

# Evaluation Indicators for Industry Training Organisations

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# Using the Evaluation Indicators for ITOs

Evaluators use the evaluation indicators for ITOs to assist in the enquiry as they provide:

- enquiry questions
- relevant information and sources of evidence
- a relationship between the outcomes achieved and the contributing processes and activities.

The evaluation indicators provide a basis for thinking about how quality and value may be identified. They allow a common understanding of what constitutes quality in the way industry training organisations (ITOs) operate and the outcomes they achieve. Using the evaluation indicators supports a consistent approach to evaluation across all ITOs and assist evaluation teams in making robust judgements. Appendix Two contains a table showing how specific indicators can be used as prompts for the key evaluation questions.

The evaluation indicators were developed using systems modelling research. They are based on up-to-date research and experience in New Zealand and overseas. The indicators also include references to relevant educational research.

# Outcome Indicators

Outcome indicators include longer term economic and cognitive benefits to trainees, industry and the wider community.

The outcomes themselves may only become apparent after a significant period of time. More immediate outcomes are often easier to measure or observe and may be used as indicators of the likelihood of the longer term outcomes being achieved. Examples include those related to the knowledge, skills and cognitive abilities of trainees.

Hence, outcome indicators describe what has already happened or been achieved. For this reason it is important that outcomes are considered alongside the key contributing processes and related contextual influences. Outcome indicators supply data essential for the overall evaluation and must be observable or measurable, either qualitatively or quantitatively.

Indicator	Examples of possible evidence
Trainees are gaining credible industry standards and qualifications that meet their needs and those of industry.	<ul style="list-style-type: none"> <li>● ratio of qualifications gained to number of trainees employed in the industry</li> <li>● post-qualification employment data for trainees</li> <li>● demand for existing qualifications</li> <li>● length of time for trainees to gain qualifications</li> <li>● surveys of trainee satisfaction</li> <li>● surveys of employer satisfaction</li> <li>● credits achieved.</li> </ul>
The industry/ies served by the ITO retain, and advance skills and capability within their industry/ies.	<ul style="list-style-type: none"> <li>● post-training employment data for trainees</li> <li>● proportion of trainees who proceed to higher level qualifications within the industry</li> <li>● actual training tracks compared to intention of industry training plans.</li> </ul>
The ITO supports its industry and is valued by its industry.	<ul style="list-style-type: none"> <li>● satisfaction surveys</li> <li>● documented formal relationships between ITO and industry</li> <li>● industry cash contribution</li> <li>● industry penetration</li> <li>● data from other outcome indicators.</li> </ul>
ITOs contribute to a sufficient and skilled workforce that meets the needs of industry.	<ul style="list-style-type: none"> <li>● labour market surveys</li> <li>● employer Surveys</li> <li>● industry association communication and correspondence,</li> <li>● demographic information on participation in the industry.</li> </ul>

# Process Indicators

Process indicators describe the important processes that contribute to the achievement of outcomes. Examples of process indicators are the quality of training, assessment and needs assessment. These are indirect indicators of merit, and as such do not guarantee the achievement of outcomes. The process indicators highlight things that ITOs do that are expected to lead to desirable outcomes and which can be observed and described.

The process indicators used in this document are based on research evidence about the things that contribute to trainee achievement of skills needed by industry. They are generally used as proxies for the outcomes sought. A proxy may be required where there is limited information, the outcomes are hard to measure, or where it is difficult to assess accurately the contribution of the ITO.

Process indicators are particularly useful in reviews focused on improvement.

Where the outcome indicators suggest performance is below the level expected, process indicators can be used diagnostically to explore the reasons. The process indicators can also be used for developing recommendations for improvement.

Where the outcome indicators suggest performance above the level expected, process indicators can be used to validate or explain the processes that contributed to the outcomes.

## ITO Purpose and Direction

ITOs have defined statutory functions: industry skills leadership, setting standards and qualifications, and managing arrangements for training.

ITOs have a unique role to make decisions based on industry knowledge and experience about the supply of, and demand for, relevant and high quality training opportunities that meet the needs of trainees, industries, and the wider economy.

