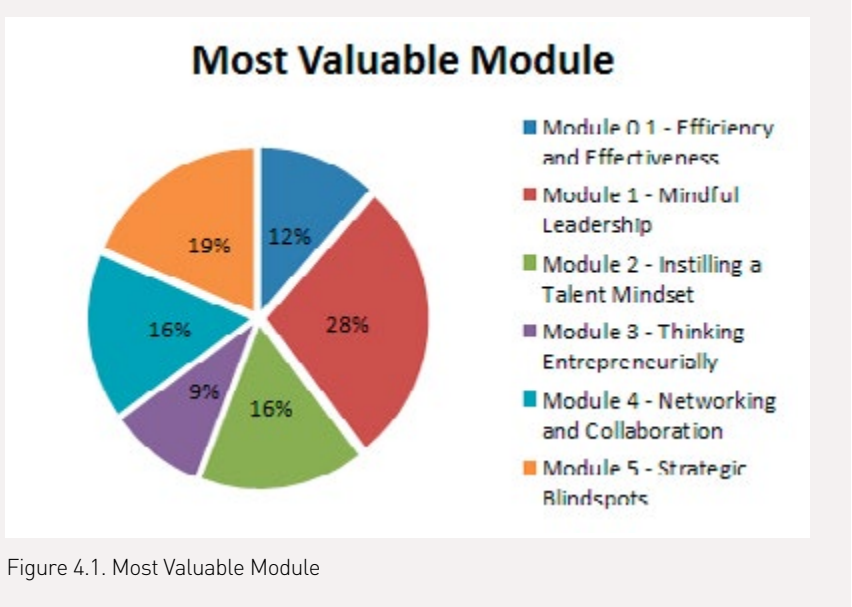


Figure 4.1. Most Valuable Module

Ranked next most valuable was a cluster of three modules: **Strategic Blind Spots (19%), Instilling a Talent Mindset (16%) and Networking and Collaboration (16%).**

Sample feedback includes:

'Mindful Leadership is integral to effective leadership.'

'Mindful Leadership is no doubt a building block of a comprehensive management program.'

'The module covered a broad range of issues, which work together to create a better manager.'

'Mindful Leadership is important. We don't really do it enough.'

'I thought it was great.'

'Excellent concepts.'

Peer learning offers results, irrespective of previous educational levels

The post-Program interviews suggested the effectiveness of the peer-learning mechanism was not correlated to the level of previous education. Participants with little formal education were able to learn from this peer-based structure, even if in the past they potentially encountered challenges in training or education.

While there was negative feedback from more formally educated participants, such feedback was related to the content of the modules more than the mechanism of peer learning itself. For example, one participant who worked in a family-run business reported gaining tremendous confidence and new ideas from his peers that he went on to implement.

What did the participants have to say?

We love case studies and examples, but please make sure they are relevant to us

Case studies and examples were highly appreciated, especially when most of the participants (if not all) could identify with the case study and with each other. Examples involving large multinational companies did not resonate with the participants. Furthermore, examples of SMEs alienated participants from government organisations and the NFP sector.

We like the content, especially when it strikes a chord

The content was often identified as an enabler to learning through experience sharing, as it 'triggered good conversation within the group' (St. Vincent de Paul, Instilling a Talent Mindset). In many instances, participants shared that the content 'resonated' with them, thus allowing a more meaningful conversation, or that it prompted many 'aha' moments (Mackay, Mindful Leadership), which provided useful insight and awareness.

We like the easy-to-use tools and concepts

Participants appreciated tools, concepts and matrices that were easy to take away and apply to their work experiences. Examples include the 'high potential versus high performance' matrix, the concepts of managing your energy, of working on the business rather than in the business, the corporate cascade and 'importance versus urgent' matrix, all from Efficiency and Effectiveness. From Networking and Collaboration, participants appreciated the 'Elevator pitch' exercise.

