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VALUES-BASED LEADERSHIP IN A LEARNING ORGANIZATION: POSSIBILITY OR PIPEDREAM?

A thesis submitted in partial fulfilment of the requirements for the degree of

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Diana C Mead

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Abstract

The purpose of this research was to ascertain whether the concept of values-based leadership in a learning organization is a possibility or a pipedream. The motivation for undertaking this study developed from the researcher's own work with a highly respected CEO in the polytechnic sector during the early 1990's. The qualities that this CEO exhibited in her professional and personal life provided a platform for the research and paralleled the paradigmatic shift in leadership where the intrinsic value of people and organizational learning were being promoted.

The researcher selected a qualitative research design based on a case study approach using semi-structured interviews as the primary source of data. The context for the study centred on four practising leaders in senior management positions in the private and public sectors in New Zealand. The literature review provided the historical and theoretical background to the research and evolved from the research questions and main aims of the study. The research limitations and suggestions for further study are outlined in the methodology section in Chapter Three.

In Chapter Four, the research findings are presented in the form of six main themes which correspond with the order of the six research questions. The key findings relate to the participants' understanding of a learning organization, the advantages and disadvantages of values-based leadership and the importance of the leader in effecting change in an environment that values people and learning. The significant factors that have shaped or influenced the participants' philosophies complete this chapter. Central to the research findings was whether values-based leadership in a learning organization can work in the participants' current

positions. The results support the notion that it does work and this is illustrated in the theoretical model at the end of Chapter Four.

In Chapter Five, the researcher discusses the major findings from the study in conjunction with the participants' responses, the working model and the relevant literature. The conclusions drawn in the final chapter attest to the viability of values-based leadership in a learning organization and its applicability in a small number of private and public sector organizations.

Acknowledgements

I would like to extend my sincere thanks to the participants in this study who were, without exception, eager to contribute their knowledge, experience and wisdom and to share their genuine interest in the subject.

Throughout my association with Massey University, Dr Wayne L Edwards has willingly guided me through the inevitable hurdles that mature, postgraduate students encounter. As my thesis Supervisor, I am most grateful for his insight, honesty and continued assistance.

I should especially like to thank Jacquie, Ann and Eileen who are not only special friends but also much admired colleagues who provided welcome comment at critical times during the research process.

To my loving husband, John, thank you for your unwavering support and belief in me. And to our children, Rebecca and Jonathan, thank you for your perception, encouragement and positive view of the world.

[redacted]

19 April 2001

Dear Wayne

Many thanks for your listening ears earlier today – I really appreciated your thoughts. I will take your advice and hang my hat on the thesis as it stands and get on with the business of life after study!!!!

The errata I mentioned on the phone are as follows:

p. ii – in first para. replace Four with **Five**

p. 89 – in last para. replace p. 7 with **p. 71**

p. 94 – in second para. replace p. 9 with **p. 73** and p. 27 with **p. 90**

p. 97 – in fourth para. replace p. 7 with **p. 70** and p. 19 with **p. 82**

Happy hunting and I look forward to hearing from you in due course.

All the best and kind regards,

Bianca

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Chapter One: Introduction

1.1 Research Beginnings

Impetus for exploring the theme of values-based leadership in the learning organization derived from my own experience in a senior management position in the early 1990's. During this time, there were many national issues facing tertiary education and these impacted significantly on our regional polytechnic. In addition to the external forces, there were major internal problems that extended well beyond the local level. The need for strong leadership to manage the external issues and to resolve the internal difficulties was paramount. Against this backdrop a newly appointed CEO was seen as a turning point in how the polytechnic viewed itself and how I regarded the role of the leader.

For two and a half years, until the CEO's tragic and untimely death, the institute experienced a type of leadership that embodied a total commitment to staff, students, education, quality and to what Bolman and Deal (1995, p. 4) termed "the more enduring elements of courage, spirit and hope." This CEO's leadership created an environment where people involved with the polytechnic felt proud to be associated with the organization. My interest in leadership developed exponentially during this time and it was the CEO's professional approach and personal attributes that prompted me to qualify the type of leadership that she exhibited. Concurrently, the concepts of values-based leadership and a learning organization had become very much part of a new leadership paradigm.

Once the decision had been made to research the topic of values-based leadership in a learning organization, the next step in the process was to determine what other practising leaders knew about the subject and

whether a single experience had wider application in a small number of private and public sector organizations. I selected a qualitative research design because it enabled me to gain immediate access and direct insight into what four practising leaders understood by these concepts. In this study, the rich data were generated through a case study method using audiotaped interviews as the primary data source.

1.2 Research Questions

As the focus of the study was to see if the principles of values-based leadership can work in the real world, the following open-ended questions were developed and piloted prior to the interview process. During the study, these questions would be applied to each participant.

- What is your understanding of a learning organization and values-based leadership?
- What do you see as some of the main advantages to values-based leadership in your organization? Any disadvantages?
- How important is the role of senior management, particularly the CEO/Principal/Director, in relation to values-based leadership in a learning organization?
- How workable is values-based leadership in your current position?
- How would you go about changing the culture if it did not embrace the tenets of a learning organization and values-based leadership?
- In your career/life, what events or people have most significantly shaped or influenced your philosophy on leadership?

1.3 Background to the Research

In the last decade, enormous structural and operational changes have occurred in the private and public domain and polytechnics were no exception. They, too, experienced a multiplicity of educational reforms and ministerial directives. In 1989 a new government blueprint for the management of tertiary institutes (Appendix A) radically altered not only the funding mechanism, but also the way in which the polytechnics were required to manage and report. The Education Act 1989 (Appendix B) gave further definition to these guidelines and a major shift in the roles of management and governance by Council was of particular significance to the polytechnic sector. The Council became the employer of the newly entitled Chief Executive Officer (CEO) who in turn, became the sole employer of all other staff in the organization. Such policies charged polytechnics to operate according to the guidelines and parameters of their charters, mission statements, strategic plans and quality management systems. In essence, these policies established a strategic planning framework which incorporated the human side of what the organization stood for, in other words, "its values."

These new mandates had a considerable impact on senior managers as well as Councils and supported Bunning's (1995, p. 1) assertion that "there is a political and community demand that educational institutes reform themselves to match the changes taking place in the general community." Recent studies into what constitutes effective leadership have indicated that leaders should be committed to the more human aspects of leadership and have "a firmly established context of *people first*" (Greenleaf, 1977, p. 40, author's emphasis). The shift in emphasis within polytechnics included a growing recognition that people are an organization's greatest asset. To be committed to people first, meant that leaders must "believe in and act on

the inherent dignity of those they lead [and] in bringing about change [should] always include the people affected by the change process" (O'Toole, 1995, p. 37).

Bunning (1995, pp. 5-6) further posited that it is essential for senior executives in polytechnics to encourage the development of organizational learning that heightens an organization's capacity to serve and that the development of learning throughout an organization was fundamental not only to its success, but also to its survival. This concept has been considered by many authors and coined organizational learning. (See section 1.4 for further discussion.)

The CEO with whom I worked believed passionately in organizational learning and this conviction, combined with an unwavering support for people, strengthened the polytechnic's ability to serve the internal and external communities. In her capacity as a leader, the study has highlighted the characteristics she demonstrated and they form part of the comparative research into how the practitioners in this study view the role of the leader in relation to values-based leadership in a learning organization.

Supporting this exploration, the researcher looks at the paradigmatic shift that has taken place in organizations where leaders are stressing the intrinsic value of people at all levels of the organization and promoting organizational learning as an instrument of change in a constantly changing environment.

1.4 Creating a New Environment

If "it is the leader's responsibility to get people from here to there," then the question has to be asked; what is required of the leader to ensure that

the organization exhibits learning at every level, where opportunities for personal and professional growth are present, and where people feel as if they make a difference to the organization (Bennis, 1991, p. 17)? According to Schein (1992, p. 392), if leaders want to create an organizational culture that is conducive to learning, then leaders will have to lead by example "by becoming learners themselves and involving others in the learning process."

Since it is individuals who learn and who ultimately create a learning environment, then understanding people and what they value in a leader are pivotal to the research on values-based leadership. Throughout the study, the researcher underscores the symbiotic relationship between values-based leadership and a learning organization. This alliance reinforces O'Brien's (in Senge, 1990a, p. 140) reasoning that what we need are organizational models that are more congruent with human nature and managers must give up the "old dogma of planning, organizing and controlling and realize the almost sacredness of their responsibility for the lives of so many people."

1.5 The Leadership Challenge

The significance of this study lies with the compatibility of the ongoing reforms in the private and public sectors and the leadership skills necessary to effect changes that foster organizational learning and focus on people as a valuable resource. The force and constancy of change and the challenge to perform in a competitive market have required many leaders to realign their roles, refocus their thinking, retrain for the future and, for some, to resign from their positions. Today, according to Rosen (in Hesselbein, Goldsmith and Beckhard, 1997, p. 308), the leader's "ultimate challenge is to build a healthy, successful enterprise, one that is values-based and vision-driven internally and customer-based and market-driven externally."

1.6 Aims of the Research

The specific aims of the research are:

- To analyse and evaluate existing leadership practices and current leadership theories;
- To investigate what comprises values-based leadership and a learning organization in the public and private sectors;
- To determine the role of the leader in a values-based organization;
- To consider the advantages and disadvantages of values-based leadership as a working model, and
- To discover what shapes a leader's philosophy on leadership.

This study centres on what four practising leaders understand by values-based leadership in a learning organization and whether a theoretical framework can be converted to a practical setting. It is important to note, that while all participants in the study were women, they were selected because of their proven leadership skills as opposed to their gender. The research project was not intended to focus solely on women and leadership, but, rather, as a study of what characterizes values-based leadership in a learning organization and its effectiveness and applicability in a small number of public and private sector organizations.

While there is considerable material available on the subject of leadership, particularly from overseas sources, the researcher is unaware of any published studies on values-based leadership in a New Zealand context and the effect it can have on an organization. There is, however, considerable scope for further research into the role of women and men as values-based leaders and this point is expanded in the discussion and conclusion chapters.

1.7 Organization of the Thesis

The review of the relevant literature is found in Chapter Two and focuses on past and present leadership theory and practice, including women's perspectives, a learning organization, values-based leadership and other closely aligned leadership concepts.

Chapter Three describes the methodology used in the research and explains why a qualitative research design was chosen. This chapter also illustrates why the researcher regarded case study and interviews as the most appropriate research method. In addition, the chapter details the planning processes and includes the selection of the participants, ethical considerations and data collection and analysis.

The research findings are documented in Chapter Four and offer a close examination of the thick descriptions resulting from the interviews. This chapter presents the participants' sequential responses to the six interview questions and focuses on whether values-based leadership can work in reality.

In Chapter Five the researcher discusses the results of the research and presents a theoretical model of values-based leadership in a learning organization. Direct quotes from the participants and references to the literature review have been incorporated.

The final chapter provides the reader with the major conclusions drawn from the six research questions and suggests a path for further research on leadership development and practice. Chapter Six also includes the researcher's own reflections on the study and a brief evaluation of the methodology.

1.8 Limitations of the Research

The limitations of the research fell into four main categories: geographic location, gender, age and cultural limitations, sampling size, and changes in the researcher's employment. These limitations are outlined in the following paragraphs.

1.8.1 Geographic Location

1.8.1.1 The Researcher's Location

There were two aspects associated with location that the researcher regarded as limitations to the study. The first involved the researcher's own geographic situation as an extramural, postgraduate student studying in a location far removed from Massey University and immediate one-to-one contact with the supervisor. While these restrictions were not insurmountable, they did add to the demands of undertaking a thesis at long-distance. Fortunately, the email, phone conversations and strategic meetings with the supervisor served as antidotes on any number of occasions, but for extramural students completing a thesis, distance and isolation can be problematic.

1.8.1.2 The Participants' Location and Accessibility

During the process of selecting the participants, the researcher was keenly aware of the practicalities in choosing participants who were readily accessible. As a result, the participants were selected from the North Island and were working in either middle-sized or large metropolitan areas. The researcher recognized the limitations of having all participants from the same general urban area as it may have influenced their perceptions and

understanding of the research questions. However, the researcher considered that the types of questions were not primarily dependent on location.

1.8.2 Issues Relating to Gender, Age and Culture

As stated earlier in this chapter, it was not the researcher's intention to select participants from the same gender, culture or age group. Nonetheless, after reviewing the situation carefully, it became clear that of the nine participants originally proposed, four were deemed more suitable because of their experience, position in the organization and accessibility. The researcher was aware that selecting only women in approximately the same age group and from similar cultural backgrounds could affect the degree of generalizability in the research. In the case of this study, the strength and similarity of responses did allow a degree of generalizability. The limitations of this study have provided scope for further research topics as outlined in Chapter Six.

1.8.3 Sampling Numbers

A further limitation to the study could rest with the small sampling numbers used in the research. While four participants was regarded as a relatively small number for the study, it was decided that the quality of the participants, in this case, would outweigh the issue of quantity and that the results of these four interviews could produce a rich source of data. The limitation of sampling numbers has also been addressed in the methodology section and in the conclusion chapter under suggestions for further research.