ITOs work with:

- government – to inform its investment decisions by clearly communicating skills and training needs
- their industries – to assist with the development of strategic training plans and wider industry strategies
- trainees and potential trainees – to support them to fulfil their aspirations, and develop capabilities and skills that can be utilised in the workplace.
- tertiary education providers – to help them ensure their programmes and offerings meet the needs of trainees, industries and government.

ITOs are obliged to govern and manage themselves effectively and efficiently, be accountable to their funders and relevant stakeholders such as industry, business, employers and communities.

Indicator	Examples of possible evidence
<p>The ITO has effective governance and management systems and processes that enable it to:</p> <ul style="list-style-type: none"> <li>● articulate a clear purpose and direction</li> <li>● undertake activities consistent with its purpose and direction</li> <li>● effectively anticipate and respond to change</li> <li>● allocate resources efficiently to support the development of a skilled and qualified industry.</li> </ul>	<ul style="list-style-type: none"> <li>● Strategic and business plans informed by self-assessment findings.</li> <li>● Plans, policies and procedures (quality management systems) that support the organisation's purpose and direction.</li> <li>● Purpose and direction are informed by comprehensive needs assessment.</li> <li>● Effective systems for planning resources e.g. budgets, recruitment plans.</li> </ul>

### Industry Skills Leadership

ITOs can influence the *supply and demand* for education and training through establishing a vision and a workforce development plan. ITOs connect the tertiary education system to the labour market and inform government on matters relating to education and economic development and supporting effective investment decisions in the tertiary sector. ITOs also influence supply of training by informing providers about the needs of industry.

ITOs are engaged with labour market issues and career pathways in the industry. This includes being informed about the changing needs of industry to ensure that trainees are being equipped with relevant skill sets, and gain qualifications that have utility. ITOs ensure that potential trainees receive good information and advice about career options and the skills required by industries. This is to support transition to further education and employment.

Indicator	Examples of possible evidence
<p>The ITO provides valid and/or effective advice to industry, employers and trainees regarding the skill development needs of its industry/ies.</p>	<ul style="list-style-type: none"> <li>● Industry needs analysis.</li> <li>● Historical information and trends.</li> <li>● ITO communications strategy.</li> <li>● Strategic training plan.</li> <li>● The ITO is participating effectively in key industry fora, and has constructive relationships with related industry associations.</li> <li>● Information collected is used.</li> </ul>

<p>The ITO provides valid and/or effective advice to government and crown agencies, and tertiary education providers on matters relating to skill shortages, supply, and demand.</p>	<ul style="list-style-type: none"> <li>● ITO identification of key government and Crown stakeholders, and key providers.</li> <li>● The ITO participates effectively in relevant reference groups.</li> <li>● Examples of policy advice to government agencies.</li> <li>● Investment plans and strategic training plans.</li> <li>● The extent to which the industry follows the ITO's advice.</li> </ul>
<p>The ITO ensures that skill development and training reflect skill needs and career paths in the industry.</p>	<ul style="list-style-type: none"> <li>● Skills and standards are mapped to career pathways.</li> <li>● Training and qualifications support retention and progression in industry.</li> <li>● Information to trainees and potential trainees is provided regarding opportunities within the industry/ies.</li> <li>● Arrangements with, and information provided to, education providers (including schools).</li> <li>● Information provided to secondary school learners and school leavers.</li> </ul>

## Setting Skill Standards and Designing Qualifications

ITOs are the recognised standards setting bodies for their industries. Setting standards and designing qualifications is important to the development of a skilled and productive workforce. To be useful, the standards must reflect the current and expected needs of industry.

Skills and capabilities that are used in different contexts are likely to be appropriately transferable within and between industries and employers. Similarly, the structure of qualifications should provide useful pathways for employees to develop and improve their skills within or between industries.

Indicator	Examples of possible evidence
Standards and qualifications are current, credible, and meaningful, and reflect the skill requirements of industry.	<ul style="list-style-type: none"> <li>• The ITO's registered standards are current.</li> <li>• Review processes are ensuring currency and fit-for-purpose standards.</li> <li>• Usage statistics.</li> <li>• External evaluation and review reports.</li> <li>• Employer satisfaction surveys.</li> <li>• Use of standards by industry.</li> </ul>
Standards and qualifications provide for pathways in employment and/or further training.	<ul style="list-style-type: none"> <li>• Trainees are retained and promoted within industries.</li> <li>• Labour market statistics.</li> <li>• Trainee records of achievement.</li> </ul>

## Managing Arrangements for Training

Each industry will require different approaches to the way its workforce is developed. This means developing effective training opportunities. This will include an appropriate combination of on-job-training and assessment by registered assessors, and off-job training opportunities delivered by tertiary education providers.