We loved the connectedness that peer learning creates

The critical incident interviews showed that the RHPN helped participants feel less isolated and, more importantly, allowed them to access fresh insights and help.

One interviewee highlighted the distinct characteristics of management and leadership in regional Australia, stating “we were able to talk about shared regional issues and how we’re dealing with them”.

The notion of “misery shared is misery halved” was consistent across the 15 interviews. The opportunity to share knowledge and challenges with peers was identified as a key enabler of learning. Respondents gained insights into different perspectives, which they found valuable for their own work, and they felt less isolated because of the opportunity to talk with peers in a similar position.

In my organization, I’ve got no peers. So I can’t look at somebody alongside me doing similar work and say, ‘Oh well, that was a really great way of approaching that and I must remember to do that next time I do it’, or ‘God that was a disaster, I must make sure that I don’t replicate that pathway when I’m doing it’. So the only way you can get that type of support in regions is from other people at that level in other organisations, and of course because they’re in other organisations you don’t work with them on a day-to-day basis and you don’t see them warts and all from 8 o’clock to 5 o’clock every day. So the RHPN actually gave a little bit of a, sort of a, solution to how in fact you don’t become isolated and set in your ways.

It’s like going along to a playgroup: you realise you’re not the only one that’s going through those challenges and it’s nice to share your frustrations ... it’s one of those things where you walk away and think, ‘Oh, I’m not the only one beating my head up against a wall.

Groups with members from larger organisations tended to score the Program higher than groups with members from smaller organisations

Figure 4.2 analyses the level of agreement indicated by participants with the statement: ‘Overall, the RHPN Program delivered on its stated objectives’. The range of the answers received (indicated by the length of the bar) and the average score (indicated by the blue triangle) per group are given. From left to right along the X axis, the groups are ordered based on the size of the participants’ organisations.

What stands out is, firstly, the diversity of responses within the same group, showing the subjectiveness of the peer-learning process. Secondly, participants from the larger organisations tended to score the Program's effectiveness more favourably than participants from smaller organisations. Mackay and Great Southern scores were found to be significantly higher than others, while Peel and Hunter scores were significantly lower at the 10% level.

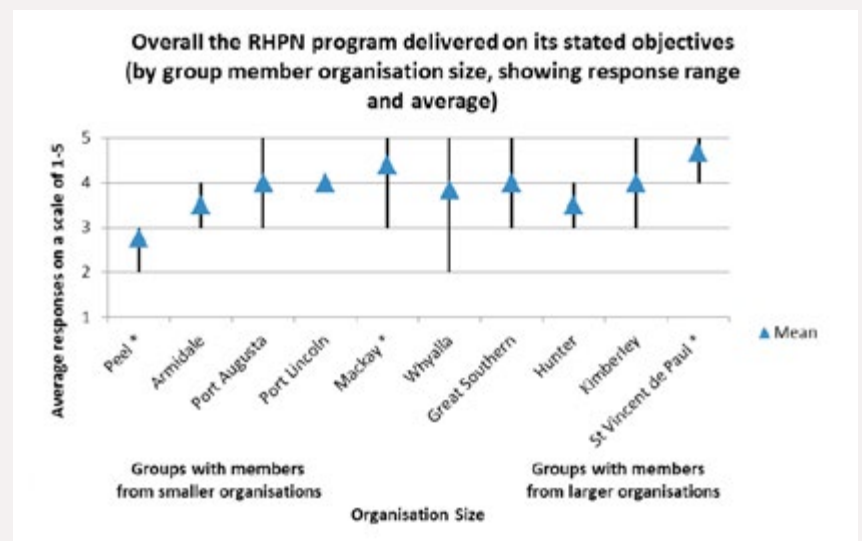


Figure 4.2 Range and average of responses to 'Overall, the RHPN Program delivered on its stated objectives'; by group member organisation size; *represent significant difference at 10% level

Technology is an enabler of learning

Technology was tested during the pilot with one in-house, remotely dispersed group from St. Vincent de Paul. These participants attended the peer-learning sessions either via video or audio conferencing. Based on the feedback from this group, this technology-based platform was acceptable for peer learning. However, another group that had a mix of face-to-face and remote access in regional Western Australia expressed a preference for the face-to-face experience.