1.8.4 Researcher's Work Situation

A temporary but significant limitation from the researcher's perspective was a change in employment, which involved a shift from an educational organization to a commercial one. The lack of opportunity, including suitable amounts of time, and a less than compatible combination of commercial work and study, made it difficult to work continuously. This situation, fortunately, was rectified when the researcher returned to work in an academic environment.

1.9 Delimitations of the Research

This study is limited to four women from the private and public sectors who hold senior management positions and are located in medium to large metropolitan areas in the North Island. As a further delimitation, a learning organization is discussed in terms of the broader principles and philosophy associated with values-based leadership, rather than an extensive examination of Senge's (1990a) five disciplines.

In the following literature review, the researcher looks at what the literature has to say about leadership and learning, how the review informed the study and what effect the reading has had on the researcher's own thinking and learning.

Chapter Two: Review of the Literature

2.1 Introduction

In this chapter, the researcher reviews the most prominent leadership models, explores the role of the leader and traces the emergence of values-based leadership and other closely aligned concepts as recognizable forces in the field of leadership. The researcher also looks at what comprises a learning organization, the relationship between values, the leader and the organization, and the changes that are occurring in our understanding of how women and men lead. The intention of this chapter is to provide background information, research and comment on values-based leadership and a learning organization and to show how the review of the literature has informed the study. The writer wishes the reader to note that while every effort was made to incorporate literature from an Australasian perspective, there were very few publications available.

2.2 Paving the Way: The Review Process

Although Glaser and Strauss (in Merriam, 1998, p. 120) wrote the following description over three decades ago, the researcher found their comparison between fieldwork and library research a timely reminder to separate the relevant from the irrelevant and to allow opportunities for the emergence of valuable data.

> When someone stands in the library stacks, he is, metaphorically, surrounded by voices begging to be heard.... In those publications, people converse, announce positions, argue with a range of eloquence, and describe events or scenes in ways entirely comparable to what is seen and heard during fieldwork.

In this study, the literature review established an historical and theoretical background for the research. As Merriam (1998, p. 50) duly noted, designing a study is a highly interactive process that involves the shaping and reshaping of the problem along side the literature. For the researcher, there was a well-trodden path between the initial reading, references to the aims of the research and the many subsequent searches for further information "to provide the foundation for contributing to the knowledge base" (Merriam, p. 50). During this process, the researcher continually cross-referenced and drew on appropriate bibliographies from other authors to extend the frame of reference. As noted in the introduction, the researcher was unable to find any New Zealand case studies or literature on values-based leadership in a learning organization. Initially, the lack of these publications was somewhat constraining; however, the gap in the literature contributed to the researcher's challenge in developing a theoretical model from the findings. (See p. 126.) While conceptually transferable, the lack of New Zealand publications did raise the issue of applicability but the researcher viewed values and on-going learning as universal concepts that could be applied to organizations in a New Zealand setting.

In tandem with the aims of the research, the study also focuses on the qualities demonstrated by a highly respected leader to see if the leaders selected for this study shared these leadership dimensions. During the literature review, the researcher found that there was considerable information available on leadership, a learning organization and to a lesser extent, values, and these cumulatively assisted in the development of the discussion and conclusion sections and the working model. As the problem to be studied had already been identified by the researcher, the literature was reviewed to discover what was relevant and how the information should be incorporated and shaped to reinforce the main aims of the research and establish what was already known on the subject. The review

of the literature also served as a basis for comparing and contrasting the various schools of thought and assisted the way the study was framed and how the concepts were defined (Merriam, 1998, p. 51). While Glaser (1978, p. 31) considered it preferable to start the review after the data are collected, the researcher found the process of reading widely before the preliminary stages of the research more informative and appropriate.

2.3 Leadership Studies and Theories: Defining Moments

Countless theoreticians and students of leadership have recognized leadership as an inherent and vital part of the human social order. Expressing the need for leadership in society, Bolman and Deal (in Rosenbach and Taylor, 1993, p. 200, authors' emphasis) inform us that the English word *leader* has changed very little from its Anglo-Saxon root *laedare,* which means to lead people on a journey. Combined with the notion of leaders taking people on a journey, Gardner (in Rosenbach et al, p. 200) believes that if leadership is properly conceived, it "serves the individual human goals that our society values so highly, and we shall not achieve these goals without it." On the continuum of leadership studies and theories, Hoy and Miskel (1991, p. 251) submit that:

> During the past several decades the sheer volume of theory and research devoted to leadership testifies to its prominence in our collective efforts to understand and improve organizations.

The question of whether leaders are born or made still surfaces as one of the more enduring theoretical debates about the nature of leadership. As a topic, Handy (1993, p. 96) considers that "the search for the definitive solution to the leadership problem has proved to be another endless quest for the Holy Grail in organization theory." However, he does qualify this

statement by reasoning that a better understanding of the problem may lead "to better solutions of individual situations" (p. 96). Hopkins, Ainscow and West (1994, p. 154) suggest that moving from one leadership approach to another does not necessarily entail the rejection of the previous concept but, instead, involves viewing such developments "as the addition of new layers of understanding rather than alternatives."

According to Bass and Stogdill (1990, p. 19), leadership research is facing a dilemma. From their perspective, leadership definitions should not only identify a leader, but also should indicate how the position was acquired and "should account for the maintenance and continuation of leadership." The findings in this study look at how participants viewed the role of the leader and the degree of importance assigned to nurturing future leaders.

Over the years, the most conspicuous thinking on leadership theories has fallen into the trait, behavioural, situational and transformational models. Murphy (in Hopkins et al, 1994, p. 154, authors' emphasis) traces these theoretical developments and they are summarised as follows:

- The initial interest in the personal qualities and characteristics of "successful" leaders resulted in *personality* or *trait* leadership theories;

- An increasing focus on what leaders do, and whether there are some behaviours and approaches that are consistently associated with successful leadership, supported the development of *behavioural* leadership theories;

- A growing awareness that task-related and people-centred behaviours may be interpreted quite differently by different groups

and in different contexts prompted explanations of how the particular context might best be accounted for within a general theory. This resulted in a variety of *situational* approaches to leadership;

- An emphasis on the links between leadership style and the culture of the organization was a movement away from the notion of leadership as a series of transactions within a given cultural context, and a shift towards a view of leadership as being transformational. This perspective had the potential to change the cultural context in which people worked.

These theories, promulgated by researchers and practitioners, have been subjected to numerous variations over the last seventy years. In relation to these theoretical changes, Morris (1987, p. 24) states that: "The study of leadership has often been said to be a continuing approach in which the only consistency is diversity." He also proffers the view that definitions of leadership are reflected within the paradigm of the day, leading to further shifts in the leadership debate.

As part of the leadership debate, Bennis and Nanus (1985, p. 4) reflected on the decades of leadership analysis and the more than 350 definitions of leadership that have failed to provide a clear distinction between the leader and the non-leader and the effective leader from the ineffective leader. "Never", they concluded, "have so many labored so long to say so little." In this same vein, Yukl (1989, p. 5) claims that there is no single definition that is correct and that, while the debate goes on, "it is better to use the various conceptions of leadership as a source of different perspectives on a complex, multifaceted phenomenon."

While definitions and theories of leadership abound and range in degrees of faddism, they do provide an essential backdrop in understanding the changes that have taken place in the field of leadership and the increased focus on leaders who put people first. From De Pree's (1989, p. 49) perspective:

> We don't come with our companies – they come with us, because no company or institution can amount to anything without the people who make it what it is.

2.4 The Changing Face of Leadership

Despite the elusive nature of leadership, there is a general acceptance that we do need leaders. Kotter (1988, p. 124) strongly believes that:

> Leadership, with a small "l", is of incredible importance in today's world. Its cumulative effect often makes the difference between dreadfully stifling and unresponsive bureaucracies and lively, adaptive organizations.

Leadership has become an even more important issue in the public and private sectors because organizations have had to deal with a constant environment of change, and, in some cases, confusion. Kotter (in Brosnahan, 1996, p. 3) also notes that leadership is required at all levels of the organization. Put more forcibly, he contends that those organizations that fail to encourage leadership will fall by the corporate wayside.

In an effort to assist leaders to move forward rather than to just move, Kanter (1983, p. 365, author's emphasis) argues that companies should be encouraged to *invest* in people rather than paying them off. She believes

that strong individuals, along with a tradition of teamwork, make a difference to organizations and bring productive accomplishments into being. Moreover, she presupposes in the context of valuing people that:

> If more companies are encouraged to increase their investment in their people ... then this could in fact turn out to be a transforming era ... because of its humanistic as well as economic benefits (p. 365).

From the same standpoint, Wixom (1995, p. 65) insists that, in spite of change being constant, "About the only thing that will not change very much is the importance of good people." Rosen (in Hesselbein et al, 1997, p. 308) views the leader as the chief people officer in the organization and argues that the way people are led will predict the organization's long-term directions. Furthermore, Rosen reasons that the goal of the leader is to strengthen the organization's capability and to increase the competence, commitment and creativity of the people.

Hesselbein (in Hesselbein, Goldsmith and Beckhard, 1997, pp. 81-82) reflected on the need for change when she talked about the previous hierarchical management structures "that boxed people and functions in squares and rectangles, in rigid structures" and positioned the CEO at the top of the pyramid looking down and the workforce below looking up. When new organizational realities surfaced they came with a "new language, a new approach, a new diversity of gender and ethnicity" (Hesselbein et al, 1997, p. 82). In the 1970's and 1980's, huge developments occurred and management took people out of the boxes, liberated the human spirit and transformed the organization (Hesselbein et al, p. 82). The concept of valuing individuals and fostering learning can be

seen as part of this liberation of the human spirit and is closely associated with leaders manifesting a spiritual dimension.

Bennis (in Bennis and Townsend, 1996, p. 2) continues this theme by advocating that leadership "must always be a complex blend of art and science" and that the old order of command-and-control leadership is outmoded and inappropriate in today's environment. He goes on to say that you get the best from people by empowering them.

> We've got to go from macho to maestro, from someone who thinks he has all the answers and gets all the perks to someone who can conduct his staff to find its own answers (p. 4).

Senge (1990a, p. 340) holds the view that the new role of the leader is to be a designer, steward and teacher who focuses on systemic forces and collective learning. What is pivotal to effective leadership in the nineties and beyond, he believes, is an emphasis on the human component and the deep satisfaction that can be found by empowering others "and being part of an organization capable of producing results that people truly care about" (p. 341). Senge's position demonstrates the indispensable coordinating link between the role of the leader and a learning organization and this relationship represents an integral part of the present study.

2.5 The Emerging Model of a Values-Based Leader

To assist in the understanding of what comprises values-based leadership, consideration should be given to what other closely aligned leadership concepts have to say. The human aspect of leadership has been variously described and it is important that the following associated concepts are reviewed as variations on the humanistic leadership theme. They include:

- Principle-centred,
- Moral or ethical,
- Servant, steward or follower, and
- Values-based leadership.

2.5.1 Principle-Centred Leadership

Stephen Covey's (1992) principle-centred leadership approach has gathered considerable momentum and many ardent followers. He likens correct principles to the points on a compass and believes they can show us the way if we know how to read them. For him "true north" principles are self-evident, self-validating natural laws, surfacing "in the form of values, ideas, norms, and teachings that uplift, ennoble, fulfill, empower, and inspire people" (1992, p. 19, author's emphasis). Taken a step further, he holds that the natural laws on which principle-centred leadership is based cannot be violated without serious consequences. He emphasizes that these natural laws are not quick-fix solutions but, rather, they are foundational. "When applied consistently [they] become behavioral habits enabling fundamental transformations of individuals, relationships, and organizations" (p. 19).

Although the terms "principles" and "values" are frequently used in the same context, Covey argues that they are different. *The Concise Oxford Dictionary* (1976, p. 880, editor's emphasis), defines *principles* as: "Personal code of right conduct." Covey (1992, p. 19) holds that principles are objective and external and they operate in the realms of natural laws irrespective of conditions. Conversely, he states, values are subjective and internal. However, on a qualifying note, Covey believes that "When people align their personal values with correct principles they are liberated from old perceptions or paradigms" (p. 20). In its synoptic form, principle-

centred leadership is inscribed by the age-old precept of treating others, as you would have them treat you, regardless of the changes taking place around you (pp. 23-24).

2.5.2 Moral Leadership

In looking at the differentiation between moral and ethical, *The Concise Oxford Dictionary* (1976, p. 708, editor's emphasis) defines the adjective *moral* as: "Concerned with goodness or badness of character or disposition, or with the distinction between right and wrong; and virtuous in general conduct." Similarly, ethics as an adjective is defined as: "Relating to morals, treating of moral questions; morally correct; honourable" (p. 355). For the purpose of this study, the terms moral and ethical leadership will be used interchangeably.

Although Sergiovanni (1992, p. 7, author's emphasis) accepts previous definitions of leadership and the particular emphasis on interpersonal style or behaviour, he maintains that the *hand of leadership* is not strong enough to account for the reality of leadership. He holds that we need to understand both the *head* and the *heart* of leadership if we are to recapture the head from the managerial mystique, which, he concedes, is not easy.