Indicator	Examples of possible evidence
The ITO develops an appropriate mix of training to ensure that trainees acquire relevant skills for the workplace	<ul style="list-style-type: none"> <li>• Qualifications are completed and credits are achieved.</li> <li>• Trainee retention and advancement in employment.</li> <li>• Accreditation information.</li> <li>• Monitoring contracts with providers.</li> </ul>
The ITO actively monitors the progress of trainees and supports them to succeed	<ul style="list-style-type: none"> <li>• Individual learning plans = training agreements.</li> <li>• Completion rates.</li> <li>• Directory of Assessment Standards credit reports<sup>1</sup>.</li> <li>• Results of self-assessment.</li> </ul>
The ITO ensures that the training meets the skills needs of employers and employees.	<ul style="list-style-type: none"> <li>• Employer surveys.</li> <li>• Trainee surveys.</li> <li>• Workforce statistics.</li> </ul>

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<sup>1</sup>Unit standards are now registered on the Directory of Assessment Standards.

## Assessment

Assessment is an important accountability measure for assuring that trainees have attained the learning outcomes described by the standards. ITOs ensure that assessment in respect of standards – whether on or off the job – is valid and reliable.

Good quality assessment provides confidence in the reliability and validity of qualifications. Assessment information can be used to assist trainees to determine where further learning is required. It can also be used to enhance the training provided in the workplace.

Indicator	Examples of possible evidence
<p>Assessment in the workplace supports learning and provides evidence of achievement to the required standard.</p>	<ul style="list-style-type: none"> <li>• Trainees receive constructive feedback on their learning leading to improved outcomes.</li> <li>• Records of achievement are kept up to date and used as the basis for dialog with the trainee about progress that has been made, to identify issues impacting on learning and to establish next steps.</li> <li>• Moderation leads to improved assessment processes and results.</li> </ul>
<p>Assessment conducted in the workplace and/or by accredited providers is valid, reliable, fair and transparent.</p>	<ul style="list-style-type: none"> <li>• Moderation is occurring within the workplace and across the industry leading to better assessment, and ultimately better outcomes.</li> <li>• There is a formal process for workplace assessors to benchmark their assessment practices and results with others. Analysis of work place assessment benchmarking leads to improvements.</li> <li>• The ITO review of assessment practice and moderation reports in its industry lead to improved outcomes for trainees.</li> <li>• Workplace assessors are adequately trained.</li> </ul>

# Appendix 1: Design of the Evaluation Indicators for ITOs

The evaluation indicators for ITOs have been developed using systems modelling research. The indicators have also been informed by a review of research on: the training that individual ITOs organise, policy settings, and market and customer satisfaction.

The *Skills and Training Survey 2007* (Industry Training Federation and Business NZ, 2008) identified important issues about the:

- extent to which training is leading to qualifications
- perceptions about ITO performance held by their industries
- extent to which industries feel they are adequately supported by their ITOs
- extent to which industries turn to providers other than ITOs for training advice and organisation
- perceived utility and relevance of ITO arranged training.

The 'High Performance' reports and surveys being progressively undertaken by the Industry Training Federation will also assist ITO self-assessment by suggesting areas where quality improvements can be made.

ITOs can use research to:

- reflect on the value and effectiveness of the training approaches chosen
- clarify what is good practice in process and procedure, e.g. qualification design, moderation, and work-based pedagogy
- manage their work to complement the wider operational environments of workplaces, and enable their role in industry and skills leadership
- identify broader issues e.g. the state of the labour market, societal and economic trends, technological developments and recruitment and management practices.

## Appendix 2: Useful Resources/References

The following is a selection of sources used in the preparation of the evaluation indicators for ITOs.

- Ananiadou, K et al (2004). Identifying effective workplace basic skills strategies for enhancing employee productivity and development. National Research and Development Centre for Adult Literacy and Numeracy: London.
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- OECD (2003). Working Paper 3. The role of national qualifications systems in promoting lifelong learning. OECD: Paris.
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