YES, THERE IS
DEMAND FOR
LEADERSHIP AND
MANAGEMENT
DEVELOPMENT
IN REGIONAL
AUSTRALIA

5. YES, THERE IS DEMAND FOR LEADERSHIP AND MANAGEMENT DEVELOPMENT IN REGIONAL AUSTRALIA

Initial demand outstripped capacity and scope

Our research shows there is significant demand for leadership and management development, not only from SMEs but also larger organisations and micro businesses. This first became apparent when we were forming the groups for the pilot. While the initial plan was to have eight groups we accepted ten groups, while turning down another six.

The lead facilitators provided confirmation as to the needs and the scarcity of supply

When asked to share their motivation for participating in the program (cf. Pre-Program Interviews), lead facilitators shared that a key motivator was to promote management skills development as well as connectivity in their specific regional locations. The lead facilitators also provided much anecdotal evidence as to the size and nature of the demand as well as the shortage of easily accessible programs.

This program is important for business in the region. There is a lack of management skills in small businesses and this is really a constraint on the businesses. So, basic things. I'm thinking of one guy from Regional Development Australia who said that 60% of his businesses in the region do not have a website. They do not do marketing well. They do not look at opportunities outside. They may have been a supplier to the steel works for the last 20 years so why should they look for other opportunities? But of course the steel works are in decline, reducing costs and putting pressure on their suppliers. So this is an example.

I think this sort of program is important for regional Australia. Having worked in the city as well, I had an email coming around today from Enterprise Adelaide – so next week I could go to a dozen trainings. But you just do not get that opportunity in the regional centres.

There is a real need.

What implication does that have?

The small businesses are not getting the training they need and they do not get the same opportunities as the metropolitan businesses. So they fall behind and this affects the whole economy of the regions.

In talking with stakeholders, does this need for training comes up frequently?

Yes it does.

What types of skills are people asking for? What areas do they want to develop?

Look I don't know. I really just have the anecdotal evidence. It is really the general management capability building for a lot of the businesses. For example, someone may have been working as an electrician in the steel works and they want to move out and start their own business. They know their trade inside out. They are a great tradesperson, but when it comes to actually running a business they don't know to manage staff, manage finances, market their business – those sorts of things. So, basic management skills.

Our organisation does try to address this. We have a program that does small business training. But he is one person and our region is the same size as Victoria. So he is spread very thinly. Previously we had two business advisors and they were funded by the government. Now this one is funded by our organisation.

WHYALLA, SA. LEAD FACILITATOR WORKED FOR THE WHYALLA AND EYRE PENINSULA RDA.

YES, THERE IS DEMAND FOR LEADERSHIP AND MANAGEMENT DEVELOPMENT IN REGIONAL AUSTRALIA

The skills deficit – it is a major challenge for us. The amount of money and time that needs to be directed to skill development are real challenges. Training is very expensive where we are. We are very isolated. Either we pay for people to go to Perth and stay there for four days or go to Darwin. But it is still the same things. Flights are limited in, limited out. There are key times you cannot travel. There are a lot of costs associated with skills development.

We are very subject to our partnerships with government departments and we're reliant on them creating opportunities for skills development to occur through their offerings.

KIMBERLEY, WA. LEAD FACILITATOR WORKED FOR A NON-FOR-PROFIT ORGANISATION THAT PROVIDED SOCIAL SERVICES TO THE POPULATION OF BROOME.

In this instance the feedback came from a participant who was building a milling business with his wife. They left the Program after the third session due to the mismatch with their needs, which were to 'make contacts into the export area, better idea of packaging and manufacturing technologies.' The participant met with UTS staff to share his thoughts on his perceived needs of small businesses. His comments reflected his belief that businesses fail when they are out of touch with the 'absolute basics.'