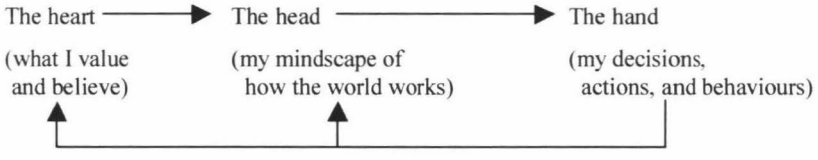
From Sergiovanni's perspective, the heart of leadership:

> has to do with what a person believes, values, dreams about, and is committed to - the person's *personal vision*.... But it is more than vision. It is the person's interior world, which becomes the foundation of her or his reality (p. 7).

He goes on to say that the head of leadership involves the mindscapes, or theories of practice, that leaders develop over a period of time. The ability to draw on these theories allows leaders to reflect on the situations they encounter. Moreover, according to Sergiovanni, the combination of reflection, personal vision and "an internal system of values, becomes the basis of leadership strategy and actions" (p. 7). Therefore, if the head and the heart are separated, there is a dislocation for the individual and the organization.

The following diagram illustrates the interaction that Sergiovanni (p. 8) advocates in order to become an effective leader in today's environment.

Figure 1: The Head, Heart and Hand of Leadership (Sergiovanni, 1992, p. 8)



Sergiovanni further posits that we need to relinquish some of the existing management literature and prescriptions and concentrate on joining management process and value substance. From there, he points out, "new meaning is created, and leadership practice is enriched in terms of values" (p. 11).

Correspondingly, Kouzes and Posner (1993, p. 15) reported, after their decade long leadership survey, that ethics was the personal characteristic most highly rated and that CEO's were expected to be above reproach if they wanted to be effective and credible by the year 2000. It is interesting

to note that the question of values for leaders and organizations has come under increasing scrutiny in the political, business and educational communities and represents a pivotal part of this study.

More specifically targeted, Beck (1992, p. 480) argues that educational administrators must recognize that a caring ethic assumes that personal, private concerns and the public good are linked in resolving issues. Furthermore, she cautions that administrators who neglect this caring ethic are not dissimilar to the stereotypical physicians who describe an operation as a success even if the patient dies. Beck also recognizes the inherent tension between various values and holds that:

> Education is a human enterprise in which persons seek to promote the fullest growth and development in others ...[and] have little choice but to embrace a caring ethic as a central guide to their interaction" (p. 480).

Reinforcing the concept that systems cannot be separated from ethical reality, Saul (1992, p. 414) writes, somewhat cynically, that:

> Business schools have rushed to create courses on ethical behaviour [but] when the economic system has been abstracted from reality, there is nothing concrete upon which ethics can be judged. The result is a wild inflation in the definition of integrity. These flatulent ethics mirror our monetary inflation. An ethical decision taken under current business structures has no more reality than a real estate transaction in a Monopoly game.

The answer to this, says Paine (1994, pp. 106-107), is to create an organization that encourages exemplary conduct and realizes that ethics are

as much an organizational issue as they are a personal one. In this context Paine emphasizes the importance of integrating the integrity strategies that will reflect the companies' guiding values, aspirations and patterns of thought and conduct.

2.5.3 Servant Leadership

Greenleaf (in Spears, 1995) was pre-eminent on the subject of the servant leader. He distinguished the servant leader as one who asks if people's needs are being served and if they grow stronger in the process and "become healthier, wiser, freer, more autonomous, more likely themselves to become servants" (p. 4). He went on to say that:

> A new moral principle is emerging which holds that the only authority deserving one's allegiance is that which is freely and knowingly granted by the led to the leader in response to, and in proportion to, the clearly evident servant stature of the leader. Those who choose to follow this principle will not casually accept the authority of existing institutions. Rather, they will freely respond to individuals who are chosen as leaders because they are proven and trusted as servants (in Bogue, 1994, pp. 134-135).

This principle, about which Greenleaf spoke, has become part of the moral authority advocated by Sergiovanni and Corbally (1986, p. 137, authors' emphasis). They view the successful leader as someone who can distinguish the difference between power *over* people and power *to* influence those in the organization. Although the authors are speaking from an educational perspective, the essence of their philosophy can inform other sectors dealing with leadership issues and provide a sense of direction. The following quote illustrates the importance of leaders as followers:

> Quality of followership is a barometer that indicates the extent to which moral authority has replaced bureaucratic and psychological. When moral authority drives leadership practice, the principal is at the same time a leader of leaders, follower of ideas, minister of values, and servant to the followership (Sergiovanni et al, 1986, p. 335).

In his reflections on the art of leadership, De Pree (1989, p. 10, author's emphasis) offers a further viewpoint on the concept of the leader as servant, steward and follower:

> Try thinking about a leader in the words of the gospel writer Luke, as "one who serves." Leadership is a concept of owing certain things to the institution. It is a way of thinking about institutional heirs, a way of thinking about stewardship as contrasted with ownership.... Leaders *should leave behind them assets and a legacy* [for] the signs of outstanding leadership appear primarily among the followers.

Further advancing his thoughts on leadership, De Pree (1989, p. xix) believes that it involves "liberating people to do what is required of them in the most effective and humane way possible." Hence, the leader is the "servant" of his followers (p. xix, author's emphasis). Phrased somewhat differently, but conveying the same message, Mant (1997, p. 25, author's emphasis) described those leaders whom people were generally prepared to follow in their respective organizations as "natural" leaders.

When Senge (1990a, p. 346, author's emphasis) reflected on the gifted leaders he had known, he realized that the "larger story" was common to them all: why they did what they did, how their organization needed to

evolve and how that evolution was part of something larger. Moreover, he believed that the larger story was central to his or her *ability to lead* and:

> out of this deeper story and sense of purpose or destiny, the leader develops a unique relationship to his or her own personal vision. He or she becomes a *steward* of the vision.

This relationship can best be appreciated in the context of building learning organizations and is referred to in section 2.7.

2.5.4 Values-Based Leadership

When looking at the options for leading change, O'Toole (1995, p. 13, author's emphasis) argues strongly against amoral leadership and explores "the 'unnatural' attitude of values-based leadership." From his perspective, the essence of values-based leadership is providing another belief system and then letting others acquire that mantle. Moreover, O'Toole (1995) believes that, to bring about real change, a leader must be able to inspire others to lead and become a leader of leaders. He further posits that:

> such leadership is difficult to achieve because no formula, no documentable technique, and no replicable skills is involved. Instead, values-based leadership is an attitude about people, philosophy, and process. To overcome the resistance to change, one must be willing, for starters, to change oneself. In essence, then, values-based leadership is 'unnatural' (p. 14, author's emphasis).

Gardner (1990, pp. 13-14) believes that leaders, whom we most admire, help to revitalise our shared beliefs and values and have allocated time to teach the value framework. What is more, he maintains that the values these

leaders affirm can challenge "entrenched hypocrisy or conflicts with the values held by a segment of the constituency." As Gardner noted, values decay over time and it is one of the leader's tasks to assist in the rediscovery of those values.

During their "search for excellence", Peters and Waterman (1982, p. 26, authors' emphasis) found that the excellent companies in their study had developed cultures that incorporated the values and practices of great leaders. Furthermore, they concluded, "the real role of the chief executive is to manage the *values* of the organization." Bennis (1989, p. 126) asserts that one of the tests for leaders is to know their own values and priorities, to know what the values of the organization are and to be able to measure the difference between the two. Similarly, Rost (in Bryman, 1992, p. 175) maintains that, unless leaders exhibit trust and personal integrity, they cannot command loyalty. Middlehurst (1997, p. 196) endorses this position and sees the integrating theme between motivation and behaviour as "modelling" and:

> in leadership terms, this may be described [as] setting an example, practising what is preached, ensuring that style and values are consistent with behaviour, and ensuring that the medium and the message are synchronised.

2.6 Do We Need Leaders with Values?

Although leading with high values is not always easy, Daft and Lengel (1998, p. 179) firmly believe that "Those who lead from a thoughtful set of personal values provide the foundation for an enduring and prosperous corporate culture." They go on to say that leaders whose behaviour and actions reflect high moral values, will be able to lead "others through

destabilized and oppressive times while maintaining or enhancing others' self-worth and accomplishments" (p. 191). In close association with Daft and Lengel's analysis, Hollander (1978, p. 79) points out that "The valued leader ... is usually a person who has gained as much from bad experiences as from more obvious successes" and that wisdom, coupled with intelligence, helps the leader and followers through uncertain times.

Hinchcliff (1997, p. 1) contributes persuasively to the debate on the importance of values in New Zealand's educational sectors and "every community engagement." Challenging some of the values that not only underpin, but also drive the education institutions, Hinchcliff (1997) argues that, unless the suggested hierarchy of values is embraced, the positive difference to young people will be severely impeded. He submits that, because key values are inevitably personal and subjective, the list "can never be a definitive moral calculus" (p. 31). Heading the list of thirteen values is a "respect for people, their perceptions, values, and being" (p. 31). Hinchcliff (p. 34, author's emphasis) reviews the pre-eminence that respect for people has had throughout "great wisdom literature" and maintains that: "The quality of an institution relates significantly to the quality of respect people have for each other." He strengthens his argument further by saying that: "If we lose sight of the reality of the personal dimension we lose our own humanity" (p. 34).

Over thirty years ago, Selznick (in Peters and Waterman, 1982, p. 85, author's emphasis) saw the virtue in values for the organization and his conviction is even more poignant and applicable in today's challenging and changing organizational climate. Furthermore, what he is contending in the following quote, reinforces Peters and Waterman's (1982) belief that the primary role of the leader is to manage the organization's values. (See p. 26 in this study.)

> The art of the creative leader is the art of institution building, the reworking of human and technological materials to fashion an organism that embodies new and enduring values.... To institutionalise is to *infuse with value* beyond the technical requirements of the task at hand.... The institutional leader, then, *is primarily an expert in the promotion and protection of values.*"

After twelve years of research in the public and private sectors, as well as non-profit organizations, Heifetz (1994, p. 13, author's emphasis) argues that you cannot talk about value-free leadership because:

> Leadership arouses passion. The exercise and even the study of leadership stirs feeling because leadership engages our values. Indeed, the term itself is value-laden. When we call for leadership in our organizations and politics, we call for something we prize.... The term *leadership* involves our self-images and moral codes.

It is significant in the evolution of values and leadership that more than twenty years ago England (1975, p. 11) concluded, after worldwide research, that personal values of managers were measurable and important to measure. He goes on to say that: "Values are related to such practical and important concerns as decision making, managerial success and organizational context differences." Moreover, England (p. 11) sees "The study of value systems and their role in organizational life as an important and on-going venture." Terry (1993, p. 68, author's emphasis) concurs with this view and argues that leadership is "inherently dialogical" and not only looks for shared meanings amidst differing meanings, but also shared values amidst conflicting values. Reinforcing the reality of conflicting values, McCullom (in Spears, 1995, p. 250) maintains that in complex adaptive systems, "conflict and cooperation are two sides of the same coin

[and] there are no neat, simple cause-and-effect relationships." O'Toole (1995, p. 258) affirms McCullom's assertion when it comes to balancing conflict and cooperation and claims that:

> Values-based leadership brings order to the whole by creating transcendent values that provide a tent large enough to hold all the different aspirations, and in which all can find satisfaction.

2.7 Leading a Learning Organization

Today, according to Schein (1992, p. 367), "learning leaders must have faith in people and must believe that ultimately human nature is good and in any case mutable." Underscoring Schein's point, Caldwell and Carter (1993, p. viii) considered it paradoxical that they should have returned "to mythology and the nurturing of the individual in a caring and collaborative culture" while preparing for the future in a global setting. In discussing the workplace transformations necessary for organizations to promote a mentoring climate, they found that a "learning organization" was critical to the process.

Since the term "learning organization" has been attributed to Senge, (1990a, p. 213, author's emphasis) it is appropriate that his description is reiterated here:

> As the world becomes more interconnected and business becomes more complex and more dynamic, work must become more "learningful." It is no longer sufficient to have one person learning for the organization ... to "figure it out" from the top, and have everyone else following the orders of the "grand strategist." The organizations that will truly excel in the future will be the

> organizations that discover how to tap people's commitment and capacity to learn at *all* levels in an organization.

As a vital part of that learning process, Senge (1990a, p. 11, author's emphasis) advocates five new "component technologies" or disciplines that develop separately but ultimately form a whole. These disciplines serve to build an organization that is not emulating a model or creating "*the* learning organization but rather a new wave of experimentation and advancement."

A brief definition of each component focuses on what Senge (1990a, pp. 6-10, author's emphasis) believes will distinguish the traditional organization from a learning organization and provides a useful background to the concept of organizational learning. He also submits that the five learning disciplines "might just as well be called *leadership disciplines* as the learning disciplines" (1990a, p. 359, author's emphasis). The interchangeable nature of these disciplines reflects the symbiotic relationship between leading and learning that is highlighted in this study.

- *Systems thinking* is a conceptual framework, a body of knowledge and tools that has been developed over the past 50 years, to make the full patterns clearer, and to help us see how to change them effectively.

- *Personal mastery* is the discipline of continually clarifying and deepening our personal vision, of focusing our energies, of developing patience, and of seeing reality objectively.

- *Mental models* are deeply ingrained assumptions, generalizations, or even pictures or images that influence how we understand the world and how we take action.

- *Building shared vision* involves the skills of unearthing shared "pictures of the future" that foster genuine commitment and enrolment rather than compliance.

- *Team learning* starts with "dialogue", the capacity of members of a team to suspend assumptions and enter into genuine "thinking together."

Senge (1990b, p. 7) goes on to say that the need to understand how organizations learn is even more crucial in today's climate. This is especially relevant when Deming (in Senge, 1990b, p. 7) proclaimed that: "Our prevailing system of management has destroyed our people." Against this dilemma, Deming is convinced that "People are born with intrinsic motivation, self-esteem, dignity, curiosity to learn [and find] joy in learning." Taking this view, it leaves little question that, "The person who figures out how to harness the collective genius of the people in his or her organization ... is going to blow the competition away" (Writson, in Senge, 1990b, p. 8). In locating the collective genius and competitive edge, Senge (1990b, p. 8, author's emphasis) encourages organizations to focus on what he terms "*generative* learning, which is about creating, as well as *adaptive* learning, which is about coping."

2.7.1 Leadership Styles in a Learning Organization

The perplexing problem arises, however, that if learning organizations, with an emphasis on adaptability, are the way of the future, why aren't more organizations subscribing to the merits of organizational learning? O'Brien (in Senge, 1990b, pp. 8-9, author's emphasis), CEO of Hanover Insurance companies, concludes that the answer lies in the quality of leadership and that people have a limited understanding of the commitment needed to

build a learning organization. He argues that as long as the myth that leaders are regarded in the traditional sense as *heroes* (pp. 8-9, author's emphasis):

> who rise to the fore in times of crisis [only] reinforces a focus on short-term events and charismatic heroes rather than on systemic forces and collective learning.

Schein (1992, p. 367) posits that this view of heroes is particularly associated with masculine roles. "It is quite possible that women as leaders will find it easier to accept a whole range of methods for arriving at solutions and will therefore be more able in a learning role." Josefowitz (in Neville, 1988, p. 133) highlights this point and considers that "with a changing society a new leadership style is needed and the change in values is actually shifting towards a women's orientation." Astin and Leland (1991) offer additional insight into women's leadership styles and their strategies for empowerment. In their analysis, according to Bunch (in Astin et al, 1991, author's emphasis) they have avoided the pitfall of labelling "certain traits "female" and, instead, focus concretely on what committed women leaders have achieved and what has been its impact" (p. xii). Just as importantly, Astin and Leland considered models for empowering leadership that are applicable generally and these models will assist with developing the next generation of leaders (Bunch, in Astin et al, p. xii).

Helgesen (1990, pp. 39-40) reinforces the concept of common ground where businesses have to widen their focus and "foster creativity and nurture new ideas – simply to survive." As a result of these rapid changes in organizations, values which have been associated with women, such as caring, making intuitive decisions and cooperation are finding a "confluence, an alignment that gives women unique opportunities to assist

in the continuing transformation of the workplace – 'by expressing, not giving up, their personal values' " (p. 40, author's emphasis).

In their research on gender and education, Adler, Laney and Packer (1993, p. 135) found that women were well aware of the impact that gender had on learning, teaching and managing and this had led to "contradictions, paradoxes and chimera" in their roles. One example of the contradictions was "being a feminist and being a manager today, though not between being a feminist and working with a feminist management style" (p. 135). Expanding on the contradictions, Adler et al (p. 135) maintained that, "there is an inherent contradiction between maintaining feminist principles and holding a powerful position in a linear hierarchy." In spite of these contradictions the authors insisted that they were not implying a mutual exclusivity and suggested, as had Helgesen (1990), that advancing towards a more participative model could be a positive move for women. However, there was still concern that despite "the current trends in commerce and industry towards a so-called female style of management [these trends] have not had an impact on the male hierarchy in education" (Adler et al, p. 136).

Directly related to Adler, Laney and Packer's study and giving support to the contradictory elements surrounding studies on women and management, Shakeshaft (1987, p. 190) found in her research that women and men approach and respond to the job of school administator differently. While Shakshaft's findings are not entirely surprising, one of her conclusions has relevance for further studies because of the theoretical construct:

> Women's ways of managing have seldom been included in formulations of theory, neither have researchers who generalized

> their results to women tempered their conclusions because of these differences.

Mary Parker Follett (in Karsten, 1994, pp. 30-31), who was a great believer in a holistic view of life, did much to contribute to women in management through her behavioural school of thought and by creating an awareness of employees' social needs, developing innovative ways of dealing with people problems in business and advocating a systems approach. Equally as important to the development of women in leadership roles was her preference for shared power and her dislike of "traditional power concepts [and] power over another based on hierarchical position" (p. 32). Although Follett's work spanned a period from the late 1880's to the mid-1930's, her contributions are all the more noteworthy in today's environment because of her belief "that empowering others creates more power" (p. 32). Karsten (1994) goes on to say, however, that Follett's "concern for human needs and her interpersonal skills ... were consistent with stereotypes about women that still persist" (p. 34). What is required, according to Still and Cowan (in Olsson and Stirton, 1996, p. 74), is a concerted effort by women to bring about changes in organizational culture, rather than worry whether women:

> had appropriate skills or fitted the traditional mould.... Women will never be considered "suitable" en masse while the current culture prevails. Therefore, first priority should be aimed at effecting organizational cultural change (p. 74, authors' emphasis).

In Rosener's (1990) study, based on the *International Women's Forum Survey of Men and Women Leaders*, she discusses the similarities and dissimilarities between men and women leaders. While the survey found that men and women earned about the same amount of money and

experienced work-family conflicts, the similarities stopped there. From a leadership perspective, men saw their style as more transactional and women as more transformational. As a result of her discussions with the female interviewees, she defined their style of leadership as "interactive" "because these women actively work to make their interactions with subordinates positive with everyone involved" (1990, p. 120, author's emphasis). Accordingly, this meant that they were trying "to enhance other people's self-worth and energize followers [and] in general, these leaders believe that people perform best when they feel good about themselves and their work"(p. 120). The philosophy behind the interactive approach implies a values-based leadership concept, which creates opportunities for people to develop their potential and add value to the organization.

On a qualifying note, Rosener (1990) makes it very clear that it is a mistake to link interactive leadership directly to being female. What she is advocating is an expansion of effective leadership definitions so that men and women can realize their potential, lead in a way that identifies their individual strengths and "then the newly recognized interactive leadership style can be valued and rewarded as highly as the command-and-control style has been for decades" (p. 125).

From the researcher's viewpoint, these female authors, who have cited the differences in the way men and women lead, are offering a more collaborative and positive perspective to leading organizations in the future. With an honest and healthy appreciation of the differences, Rosener (1990, p. 125) suggests that: "By valuing a diversity of leadership styles, organizations will find the strength and flexibility to survive in a highly competitive, increasingly diverse economic environment." The subject of diversity and how one participant reconciles this with the values of the organization is looked at in Chapter Four of this study. (See pp. 71-72.)

2.7.2 Learning to Learn

When the leader encourages individuals to figure it out for themselves, to learn about themselves, and the organization in the process, it can expose:

> not only what is going wrong but also about how they might be personally implicated in complex problems that are difficult to resolve [and] which give rise to tensions between competing values and beliefs (Cardno, 1995, p. 35).

To overcome these tensions and assist in resolving issues, Cardno (p. 36) advocates "double-loop" learning or the addition of a new learning loop which involves a re-examination of fundamental values which house our beliefs about effectiveness. As a result of a double-loop approach, the learning capacity of the individual and the organization is challenged. Cardno also holds that learning from past mistakes helps resolve conflict and encourages a climate of organizational learning. Furthermore, Cardno and Piggot-Irvine (1997, p. 49) consider that:

> Practitioners engaging in double-loop learning are prepared to adopt the search for valid information as a paramount value.

In this same vein, Schall (1995, p. 203, author's emphasis), claims that much of what attracts people to public service and tests their leadership lies with the "swamp" problems. In other words, it is "making sense out of the mess"; but more importantly, discovering "how to educate and prepare people for leadership of this sort" (p. 203). Part of Schall's commitment is teaching reflective practice and preparing people "to learn systematically from their own experience so that they might navigate the messy realities of day-to-day public management" (pp. 203-204). From Schall's own

experience in executive staff meetings, she admits that they finally changed the question to: "What's going on in the organization from which we can learn" (p. 206)? They were creating a reflective organization where people could be "fully present" at work (p. 207). The building of this kind of environment is closely associated with Senge's concept of a learning organization. In terms of being "fully present", Kahn, Smith and Berg (in Schall, 1995, p. 208, authors' emphasis) point out that:

> When people are present the conditions of trust and safety are created that allow difficult conversations to be engaged and worked through, such that individuals learn, grow and their systems become "unstuck."

Drawing on the same theme of responding effectively to change, Argyris (1994, p. 83) states that over the last few years he has come across any number of companies that have found the transition from command-and-control hierarchy to employee empowerment and organizational learning a struggle. What is more, he argues that, "everyone of them is its own worst enemy." He goes on to explain that managers fail to see the contradiction between the way they outwardly embrace the concept of intrinsic motivation and the degree to which they inwardly fasten onto the old extrinsic world. In order to face the steady advance of competition and change, Argyris (p. 85) believes that:

> Corporate communication must demand more of everyone involved.... Leaders and subordinates alike ... must all begin struggling with a new level of self-awareness, candor, and responsibility.

This level of awareness is, after all, the litmus test of organizations that subscribe to learning at all levels. Underscoring the examination and discovery of alternative practices, Garvin (in Cardno, 1995, p. 34) submits that, "A learning organization is an organization skilled at creating, acquiring, and transferring knowledge, and at modifying its behaviour to reflect new knowledge and insights."

Assigning a direct parallel to Garvin's statement, Argyris and Schon (1978, p. 28) deem organizational learning to be a metaphor, "whose spelling out requires us to reexamine the very idea of organization." Within the context of re-examination, members of the organization act as agents and respond to changes in the:

> ... internal and external environments of the organization by detecting and correcting errors in organizational theory-in-use, and embedding the results ... in private and shared maps of the organization (p. 29).

Argyris and Schon (1978, p. 15) regard the concept of theory-in-use as the "theory of action constructed from observations of actual behaviour [and] is often tacit." Organizational theory-in-use may be unspoken for a number of reasons; such as its incongruity with the organization's espoused theory (theory-in-action) or the inability of people to express what they know, but the significant factor is that "the largely tacit theory-in-use accounts for organizational identity and continuity" (p. 15). Moreover, organizational theory-in-use, which is constructed through individual inquiry, "is encoded in private images and in public maps [and they] are the media of organizational learning" (p. 17).

Critical to the process of developing a learning organization is the way change is effected. As Fullan (1991, p. 8) points out, change needs to be seen in the context of the values, goals and outcomes that it is serving. Schein (1992, pp. 366-7) supports the notion of a learning culture where learning leaders convey, by example, their belief that active learning does not always produce an answer, but it is the process of learning that must become part of the culture. Central to this learning process is the learning leader's faith in people. Ultimately, Schein believes, "learning leaders must be careful to look inside themselves to locate their own mental models and assumptions before they leap into action" (p. 373). In other words, for an organization to function and deal with the "swamp" and the "high ground" successfully, the most effective leader combines:

> ... core values with elastic strategies.... But they also know they must understand and respond to the complex array of forces that push and pull organizations in so many different directions (Bolman and Deal, 1991, p. 447).

2.7.3 Organizational Values

Greenfield's influence on leadership theory extended well beyond his lifetime and he has had an enduring effect on the concept of servant leadership. He challenged traditional thinking and saw leadership as one person attempting to construct the social world for others and trying to commit others to their own set of values. Moreover, Greenfield reasoned that, "organizations are built on the unification of people around values" (in Beare, Caldwell and Milliken, 1989, pp. 101-102) and these values, explains Rokeach (in McLaren, 1998, p. 53), "are standards that we learn to employ transcendentally across subjects and situations in a variety of ways."

As a paralleling to this view, Tatum (in Hesselbein et al, 1997, pp. 245-246) believes that leaders striving to take their organizations into the future "can focus on three levers: attitudes, values, and policies [and that] values are operational qualities used by organizations to maintain or enhance performance." Accordingly, Edwards (1992, p. 8) stresses that leadership today is about facilitating the contributions of other people so that the power of the group is enhanced and the participants are able to accept responsibility for their own direction and "can contribute to the organization to its best effect."

2.8 The Researcher's Journey and Reflections

For the researcher, the following quote by Burns (in O'Toole, 1995, p. 9) underpins the philosophy of values-based leadership in a learning organization:

> Moral leadership emerges from, and always returns to, the fundamental wants and needs, aspirations and values, of the followers. I mean the kind of leadership that can produce social change that will satisfy followers' authentic needs. I mean less the Ten Commandments than the Golden Rule. But even the Golden Rule is inadequate, for it measures the wants and needs of others simply by our own.