With over 95% of small business failing within a 10-year span, it is absolutely essential that any course address the specific problems of small business.

What training is required in your opinion?

Firstly, offer tools to help businesses know where/how they are making money and losing it in order to then support the profitable segments of a business and address the loss-making ones. Businesses need to build 'bottom line consciousness' so that they see how their choices impact the bottom line and cash flow. So this is a mix of accounting and entrepreneurship.

Secondly, micro and small businesses need help to push through their capacity caps, whereby they need to invest/hire – so, the training to help grow a small business to a medium one. Few businesses manage to do this due to lack of skills and knowledge.

Next, provide strategies around finding a balance in the business model between required capital, staff and overheads, profitability, stock and hours of work involved. To define a business that makes sense. I call this 'business optimisation.'

Lastly – provide examples around Australian success stories such as Dick Smith and Frank Lowy.

GWYDIR, NSW.

Requests for more groups surfaced during the pilot

We received three expressions of interests to create more peer-learning groups during the course of the program. One was from Gwydir Shire Council, which wanted to build the group for local businesses. The other two were from large not-for-profit organisations (Lifesavers Club of Australia and St. Vincent de Paul) that wanted to run the program internally as professional development for their staff. This small sample of requests shows the appeal and flexibility of peer learning.



WHILE STABILITY
LACKED, GROUP
SUSTAINABILITY WAS
SUBSTANTIATED



6. WHILE STABILITY LACKED, GROUP SUSTAINABILITY WAS SUBSTANTIATED.

Participant behaviour observed during the pilot indicates that the peer-learning groups are largely sustainable, albeit not always stable. Indeed, as illustrated in Table 6.1 and Figure 6.1, attendance varied from session to session and was impacted by seasonal effects.

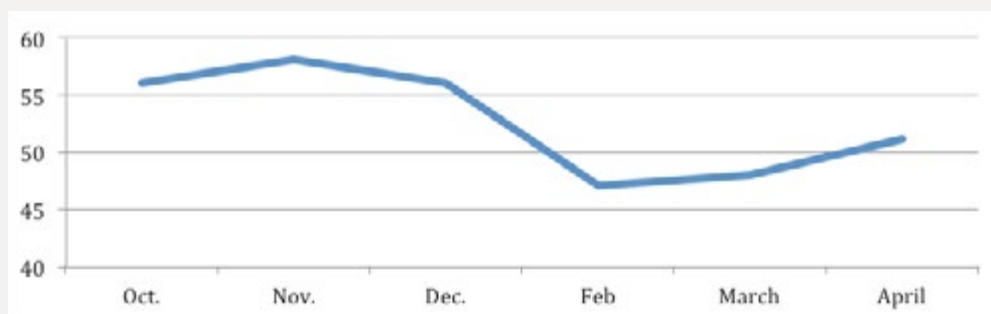


Figure 6.1. Aggregate session attendance numbers during the pilot

During their Pre-Program interviews, six out of ten lead facilitators cited 'commitment of participants' to be a potential challenge to the successful operation of the Program. This was of particular concern given the time and travel involved. Going forward, this issue can be reduced by charging a fee to attend peer-learning sessions.

Group	Initial	MO	M1	M2	M3	M4	M5	AVG	M5/M0
		Oct.	Nov.	Dec.	Feb.	March	April		
HUNTER	8	3	5	4	3	5	4	3.5	133%
PT. LINCOLN	8	5	5	5	6	6	6	5.5	120%
PT. AUGUSTA	9	6	8	7	7	7	7	6.5	117%
GREAT STH	7	6	5	6	5	4	6	6	100%
KIMBERLEY	8	6	8	5	4	4	6	6	100%
MACKAY	9	6	6	7	4	6	6	6	100%
PEEL	6	5	5	4	4	4	4	4.5	80%
SVP	7	5	5	5	4	3	4	4.5	80%
WHYALLA	9	8	8	7	7	5	5	6.5	63%
ARMIDALE	8	6	3	6	3	4	3	4.5	50%
	79	56	58	56	47	48	51	4	

Table 6.1. Group enrolment and session attendance numbers

Attendance for the first session was down nearly 30% from the initial enrolment numbers and there was roughly a 20% turnover rate during the pilot. Exiting members were in most instances replaced by new ones, however, indicating demand. Changing professional circumstances or over-commitment were the most common reasons for withdrawal.