Inherent in Burns' thinking rests the reality of trying to define the art of leadership. The quote also illustrates the degree to which values-based leadership recognizes the inevitable imperfections that exist in leaders' perceptions and actions. Moreover, it reflects the spiritual dimension that emerged from this study as a fundamental value that transcended conventional thinking and strongly supported Bolman and Deal's (1995,

p. 6) belief that, "To recapture spirit, we need to relearn how to lead with soul."

2.8.1 One Small Step for Values-based Leadership in a Learning Organization

A significant issue arising from the literature review was the absence of quantifiable data relating to organizations that may be subscribing to the principles of a learning organization and values-based leadership. One of the compelling reasons for pursuing the study on leadership values and on-going learning was to gauge the level of practice, if any, in a small group of leaders in the private and public sectors. The findings have provided that data and they closely reflect the literature covered in the review in terms of values and their relationship with the leader and the organization. For the researcher, the literature review revealed a growing interest in the positioning of values in organizations and the importance of engaging and promoting people in the process of growing the business. The review also helped to qualify the leader's role and the enormous impact that leaders have on the organization's health and welfare during times of change and development.

Throughout the literature review process, the researcher found the increasing emphasis on the more humanistic side of leadership affirming and believes the fundamental principles underpinning the spiritual dimension of leadership will bring "hope for the future of the organization and for the individual" (Bethel, in Spears, 1995, p. 143).

While the study itself was limited in scale, the researcher considers that it has filled a small gap in the available literature and acknowledges the work that is being done by the four practising leaders who took part in this study.

The following chapter outlines the research method undertaken in this study, the research design, the primary source of data and the research limitations.

Chapter Three Methodology

3.1 Introduction

This chapter provides an overview of the case study method, outlines the research planning and implementation process and discusses the limitations of the research. The qualitative research design selected was based on a case study approach using interviews with four practising leaders as the primary source of data. My intention as the researcher was to obtain as much information from the interviews as possible so that the end product resulted in thick descriptions of the unit being analysed. In particular, I noted the *heuristic* aspect of case study mentioned by Merriam (1998, p. 30, author's emphasis) because it:

> would illuminate the reader's understanding of the phenomenon under study ... and bring about the discovery of new meaning, extend the reader's experience, or confirm what is known.

A further rationale for selecting a case study design rested with Stake's (in Merriam, 1998, pp. 31-32) view that case study is different from other research knowledge because it is developed by the reader's interpretation, is more concrete, more contextual and "based more on reference populations determined by the reader."

3.2 Research Method: Case Study Background

Habermas (in Carr and Kemmis, 1983, p. 132) played an important role in developing the concept of a critical social science that could reside "between philosophy and science." In terms of a case study approach within

the context of critical theory, it would seem to have a natural affinity, particularly given the emphasis on self-reflection of the individuals concerned, the emancipation of the participants and the elements of practical application (p. 133).

One of the principal features of the interpretive view lies in the theories as interpretive accounts, which portray situations, are context-bound and have depth in meaning. According to Smith (1989, p. 98), no matter how valiant the effort, even the logical positivists could not completely separate values from everyday interactions. Kaplan (in Smith, 1989, p. 102) takes the point a step further when he argues that "what is at stake here is the role of values, not in our decision where to look but in our conclusions as to what we have seen." From an interpretist's perspective, this conclusion provides a relative backdrop for a case study approach to gain the views of the participants and to increase understanding in a broader, social context. However, as Kaplan points out, the main issue is not the inclusion of values, but rather which ones and "how our values can be empirically grounded" (p. 103).

Seen from an interpretist's position, the inseparability of facts and values can be viewed as both a strength and a weakness. From my viewpoint as the researcher, it is a strength in terms of the relativity of the human perspective in researching a case study, and a weakness in differentiating between the researcher's values and the values or ideologies of those being researched.

According to Bogdan and Biklen (1992, p. 29), "qualitative research has the natural setting as the direct source of data and the researcher is the key instrument" and is concerned with context (p. 30). Within the framework of qualitative research, case study has gained prominence in the field of

educational research over the last decade. In describing case study, Adelman, Jenkins and Kemmis (in Bell, 1993, p. 8) refer to it as "an umbrella term for a family of research methods having in common the decision to focus on inquiry around an instance." Case studies have not always been viewed as possessing the same reliability, rigour or generalizability as other, more quantitative methods but Anderson (1990, p. 158) argues that a case study is highly data based and when done well is valid, rigorous and often generalizable. Bassey (in Bell, 1993, p. 126) also points out that a case study's relatability, or how the reader might relate his or her experience to the one described in the case study, is often more important than its generalizability, particularly if the study is done on a small scale. The point Bassey makes was particularly relevant in this study considering the sampling size of four.

On a more technical basis, Yin (in Anderson, 1990, p. 158) defines case study as an empirical study that:

- Investigates a contemporary phenomenon within its real life context when;
- The boundaries between phenomenon and context are not clearly evident and in which;
- Multiple sources of evidence are used.

When discussing the strengths and weaknesses of the case study method, Burns (2000, pp. 473-474) recognized that many research investigators regard this method as too subjective but he also pointed out that personal views can "enter the conduct of experiments, and in the designing of questionnaires to an unknown degree too." Furthermore, Burns (2000) pointed out that, while case studies provide little evidence for scientific generalization, those involved in the case study approach are "trying to

facilitate the reader's own analysis more than deliver statements of generalization" (pp. 474-475).

Support for the use of case studies lies in the generalizations about an instance or an instance to a class. As Adelman, Jenkins and Kemmis (1976, p. 13, authors' emphasis) point out, the subtlety and complexity inherent in a case study approach are significant and they recognize and take into account the "embeddedness" of social truths. Within various social contexts, discrepancies and divergent views can be represented and supported by alternative interpretations. As Hughes (1990, p. 94, author's emphasis) asserted, the interpretavist or humanistic approach constitutes a reaction against the: "claims of positivism and its scientised conception of the social actor."

Strengthening the position for case study methodology, Anderson (1990, p. 161) points out its similarity to ethnography as it "tends to be a method of immersion." The case study researcher is "it" in terms of collecting, interpreting, analysing and remoulding the issues and questions as they emerge. Because of this unique position, it is essential for the researcher to be a good listener and enquirer and to remain open-minded, flexible and aware of the consequences of the research itself. Of equal importance is whether the issue answers the how and the why, rather than attempting to control the events as evidenced in experimental research (Anderson, p. 158).

Having selected the subject of values-based leadership in the learning organization and whether its principles can work in actuality, I proceeded on the basis that one of the great strengths of the case study method was being able to concentrate on a "specific instance or situation and to identify,

or attempt to identify, the various interactive processes at work" (Bell, 1993, p. 8).

3.3 Research Design and Participant Selection

The research method used for the thesis was a qualitative approach based on interviews with four practising senior managers. As Kemmis (1980, p. 101) pointed out, case study is not only a process of truth seeking, but also an empirical exercise, which refers to the real social world. Because the study focused on whether values-based leadership can work in the real world, I selected a CEO from the public sector, a CEO from the private sector and two senior managers from the tertiary sector. From my perspective as the researcher, it was important to choose leaders who had contributed to changes in their respective organizations at a senior management level and who were able to reflect and comment on those developments. Moreover, I believed that these senior managers would provide cross-sectoral points of view on current leadership practices and a realistic and honest appraisal of their own leadership philosophies and experiences.

A further significant factor in favour of a qualitative approach using interviews as a primary data source was the opportunity for participants to "express thoughts, feelings, opinions - that is offer a *perspective* - on the topic being studied" because they would have firsthand and intimate knowledge of their organization's culture (Merriam, 1998, p. 85, author's emphasis). A commitment to their own learning and that of the people within their organizations was also an important consideration in the selection of these participants. Accordingly, four participants were chosen on the basis of the following criteria:

- They held senior positions within well-established organizations;
- They had credibility in the business or educational community;
- They had demonstrated effective leadership during times of internal and external change;
- They were able to articulate and communicate their ideas about leadership and learning, and
- Their willingness and availability to this study.

As Anderson (1990, p. 60) emphasized, it is essential that the researcher identify key informants who will be part of the case and who have inside knowledge of what is going on. But it is also important that:

> The kind of in-depth portrayal produced by the case study aspires to credulity of account, but the reader should be allowed to reconsider for himself the relationship between assertion and evidence (Adelman, Jenkins and Kemmis, 1976, p. 7).

3.3.1 Participants: Brief Biographical Details

Each of the four participants has been given a pseudonym to confer confidentiality. In this section the reader is introduced to Fay, Jude, Meg and Bette.

- Fay is Head of School in a large tertiary institute in a metropolitan area and has worked in the tertiary sector for over twenty years. She has recently completed her doctorate and in addition to her senior management position, acts as a consultant on behalf of the institute. She is in her mid-40's.

- Jude is a quality assurance manager in a large tertiary institute in a metropolitan area. She has held senior management positions at tertiary level for over 15 years and has completed her masters in educational administration and a management diploma. She is in her mid-40's.

- Meg is CEO of one of the largest public sector organizations in New Zealand, which is located in a metropolitan area. She has been in private practice as well as CEO of another public sector organization. She has been the recipient of a prestigious overseas study award and is in her mid- 40's.

- Bette has been the CEO of a private, residential senior management training college for 10 years. She has owned and managed her own businesses in New Zealand as well as overseas and is a qualified counsellor. She is also in her mid-40's.

3.4 Construction of Research Questions

Before proceeding with the next phase of the study, I drafted and redrafted a series of research questions that reflected my on-going review of the literature and the focus of the study. According to Merriam (1988, p. 78), "the key to getting good data from interviewing is to ask good questions." In preparing the list of open-ended questions, I reviewed Patton's six kinds of questions (in Merriam, 1988, p. 78) and decided on the following four types because they reflected the main thrust of the study and I felt they would educe the most comprehensive responses:

- Knowledge questions;
- Opinion / value questions;

- Experience / behaviour questions;
- Feeling questions.

When drafting the questions, I also considered that they represented what Strauss, Schatzman, Bucher and Sabshin (in Merriam, 1998, p. 78) offered as "ideal position questions" because their design would elicit information as well as opinion. After I had identified the key points to be covered in the interviews, the draft questions were sent to my Supervisor and a respected colleague in the educational field for piloting. The number of questions was discussed and it was agreed that six would provide sufficient data to record and analyse. Minor alterations were suggested for questions four and six and they are produced here in their refined form (Appendix E).

1. What is your understanding of a learning organization and values-based leadership?

2. What do you see as some of the main advantages to values-based leadership in your organization? Any disadvantages?

3. How important is the role of senior management, particularly the CEO or Director, in relation to values-based leadership in a learning organization?

4. How workable is values-based leadership in your current position?

5. How would you go about changing the culture if it did not embrace the tenets of a learning organization and values-based leadership?

6. In your career / life, what events (*or people) have most significantly shaped or influenced your philosophy on leadership?

(*This addition was suggested by the first participant and subsequently included for the remaining three interviews.)

3.5 Planning the Interview

3.5.1 Type of Interview

After careful consideration, I decided that a semi-structured interview was preferable because it "is guided by a set of questions and issues [that] can be explored, but neither the exact wording nor the order of questions is predetermined" (Merriam, 1988, p. 86). I elected to audiotape the interviews so that full attention could be given to the participants' responses, the clarification of any points raised and any non-verbal cues (Anderson, 1990, p. 222).

3.5.2 Contacting Participants

Initially, I contacted prospective participants personally, gave them a brief outline of the purpose of the research and sought their permission. Once the participants had given their verbal approval, they were sent a formal letter (Appendix C). The information in the letter detailed:

- The purpose of the study;
- The participant's involvement;
- The time commitment, and
- The right of withdrawal during any stage of the interview.

Three weeks prior to the interview, the participants were sent a list of the questions to allow them time to consider their responses and to gather data to support their thinking on the subject, if they considered it appropriate.

As the interview was the major source of the data, any additional material from the participants would assist with triangulation and comparison with other leaders' perceptions and help minimise distortions. As Whyte points out, "The major way to detect and correct distortion ... is by *comparing an informant's account with accounts given by other informants*" (in Merriam, 1988, p. 84, author's emphasis).

3.6 Ethical Considerations

As the researcher, I abided by Massey University's Code of Ethical Conduct and had the copy of this code with me at each interview. Before the interviews began, I referred to the Code and asked the participants if they had any questions regarding their participation in the interview. During the pre-interview process, participants signed the consent form (Appendix D) and this was placed in an individual colour-coded manila folder. In Stenhouse's (1981, p. 27) paper on case studies he noted that "The choice between explicit and covert styles of research is partly a matter of ethics and partly a matter of validity." He goes on to say that there are those who firmly believe that research with human subjects should include the consent and understanding of the respondents and "this points to an explicit approach", rather than a covert one (p. 27). I realized the research limitations inherent in an explicit approach and the University's Code of Ethics guided me in "investigating a contemporary phenomenon within its real life context" (Yin, in Anderson, 1990, p. 158).

3.6.1 Researcher's Relationship with the Participants

Within the context of a case study method, Guba and Lincoln (in Merriam, 1998, p. 42, authors' emphasis) referred to the "unusual problems of ethics" for the researcher and their point was particularly relevant in this

study because I knew each of the participants professionally or personally. Recognizing this relatively close relationship, I made every effort to remain unbiased in the recording of the data as well as in the subsequent analysis. To ensure a greater degree of impartiality, I checked any points, which seemed unclear with the participants and the transcribed data in their entirety were returned to the participants for comment and correction. None of the participants asked for corrections to the transcripts and only one participant asked for certain names to be kept confidential. I gave her my assurance that this would be done.

3.7 The Interview Process

Interviews were held with each of the four participants individually and confidentiality was strictly followed. I began the interviews at the end of May and they were completed by the beginning of August.

The venue for the interviews was mutually agreed to ensure privacy, convenience and comfort. Of the four interviews, three were held in the workplace and the fourth in the participant's home. I was aware of the many demands placed on participants so it was critical to have a setting that was free from interruptions. Two days before the interview, I phoned the participants to confirm that they were still available and asked if they had any queries regarding the interview questions or process. During the interviews, participants chose to answer the questions in numeric order, but this did not inhibit the flow or opportunity to raise other related issues. The day after the interview, I wrote a personal note to the participants thanking them for their part in the research process and said that I would contact them again once the transcriptions had been completed.

The interviews were audiotaped and they varied in length from 45 to 90 minutes. Once I had decided on the instrument, I purchased a Sony M-437 audiotape recorder that would produce a quality sound when replayed. Before each interview, the equipment was tested to ensure that the interview proceeded smoothly. Spare tapes were taken to each interview in the event of any unforeseen malfunction. Immediately following the interview, the cassette was replayed to check that all the information had been captured. Every effort was made to transcribe the interview data within three days of the interview and it took between 11 and 25 hours to transcribe the responses for each participant. When each verbatim transcription was finished, I listened to the tape again, compared it with the handwritten data and made any necessary alterations. As stated in 3.6.1, the transcriptions were sent to the participants' to check and return. Of the four participants interviewed, three contacted me directly and the fourth wrote to me after receiving the transcripts. When transcribing the data, I double-spaced each page, which greatly assisted the editing process. After completing the transcriptions by hand, the data was entered into the computer, coded by participant number only and backed up on a removable zip disk. When I had finished with the audiotapes, I wiped them to ensure confidentiality.

3.7.1 Conducting the Interviews

When I met with the participants I was greeted warmly and without exception, made to feel welcome. While planning the interview process, I considered the most appropriate seating arrangement and reflected on the successful interviews that colleagues and I had conducted over the years. Therefore, it was pleasing that in these interviews, participants also agreed to sit across from me or beside me at an angle. These seating arrangements seemed to add to the informal, yet immensely productive interviews. The

participants were put at ease while we chatted informally over a cup of coffee and briefly touched on their most recent professional and personal activities. Because I knew each participant, it was easy to establish an immediate rapport; however, I was conscious of keeping a balance between familiarity and professionalism.

During the interviews, I was impressed by the participants' absolute candour in sharing their insights, philosophies and experiences. I was also impressed with the participants' sense of humour, their ability to laugh at themselves and their willingness to share the mistakes they had made and how much they had learned as a result of these errors of judgement. In collating and rereading the data, I felt humbled by their honesty, inspired by their enormous professional commitment and encouraged by their optimism in bringing about organizational changes.

3.8 Data Collection and Analysis

As Anderson (1990, p. 162) pointed out, "The masses of data potentially available in case studies can present insurmountable problems unless one knows what types of analysis are to be done." During the preliminary stages of the research, I had considered what method of analysis to use for the responses. It was concluded, after reviewing the data from the first interview, that "the techniques of the qualitative researcher ... to organize the data into descriptive themes" as they emerged, was the most suitable (p. 162).

Before the interview process began, I had organised individual manila folders for each participant, which contained details of all correspondence, emails, phone calls and any relevant notations. This information was used as an administrative tool and significant dates were also recorded in the

research diary. The times and dates of the interviews were kept in chronological order and each file was indexed with a white, yellow, blue or green stick-on label according to the identity of the individual participant. Copies of the questions and consent forms were also kept in the individual folders and these folders served as useful reference points before, during and after the interviews. Each audiotape was also indexed and colour-coded with the time, date, venue and length of the interview inscribed on the inside of the tape cover. Interview data, which were initially transcribed onto spiral exercise books and A4 refills, were indexed, coloured coded and kept with the individual participant's information folder. I also kept a separate back-up zip disk of each participant's verbatim transcription and added the hard copies of these files to the participants' folders. Continuous notations were added to a thesis information scrapbook and this information was used in the analysis process.

After debating the merits and demerits of coding manually or electronically, I elected to code the data by hand and then electronically (Appendix F). Following Merriam's (1988, p. 186) recommended approach, I had already begun "assembling the case record, determining the audience, selecting a focus, and outlining the report" in my mind and I felt that both methods complimented one another. During the interview process, I had considered whether the coding category should follow an inductive process, where the main headings would develop on an evolutionary basis, or whether to use what Anderson (1990, p. 153) refers to as established categories. While five of the ten established categories adequately reflected much of the data collected, I chose to use the inductive process to allow "the empirical details that constitute the object under study [to be] considered in the light of the remarks made in context" (Hamel, Dufour and Fortin, 1993, p. 16).

3.9 Coding and Indexing

Although the data arising from the interviews was considerable, the process of coding and indexing the four participants' responses was reasonably straightforward but immensely time-consuming. I had decided to make multiple copies of the data and once the 204 pages of interview notes had been photocopied, I followed Delamont's advice to "Index and code [the] data *densely*" and proceeded to do this by interrogating the responses to each research question (1992, p. 151, author's emphasis). The transcripts were read repeatedly and then the main points made by each participant were highlighted under the relevant question with a pink (representing the white label), blue, yellow or green felt tip pen, which corresponded with the participant's identity and the interview times and dates. This process involved approximately 20-25 hours for each participant because I made notes while I was reading the transcripts then left the data for a few hours to give me time to reflect and then returned to the task. At no stage did I rely on my memory to recollect any data.

The next step was setting up a Microsoft Word file to input the six interview questions, which were headed separately. I went through the findings again question by question, extracted the key points, which had been highlighted, and entered the data in the Word file. Once the 50 pages from the 204 pages of handwritten interview notes had been entered into the computer, they were printed out, put into six piles and then indexed by adhering pink stick-on tags, which had been labelled according to the question number and corresponding heading. The participants' responses from the Word file were then sorted, assigned to the appropriate question and when the data compilation was complete, I had a very functional "workbook" (Appendix G). As a result of this process, a set of tables,

Figure 2, p. 65, was devised to assist with triangulation. (See section 3.11.1.)

3.9.1 Research Themes

The themes that emerged were identified by the number of times participants' referred to a particular point or concept and were fairly predictable given the nature of the interview questions. However, I was somewhat surprised by the emphasis placed on the spiritual dimension of leadership and the responses to question six, which dealt with what or who had shaped the participants' perspectives on leadership. A significant point that arose during the interviews focused on being part of or observing poor practice and although the participants viewed this as a negative influence, it had impacted convincingly on their leadership philosophies and styles. The following themes that emerged from the findings were central to the discussion and conclusions chapters:

- Values;
- Leader's role;
- Values-based leadership;
- People in the organization;
- Lifelong learning;
- Change process;
- Quality;
- Spiritual dimension, and
- Significant people and events.

When this step had been completed, I then reviewed the literature references that I had assembled and added the appropriate citations to each category. In conjunction with this process, I continued to immerse myself in

the data and began to fully appreciate Delamont's (1992, p. 155) view that "the reading, rereading, and coding of the data should lead on to interrogating them." The technique of questioning the data proved very useful in focusing on the purpose of the study and analysing the data more critically. The constant review of the data also assisted me in widening the scope of the literature review. By extending the background reading, I was better equipped to generate more ideas. Glaser (in Merriam, 1988, p. 64) suggests "the more ideas and the more they connect tend to make the analyst sensitive to what he [she] may discover in his [her] data." During the writing up of the research findings, I frequently referred to the transcriptions to clarify and verify various points.

3.10 Research Limitations

As outlined in Chapter One, the limitations to this study centred on four main groups: geographic location, gender, age and cultural limitations, sampling size, and changes in the researcher's employment.

3.10.1 Geographic Location

3.10.1.1 The Researcher's Location

As the researcher, one of the more obvious limitations to the study centred on my geographic location as a mature, postgraduate student. While I was aware that distance could be somewhat problematic, and these issues were discussed with my Supervisor, there were a number of challenges associated with extramural study that were difficult to anticipate. For other students undertaking this level of study, it is important to consider what support groups are available between regular, one-on-one meetings with

the supervisor and the amount of time and resources needed to keep in regular contact.

3.10.1.2 The Participants' Location and Accessibility

In considering the participants' locations for this study, it was important to guarantee their accessibility and reduce the issues relating to distance. As with the sampling numbers, selecting participants from the same general area may have varied the outcome, but it was important for me to have ready access to them before, during and after the interviews. I was aware that conducting this research in approximately the same geographic location could produce more homogeneous results. However, as stated in the Introduction, the interview questions were not primarily dependent on the location of the participants.

3.10.2 Issues Relating to Gender, Age and Culture

Other acknowledged limitations to this study related to issues of gender, age and culture. In the initial list of nine participants, four were considered more suitable to this study because of their experience, their positions in the organization and their availability. The selection process resulted in four women, in the same age group, and from similar cultural backgrounds. The degree of similarity in gender, age and culture was not intentional and I recognized that any future research related to this topic would benefit from including men as well as women and by widening the age and cultural distribution.

3.10.3 Sampling Size

From the onset of this study, the sampling size of four was regarded as

small but on balance, the quality of the participants was seen to be more important to the authenticity of this particular study than the number of participants taking part. However, in any future research on values-based leadership in a learning organization an increase in sampling size could produce more varied findings and the results applied to a wider audience. In this context Delamont (1992, p. 70, author's emphasis) makes the point that there are a number of critical issues to consider when weighing up the sampling numbers:

> what *is* crucial about sampling is honesty and reflexivity. The most important things are to record how the sample *was* drawn, and to think carefully about how the selection / recruitment has affected the data collected from them.

3.10.4 Researcher's Work Situation

Although the change in my work situation was temporary, I found that moving from an academic environment to a commercial one imposed some unexpected limitations. Finding suitable amounts of time to work continuously was the most prominent one and this was closely followed by an incompatibility between commercial work and study. Once I realized such a significant limitation, I returned to work in an educational setting and the study has progressed according to schedule.

3.11 Reliability, Validity and Generalizability

Although the use of case studies has been cited as a methodology that lacks reliability, Anderson (1990, p. 163) argues that it incorporates all types of data and looks for converging lines of inquiry ... and uses triangulation to

interpret converging evidence, pointing to a clear conclusion. However, Mathison (1988, p. 15, author's emphasis) reasons that:

In practice, triangulation as a strategy provides a rich and complex picture of some social phenomenon being studied, but rarely does it provide a clear path to a singular view of what is the case. I suggest that triangulation as a strategy provides evidence for the *researcher* to make sense of some social phenomenon, but that the triangulation *strategy* does not, in and of itself, do this.

3.11.1 Triangulation

While I was conscious of the need to use multiple methods and data sources to enhance the validity of the research findings, triangulation for this research centred on the four interviews and associated, informal observations. Although the methods and sources were limited, I was able to find and interpret converging evidence as a result of these informative interviews and personal observations by comparing and contrasting the interview data, observations and literature.

Throughout the research project, I was keenly aware of the validity and reliability factors associated with qualitative research, particularly as I was just entering the field of research. However, recognising the question of validity, I made every effort to ensure that internal validity issues such as "truthfulness of responses and accuracy of records" were followed (Anderson, 1990, p. 13). I consistently tried to avoid the "wide variety of limitations caused by intentional or unintentional biases" (Anderson, p. 126).

While the debate continues on the strengths and weaknesses of the case study method, I found Stake's defence of *naturalistic generalization* relevant and enlightening, despite the invocations of Atkinson and Delamont (1985). According to Stake (in Atkinson and Delamont, 1985, p. 41, authors' emphasis):

> ... knowledge is a form of generalization too, not scientific induction but *naturalistic generalization*, arrived at by recognizing the similarities of objects and issues in and out of context and by sensing the natural covariations of happenings. To generalize this way is to be both intuitive and empirical, not idiotic.

In the following chapter, four leaders share their philosophies on leadership, detail their personal experiences in a changing environment and provide further insights into their understanding of values-based leadership in a learning organization. While it is recognized that "there are many people who are able to get out in front of the band who have nothing to do with what song the band is playing", the participants in this study were very aware of their role as organizational band leaders and the relationship they had with their band members (Corbett, Wilson and Aducci, in Leithwood, Begley and Cousins, 1994, p. 6).