In a few groups, session dates that had been fixed upfront for the pilot were rescheduled to accommodate members' changing calendars.

Notably, the Mackay group had access to administrative support to organise its sessions, which, in our observations, allowed this group to function more smoothly than others and possibly contributed to its stability. As set out in the M5/M0 columns of Table 6.1, the Mackay group, as well as those in Great Southern and Kimberley, had the same number of participants at the last session as for the first.

The average group size for the whole pilot was four participants, which is lower than the reported preference of six to eight people (cf. Post-Program Assessments).

The drivers behind the lead facilitators' participation in the Program lead us to believe there is a desire for such a program to continue and that the possible 'mushrooming effect' is a realistic one.

WHILE STABILITY LACKED, GROUP SUSTAINABILITY WAS SUBSTANTIATED.

In addition to having goals around identifying opportunities for business growth and innovation (N=4), increasing collaboration, empowering disadvantaged groups (N=2), three of the lead facilitators cited 'up-scaling the Program' as a driver, to enable a greater number of learning communities to grow and connect across the region.

The small businesses are not getting the training they need and they do not get the same opportunities as the metropolitan businesses. So they fall behind and this affects the whole economy of the regions ... The potential [of RHPN] is very good if we could get a number of self-sustaining networks going around the region.

Post-Program Assessment Results

The Post-Program Assessment included a number of statements regarding the self-sustaining nature of the groups (cf. Figure 6.2). There was strong agreement with the statements: 'I would like to see the program continue' and 'I would recommend the program.' However, the willingness to pay is low. Furthermore, there was not a consensus regarding the statement, 'The program has reached a self-sustained level through networking'.