Chapter Four: Research Findings and Analysis

4.1 Introduction

Chapter four comprises the results and analysis of the in-depth interviews that were conducted with four leaders in the public and private sectors. The research findings are presented in a way that invites the reader to reflect on his or her own leadership philosophy and practice and to gain some insight into what a small but committed group of practitioners has to say about values-based leadership in a learning organization.

The interview data were recorded verbatim in order to capture the participants' open and candid approaches to the questions and to reflect the thoughts and voices of leaders in action. Analysis or comments by the researcher and excerpts from the participants have been interspersed throughout the findings. Direct quotes from the participants have been indented and underlined according to the context. The sequence of this chapter duplicates that of the six research questions and these are expressed as themes one through six.

Theme one reflects the participants' understanding of a learning organization and values-based leadership. Their responses revealed comparable philosophies, perceptions and principles rather than specific definitions. (See Figure 2, p. 65.) The similarities and recurrent themes that threaded through the interviews highlighted the interrelatedness of values-based leadership and a learning organization. Subsequent themes in Chapter Four inform the reader of the main advantages and disadvantages of values-based leadership, the importance of the leader's role in the organization and the operational realities associated with changing a culture. In the final section, participants share the development of their own leadership

philosophies and tribute is paid to a peer who was regarded by the researcher and one of the participants as the quintessential values-based leader in the education sector.

Figure 2: Workbook Sample of Participants' Responses to Questions

Question	Participants' Responses	Who Responded
What is your understanding of values-based leadership?	- People come first - part of decision-making process - listened to – supported, coached, encouraged	Fay, Jude, Meg, Bette
	- Leader servant of the organization and organization servant of customer	Fay, Jude, Meg, Bette
	- Close match between leader's values set and organization's, i.e. honesty, dignity, openness, trust, integrity – leader must walk the talk – clear values fundamental	Fay, Jude, Meg, Bette
	- Creates environment and group culture based on shared values	Jude, Meg, Bette
	- Spiritual dimension / Golden Rule – key, build humanities base	Fay, Jude, Meg, Bette
	- Parallels between parents' role and values-based leader in setting values	Jude, Meg, Bette
	- Values closely aligned to personal strategies	Jude, Bette
	- Leader must think strategically - have clear mission and shared vision	Fay, Jude, Meg, Bette
	- Leader should examine what they're doing - see how it applies to organization i.e., motivating, inspiring force	Fay, Jude, Meg, Bette
	- Engender / foster leadership / grow individuals & organization	Jude, Meg, Bette
	- Close link between Q and values	Fay, Jude, Meg, Bette

4.2 Theme 1: A Learning Organization and Values-Based Leadership

4.2.1 Understanding a Learning Organization

Participants' understanding of a learning organization was closely associated with a firm commitment to life-long learning on an individual and organizational basis. Throughout the interviews, and highlighted in the responses to question six, participants referred to learning experiences that had impacted on their professional lives or helped extend their capabilities. For example, Meg considered that:

> The most influential experience I've had in my life was going to [name of institute and type of leadership programme]. The debate there was all about values, tracing the development of values from Plato, Aristotle, through to the present day. We did it through readings of the great masters; it was intellectually the most stimulating thing I've ever done and I began to feel that my education had begun.

From this participant's perspective, the profound learning experience associated with values had enabled her to think about community or public good compared with collective private, individual good and to understand the tension that exists between the values of freedom, personal freedom and equality. For Meg, there was a direct and immediate association between a personal and professional learning experience and the benefits to the organization. Notably, it was an understanding that there is no pure truth, that all values have validity and that what leaders are doing is balancing those values in order to lead the organization and build a community.

As an extension to balancing values, Bette believed that a learning organization and that vertical slice through the organization were synonymous. In other words, learning should occur across all sectors and at every level of the organization. From her position, things of value no longer had to come from the top and she welcomed the increasing recognition that people throughout the organization had a great deal of value to add. Furthermore, she saw the concept of a learning organization not as one linear theme but a whole range of things that culminated in organizations that centred on change and continuous improvement.

> My understanding of a learning organization is really an organization, which is customer-focused, learns from its customers and then is in this constant movement of change. It's not as if we're changing the old for the new; it's just that we're constantly refreshing. It's a more positive way of looking at almost the inevitable.

Within the framework of change, Bette felt it was important to recognise change as a fact of life and that doing things differently was not about failure, but about finding a better way of doing things. Inherent in this philosophy was a commitment to continuous improvement and an ability to ask the critical question of whether the organization's business activities ultimately added value to the customer.

Similarly, Fay regarded a learning organization as a place where people could make mistakes and where taking risks were encouraged. Directly related to taking risks and being allowed to make mistakes, was an understanding that the organization needed to focus strategically and to make decisions from a long-term perspective. Taking risks, making mistakes and trying not to solve problems in "one-offs" were seen as very, very important elements in a learning organization because of the intrinsic

learning that occurred. Put more directly, Fay contended:

> I don't think you do learn if it's all set out for you. I think these days, to continue to learn and grow you can't do that unless you're thinking long term, unless you're making mistakes.

Jude's understanding of a learning organization was reflective of other participants' insights and underscored Meg's belief that organizations were communities of people whose values formed the building blocks for these communities to grow.

> The whole thing is tied together with an understanding that organizations are no longer structures where you have a whole lot of minions. Organizations are communities of people bound together by a values system that has some meaning for them, where there's growth and development going on all the time. So I just see a complete link there with my work in quality assurance.

The question of quality as an implicit part of a learning organization emerged as a recurrent theme during the course of the interviews and was considered an important element in the context of adding value to the customer. Creating a shared values system and a common belief system were considered fundamental to the cyclical sharing and growth that brought about continuous improvement for the individual and the organization.

Terms such as "learning to do it better", "learn and grow", "growth and development" and "grow the individual" were echoed by all participants. What also came through clearly from each participant, but particularly from Jude, Meg and Bette, was the freedom and innovation that occurred in a

learning environment. For Meg, the concept of a learning organization was very much to the fore because of her immediate involvement as a leading speaker on the subject.

> I'm actually talking as a key speaker at a seminar sponsored by the *National Business Review* and I was called a chaordic organization. I'm the only New Zealand speaker there, so that will be interesting. In terms of learning organizations, I'm committed to learning organizations and the concept that one never stops. You're creating an organization that's highly interactive and forever changing that learning.

Bette also emphasized the dynamic nature of change that promoted learning and fully supported the concept of turning every organization around so that the way the organization operated added value to the customer. For this to be effected, Bette reasoned that it was essential for leaders to:

> set up structures and systems that encourage, promote and are seen to be upfront with the total acceptance that change is the way it's going to be.... That it is seen as a positive and it is embraced.... That people rejoice in the fact that we do things differently, in a new way and we don't look at it in terms of, "Well, we did that and it failed. We looked at it and saw a better way of doing it."

The overarching concept of change and improvement as an inherent part of a learning organization drew attention to the model of theories-in-use (Argyris, 1990) and is discussed in Chapter Five.

As reflected in the participants' responses, a learning organization is not only about learning as an ongoing, highly interactive, forever changing

process. It is also about building a community of people with a common values system that enhances the growth and development of the individual and the organization. In the following section, the reader will see how the participants viewed the coalition between the concepts underpinning a learning organization and the principles distinguishing values-based leadership from other forms of leadership.

4.2.2 Understanding Values-Based Leadership

The study found that participants' understanding of values-based leadership centred on leaders managing closely to their own value set and subscribing to the principle of "walking the talk." As Bette pointed out:

> If a CEO isn't good at espousing values, doesn't subscribe to them, or has a rather fluctuating values set, it's very hard to measure the value of the business.

Supporting the view that the leader needs to be the author of and an advocate for a strong set of values, Fay considered that a values-based leader should communicate:

> that integrity, so that you are, you're actually looking what you are and you're acting what you say you believe in. And to me, I think that's value. It's putting people first, allowing them to have a say and listening to them.

Participants Jude, Meg and Bette also considered integrity to be an essential quality for leaders who regarded values as part of a personal and organizational construct. In addition to demonstrating integrity and actively listening to people in the organization, participants maintained that values-based leaders needed to build, throughout their organizations, a strong humanities base characterised by trust, openness, honesty, fairness and

respect. It was evident from their responses that a leader should consistently exhibit a clear set of values and then work those values into the organization. Fay and Bette emphasized the centrality of leaders knowing their values, testing them and making sure that they were robust and appropriate for that environment. From Bette's point of view, there was a significant alliance between values and strategy:

> I think values and strategy are very similar. A value is really like a personal strategy and we know very clearly that if you have a clear strategic direction for the business, making business decisions can be very straightforward. If you have a very clear values statement for yourself and how you're going to lead people, it makes leadership decisions very straightforward. So values are fundamental.

Although Bette didn't believe that the leader was wholly to blame for all the ills of an organization, she did consider that organizations that got into strife were ones that lacked clear directions from the leader. Through observing various leaders in action, she contended that there was a fatal flaw if the values weren't in place.

The fundamental nature of values-based leadership for Jude and Meg was firmly imbedded in the Golden Rule. Jude followed the precept of doing unto others, as you would have done unto you and this was the guiding principle behind values-based leadership. Meg elaborated on this point and reasoned that if you are changing from a more traditional organization to a values-based organization:

> You've got to remember all the way through it that these individuals have their own personal dignity and you cannot allow <u>that</u> to be undermined ... you've got to treat people as you'd wish

> to be treated yourself in that situation and that's the key to values-based leadership.

Correspondingly, Fay considered values-based leadership as embracing a spiritual dimension where people came first and the leader was indirectly a servant of the organization and the people there. Fay saw parallels between an organization being customer focused and the entire organization acting as a servant of the customer. Jude also affirmed the leader's role as one that provided encouragement, support and coaching while recognizing the importance of the group culture. According to Bette, not only was it important for a values-based leader to lead by serving others, but also it was:

> the responsibility of the leader to make sure that it's not just the one vision and you get others to commit to that and at the same time grow the individuals.

On that point, Meg expressed her belief that it was the leader's responsibility to engender leadership throughout the organization and her response was framed in comparable terms:

> It's the responsibility of the leader to make sure that you have successors and the culture becomes imbedded throughout and it's not just the one vision.

Immediately related to the responsibility of fostering leadership and enlisting people in the organization's vision was Fay's firm conviction that people in the organization must be very, very clear about the mission and what it is the leader is trying to do. Knowing and understanding where the

organization was headed acted as powerful forces in motivating and inspiring the very people needed to turn the mission into a reality.

4.2.3 The Confluence of Values-Based Leadership and a Learning Organization

Tenets that threaded through the participants' understanding of a learning organization and values-based leadership focused on valuing the contributions of people and allowing change and risk-taking to foster a climate of learning and continuous improvement for the individual and the organization. Reinforcing the connection between these two concepts, Jude likened the learning organization to an effective family relationship where there was growth and development going on all of the time. Similarly, Bette associated the role of the values-based leader with the role of the parent:

> I liken it a lot to being a parent because who but the parents set the values for the family. You hear about kids going off the rails and you think, well, what did you do to set the rails? I can't see that it's anything more complex than that, but we like to dress it up and because we're grown-ups we like to put some complexity around. But if you boil it down, it's very straightforward.

4.3 Theme 2: The Main Advantages and Disadvantages to Values-Based Leadership

During the study, participants repeatedly used the word "values" to describe one of the most important dimensions of leadership and the effect that values had on the organization. Accordingly, their responses to

question two articulated the connection between the advantages of values-based leadership and the subsequent value to the organization.

4.3.1 The Advantages to Values-Based Leadership

Responses to this second research question strongly agreed that confidence in human capital is one of the main advantages to values-based leadership. For Meg, there was no doubt in her mind that releasing people from the shackles of hierarchy made them respond better and advanced the growth of future leaders. This philosophy was expressed in very explicit terms.

> Well, I'm just so committed to values-based leadership that I can't even see any advantages of doing it any other way. The huge advantage is that you're setting people free, in my case 400 individuals, to actually provide their contribution, their expertise and their imagination into the vision of a whole and that's what I'm striving to do.

In a similar vein, Bette had always believed in values-based leadership and, for her, the main advantage and biggest value was having continuity in the programmes that they ran and between everything that the organization did.

> We work to make the organization seamless by not putting a different value on how we operate in one place from another and we carry that through to the delivery of the programmes as well.

As a parallel to Bette's view, Jude emphasized the advantages of everyone heading in the same direction because time had been taken to define the organization's values. Ultimately for Jude, one of the advantages to values-based leadership was evidenced in the satisfaction and motivation that came

from knowing where the organization was going. As a result, people felt happier about what was going on and if they were feeling happier, that acted as a motivating force because they were getting the external recognition and satisfaction. Correspondingly, there was the internal motivation where people enjoyed going to work each day and that was seen as a definite advantage because of the positive outcomes.

> If you're all heading in the same direction then surely that must be more satisfying; you must be enjoying work and life much more because you're getting a better product at the end of it, whether your product happens to be counting up a set of figures correctly, developing your staff, teaching in a classroom or whatever.