**WHILE STABILITY LACKED,
GROUP SUSTAINABILITY WAS SUBSTANTIATED.**

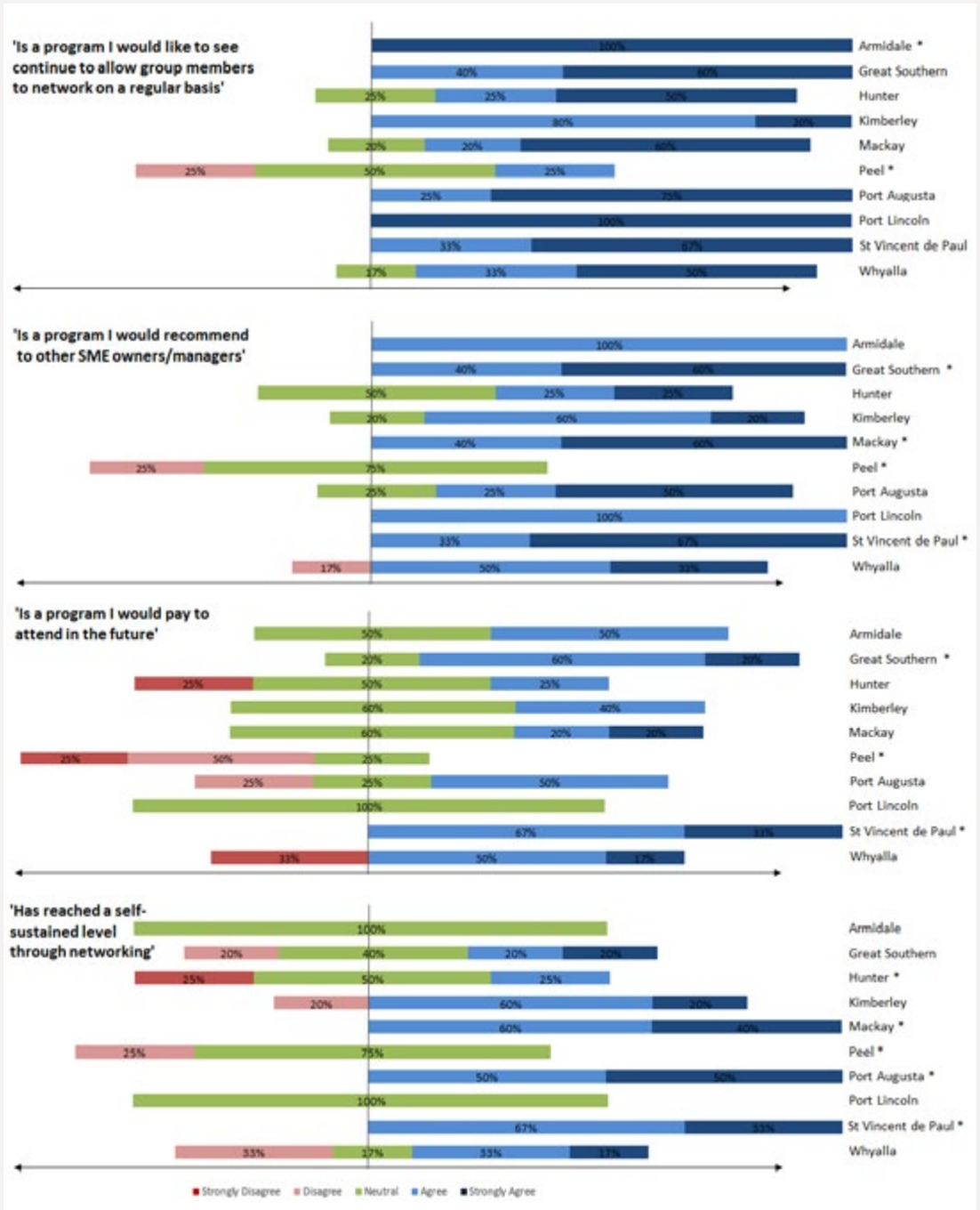


Figure 6.2 Pilot responses to 'RHPN Program is', based on a 1-5 point scale; *represent significant difference at 10% level



CONCLUSION AND IMPLICATIONS



7. CONCLUSION AND IMPLICATIONS

There is a strong case for peer-learning

The case for building skills within regional Australia is strong. The interviews conducted as part of this research suggest some SMEs in regional Australia do lack a basic understanding of leadership – yet capability-building opportunities are lacking. The challenge is to define how to best support regional leaders with the appropriate materials, technology and other means of learning and up-skilling.

Peer learning plays a key role by significantly supporting and enhancing informal learning. When leaders engage in more critical reflection, tacit knowledge surfaces and they can become more proactive in finding new solutions to old problems. Accessing outside perspectives can help them avoid 'blind spots' in assumptions about themselves, their business and their industry.

Peer learning therefore offers unique opportunities for skill building, learning from others and critical reflection time – all in a safe and confidential environment away from the distractions of the workplace.

Learning takes several forms and occurs over time

Learning occurs over time and, within the learning process, often it is an event or a moment in time that changes our perspective and brings understanding. Across the post-Program, respondents saw personal contact with peers as central to change in terms of their approach to leadership. Interestingly, it was revealed that many group members had known one another beforehand but had been 'reserved', with no deeper conversations about leadership taking place prior to the Program.

Collectively, interviewees stated that their leadership knowledge and skills had improved through the training, particularly in the areas of planning, forecasting, people management and strategy. In addition to knowledge and skills, all respondents highlighted that other, more intangible aspects of the Program were valuable to them. A key change all respondents had noticed was a developing business mindset. For some respondents, the Program acted as an eye-opener, allowing them to feel more comfortable about their role as a leader.

In summary, all respondents experienced change in knowledge, skills and frame of mind. There was a positive influence on behaviour at work and they have started to implement their learning. At times, change means employing a new tool; in other cases, change affects a leader's personality and deeply embedded behavioural patterns.

Benefits can be enhanced within a blended, formal-informal learning structure

According to the ‘70:20:10 Rule,’ adapted from the 70:20:10 Learning and Development Model created by Lombardo and Eichinger⁷, individuals learn within three clusters of experience: challenging assignments (70%), developmental relationships (20%) and coursework and training (10%).

According to this ‘rule,’ the majority of learning (90%) is informal and takes place through hands-on work and developmental relationships. Informal learning, which is often haphazard and triggered by external events (market conditions, mergers, etc.), complements formal learning and adds spontaneous, unstructured, learner-driven experiences to the mix.

Formal	Informal	Informal
10%	20%	70%
Coursework and training	Developmental relationships	Challenging assignments
Online learning	Peer learning	New initiatives
Books, articles, white papers	Networking	Actual ‘doing’
Virtual classrooms (MOOC)	Coaching	Dealing with change
	Mentoring	External events

Table 7.1. Examples of different learning clusters within the 70:20:10 model

⁷ Lombardo, M.M. and Eichinger, R.W. (1987). *The 70/20/10 Model*. Centre for Creative Leadership, Colorado.

Program participants spontaneously looked to embed the takeaways from their peer learning into their work practice by complementing these learnings with other pedagogical tools and experiences.

One of the participants who left the Gwydir group said: 'I would have much preferred intensive input for each session from successful entrepreneurs who started in a small business environment. People with real, specific expertise about the challenges and difficulties facing small business.'

This concurs with the 'blended learning' concept⁸, where mixes of learning content and learner groups enable individualised learning processes and self-managed learning.

From the RHPN pilot, there is a strong case to be made that peer learning should be the nucleus of a self-sustaining program for building leadership and management capability in SMEs in regional Australia.

⁸ Renner, D., Laumer, S., and Weitzel, T. (2014) Effectiveness and Efficiency of Blended Learning—A Literature Review. *Proceedings of the Twentieth Americas Conference on Information Systems*, Savannah, 2014.

Implications

The RHPN Program shows that an approach based on peer learning in small groups, formed with the assistance of willing intermediaries, with well-designed learning modules and a support website, can contribute significantly to management and leadership development in regional Australia, where individuals and organisations have few options for professional development.

The pilot also identified several measures that could be expected to significantly improve the effectiveness of such a program.

The pilot identified substantial demand for management and leadership development for regional Australia that is not being adequately addressed, and provided a scalable model program for meeting that demand.

The RHPN approach is effective, low-cost and accessible, so such a program could, over time, have a significant impact on the level of management and leadership capability in regional Australia. It would initiate and inspire ongoing management and leadership learning, raising the bar for regional leaders and managers.

Going forward, partnering with education and training providers, such as TAFE, could be explored. As an educational framework, peer learning could 'round out' their educational range and complement more formal training programs. The American Small Business Development Center (SBDC) network (americanssbdc.org), for example, is a partnership between different governmental bodies (such as the US Congress, Small Business Administration and state governments), the education sector (community colleges and universities) and the private sector (service providers).

Alternatively, in the CoachingOurselves business model groups are formed by licensed business coaches who sell the programs into organisations. As such, the groups are largely intra-organisational. We encountered demand for this style of program as well.

To be effective, an RHPN-style program would require significant investment in module and website development, relationship building and promotion. Many potential participants will be sceptical about the return on their investment of time and money from such a learning experience, and it will take time to optimise course content for different target groups and to build reputation.

Hence, while a program such as that outlined would generate substantial private and public benefits, these would accrue over the longer term.

It is unlikely the program would be self-funding for several years, though uptake of management and leadership development programs within large organisations could bring forward the break-even point.

In short, an initiative to implement this effective approach to management and leadership development for regional Australia would require public support.

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