With reference to achieving a better product and expanding on the links between values-based leadership and a learning organisation, the notion of quality emerged as an explicit and implicit advantage to values-based leadership. As an example, Bette maintained that in her organization it was vital to hire people who had fundamentally the same values but with different skills, different approaches, particularly problem solving, to try and bring in diversity. However, by hiring people with different skills, the process had to be done in such a way that it would not bring disharmony, undermine the quality of the business or spawn a divergent set of values.

> It's awfully important for us that the person at the front end of our business shares the organization's values and we are on track there. So if you espouse to quality and if you espouse to high quality output, that's a value and it's how you should treat people.

In Fay's organization, values-based leadership evolved gradually as people started to look at and talk about the concept, but it was some time before it

became a reality. The organization had gone through some extremely difficult times and it was widely acknowledged that there was limited credibility associated with senior management at that time:

> And I think credibility is absolutely vital. When Pat came it was the first time people could start to be proud of where they were because she actually lived values-based leadership. Pat was a great involver of people and everybody had a say in the organization.

As a result of these reflections, Fay held that the main advantage to values-based leadership was people feeling part of the organization and wanting to stay with it and go somewhere. Meg also saw this as an advantage and as a leader engaged in growing the organization, she considered it essential to have people who were prepared to take the opportunity and run with it.

In essence, the study found that leaders who build relationships by listening to people, who communicate the organization's vision, who adhere to core values and who cultivate a culture of continuous improvement have a decided advantage in developing a values-based organization.

Highlighting the connection between quality and values, Bette summarised the inextricability of the two:

> You can't talk about quality and not do it. You can't walk the talk or talk about walking the talk about quality and then cloister yourself on the top corner office and never be seen. And the same with values - that's where this business of fit works so much.

4.3.2 The Disadvantages of Values-Based Leadership

All participants agreed that there were distinct advantages to values-based

leadership and, as Meg emphatically stated, she couldn't see any advantages in leading an organization in any other way. For her, there was a huge personal and professional commitment to do everything well. At the same time, there was the realization that everything couldn't be accomplished in one day and changing from a more traditional organization to a new, values-based organization resulted in a great deal of work. Moreover, Meg added:

> There's the involvement of this organization with its community and the importance of that and you actually end up with a huge pressure to produce outcomes.

One of the more tangible drawbacks to values-based leadership from Meg's position was the process of trying to turn an organization around because it didn't just happen.

> You've got to create the environment for it, maintain trust and make sure you communicate, communicate, communicate in a way that's never been done before. You're trying to heal on the one hand and you're perceived to be destroying on the other and that can be an immensely stressful process I can assure you. So just merely starting practising those sorts of things isn't going to immediately start a component of that.

Fay also regarded the issues associated with good process as a disadvantage because it was time-consuming and it could be seen as confusing when there wasn't always a clear answer. Moreover, this leader could see that if you had two or three different, very entrenched positions and you were seen to put a foot out of line or to compromise your integrity in any way:

> there are the criticisms because you will have made people feel freer about criticising and that can make it difficult to make decisions for the person in the position of leadership. I think the model also increases self-doubts in the leader if they're honest and a leader isn't necessarily going to be more comfortable in a values-based role. In the end they may be, but at the time I think it can be pretty wearing.

In discussing the disadvantages of values-based leadership, Jude also underscored the amount of time required to change people's mind-set and to help them shift into a more collaborative frame of mind. She acknowledged that the process did not occur overnight, particularly:

> if you're in an organization where there are people who are very, very comfortable with working in a very directed and directive environment. You've got quite a lot of work to do with these people and it's very frustrating and very time-consuming.

Expanding on the frustrations associated with moving people from the past to the present, Jude recounted, on a less serious note, several occasions in her working life when:

> I could almost hear this little voice in the back of my head saying, "Is it worth it, how can I carry on any longer and I want to say to people, just do it, just do it"! It would be a lot quicker for me to do it but then, where does the learning come in?

Continuing on the same theme of helping people in the organization to move ahead, Bette reiterated the thoughts of the previous three participants and considered that the biggest disadvantage to values-based leadership was overcoming people's resistance to change. From her perspective,

people often saw organizational change as taking away their roles. Bette conceded that changing to a values-based organization took away their traditional controlling roles but it gave people far more freedom. Implicit in any change, according to Bette, was working through all those issues about openness, honesty, integrity and being consistent about what is said and done, especially if there was a conflict of values.

> If someone thinks that what you're saying is really trivial in the detail and to someone else it's a really big issue, you can't progress until you've dealt with that. A different reason will instigate it, but it's basically the same issue, a conflict of values.

Although it was acknowledged as an inevitable and inescapable part of being a values-based leader, working through issues related to a conflict in values was seen as frustrating and there were times when there was considerable pressure on the leader to make unpopular decisions for the sake of the organization. Directly associated with this, Meg recognized the reality that values-based leadership was not for everyone and she stressed the need to be open and honest with people who preferred a more traditional or hierarchical structure.

> I think you have to be quite frank and I just say around here that you won't all like it and if you don't then that's fine, that's all right with me [because] there are lots of other organizations out there that you might feel more comfortable in.

While the disadvantages to values-based leadership focused on the amount of time and energy involved in bringing people on board, the feeling from all participants was that the advantages outweighed the disadvantages

because it allowed people to develop and grow and to feel part of an organization that was moving ahead. As Fay so aptly reflected:

> The good days are probably much better in a values-based organization than in a more autocratic organization, because who do you share it with if you're autocratic?

4.4 Theme 3: The Importance of the Leader's Role in Relation to Values-Based Leadership and a Learning Organization

The research question into the importance of the leader's role in relation to values-based leadership in a learning organization elicited emphatic and consistent responses from the participants. Not only were their thoughts on the leader's role similarly expressed, but also the strength of their convictions highlighted the comparability of their observations and experiences. The researcher has deliberately quoted the participants' responses in close succession in order to emphasize the commonalities.

4.4.1 The Leader's Role

As someone who had first-hand experience working with a values-based leader - as it was later identified - Fay felt that the leader's role was crucial. While she expressed some concern that the following response was relatively short, it did not diminish the impact of her beliefs:

> In one word it's vital. I know I'm harking back to quality management but unless the CEO is totally committed and is living values-based leadership then you can't really say that the organization has it. You might have pockets of it and they'll achieve

> certain things but there's not the same benefit for the organization. I don't think you can delegate responsibility for values-based leadership or quality. I guess that's pretty short but it's how I feel about it.

Bette closely mirrored Fay's view on the leader's role in the organization and regarded it as absolutely fundamental. She also held that the person leading an organization put a huge thumbprint on how the organization focused itself, how it operated and the culture that evolved. Moreover, Bette saw the leader's role as clearly identifying personal and organizational values and managing very closely to those values.

> When you talk about vision, where you're going and how you're going to lead it, the work starts with yourself ... what you see is what you are. In my view you can't have other than the CEO and the senior managers being instrumental at driving, acting, living, displaying, being consistent with it and listening to people; they've just got to be it. For me, it's non-negotiable.

Closely reflecting Fay and Bette's convictions, Meg regarded the role of the Chief Executive as key, particularly as her organization was interacting with over a million people.

> You must have a good Chief Executive because the Chief Executive has the key role in leadership in the Board because they provide advice to the Board, Council, or whatever. Now if that advice is faulty, then the Board faults, so it's absolutely a key role. I often think it's an incredibly difficult role because you're a bit like the conduit for almost everything. You're a key interactor with the customer and a key interactor with all the stakeholders.

In further support of Meg's views on the consequential role of the leader, Bette argued that if the CEO hasn't got a strong and appropriate value set:

> and it's clear and enunciated and living and the Board hasn't got one either, you've got a little difficulty. Any CEO must report to somebody and that is the governance role to check those values.

As an appropriate adjunct, Meg restated her belief that part of the leader's role was to engender leadership throughout the organization and this affirmed Bette's view that the leader is providing a platform for the organization and if that platform is growing, so too are the CEO and senior management.

Jude further advanced the significance of the leader interacting with the whole organization and the key stakeholders. For her, if a learning organization was being seen as the total organization, the only way that could be created:

> is if the CEO is in the mindset and every single member of the executive is in the mindset. I think the leader's role is essential because of the resourcing implications – but it's got to be real values-based leadership. You're not just going to have the talking going on. It's also got to be seen in all the policies – the way you employ people, the way you induct people, the way you resource your programmes, all that sort of thing.

It was also Bette's considered opinion that it was the responsibility of the leader to make sure that staff, particularly self-managing teams, had the resources, the environment, the tools, the skills and the right people to do

the job. Meg voiced a comparable view and saw the implications of resourcing a learning organization as crucial:

> An implicit part of that and the practicalities of that on the part of the CEO is an absolute commitment to training and I've just put $x a head right throughout the organization. We have in-house training ... so there's now a huge new commitment to training going on – leadership training throughout the organization, negotiating, mediation, skills training and leadership evaluation for anyone involved in these sort of leadership positions.

Throughout this segment of the study, participants consistently and collectively regarded the leader's role in a learning organization as pivotal. Moreover, they believed that this key position centred on the leader's values, actions, beliefs and a strong commitment to grow the individual as well as the organization.

4.5 Theme 4: Values-Based Leadership – A Working Relationship

This section of the findings concentrated on how workable values-based leadership was in the participant's current position and is central to the research. It can be seen in the responses to this question that the two leaders who were heading an organization were able to state very clearly whether values-based leadership worked in their organizations. The two leaders who were in less straightforward positions gave more qualified responses. Accordingly, the results indicated that being in a permanent position and heading an organization afforded the leader greater latitude in bringing about long-term change.

4.5.1 Values-Based Leaders in Action

Viewing the workability of values-based leadership from an acting position, Jude considered that:

> These things are workable but there could be an element of difficulty in my acting position in terms of freedom to make the choices with the team because our organization is going through quite a bit of change at the moment in restructure.

This participant was acutely aware that developing fully participating team members was going to be quite time-consuming and that considerable two-way energy was required. One of the ways that Jude achieved this was by meeting with her team every Monday morning for an hour with the idea of talking about what the week was going to be like:

> what are the pleasures going to be, what are the potential pitfalls, and we just do a round table natter. The only notes taken are action notes because what we're trying to do is work out the solution within the meeting and people should be able to do that.

In order to create this environment, Jude thought that trust was very, very important because if the organization was going to grow, part of that development came from the individuals developing and feeling as if they were doing a good job and accountable at the same time.

Exploring this point further and emphasising teamwork as an important part of a learning culture, she went on to say that:

> I have a team who want to work together and I'm very keen to see people develop as fully participating members and to be responsible and accountable for their own areas.

Although Fay had not yet started her new position she thought:

> it could be workable even though it's a much larger, urban organization. As long as I'm reporting to someone I have absolute respect for and whose leadership I trust, it's workable. It's going to be quite relevant for me very soon and I just hope that it is.

As the leader of a well-established organization, Bette was absolute in her conviction that values-based leadership was workable:

> How workable? It's a tenet for me. So it's not <u>is</u> it workable, I believe I do it. I certainly try to.

For Bette one of the most important aspects of making values-based leadership work was setting the ground rules about what was right and being consistent about what was said and done. These guiding principles had been particularly relevant in a recent and very sensitive staff issue. As a leader, there was little doubt in Bette's mind that the final decision was a values-based one. Appropriately, in terms of how workable, Bette stated:

> If you value the people in your organization and you trust them and think they are there to do good work, then it's relatively easy. So it's workable because I couldn't work if I didn't do it. But if you actually think they're a bunch of turkeys and that's your fundamental belief, how are you ever going to work? You can't.

Meg held similar views to Bette about setting the ground rules and valuing people and their contributions. She further reasoned that to make it work the values-based leader had to establish a whole network of other people in the organization to take up the responsibility.

> There's no way you could hold it together if you try and do it all yourself. So you've got to train, nurture, mentor and build up that responsibility, that ability and those skills to do the same things: lead, coordinate and facilitate right throughout your senior management team, your organization and your Council.

Within Meg's organization, the Council was trained in strategic planning and they were doing far more interactive work than had been done previously. While acknowledging that the Council had a governance role and:

> we have a management role, we do a lot of things <u>together</u> because I see that they're interlinked; you can't separate them out.

In developing a working relationship with the entire organization, Meg met with the Council every month to talk about management issues. An essential part of building relationships and establishing a network of people to share the responsibility was building trust. She had found, as had Bette, that people liked this sort of approach, particularly the intelligent, focused people who enjoyed doing what they did within an organization that:

> <u>valued</u> them as individuals, that <u>valued</u> their talents and that <u>valued</u> their contributions. So it's been my personal experience that values-based leadership works.

Without exception, the word "trust" featured in the participants' responses to question five and they regarded it as a fundamental principle in establishing values-based leadership that worked.

Although Fay had worked closely with a values-based leader in her previous organization, the question of whether it was workable in her new role was still unanswered. However, there was fervent hope that it would work because she believed in the value of putting people first and encouraging them to reach their potential. While there were some constraints in her acting position, Jude believed that as a values-based leader in her own area, it was working and she hoped that it would continue to work amidst the organization's restructuring. As leaders who had developed or were continuing to develop values-based organizations, Bette and Meg were unequivocal in their belief that values-based leadership can work and they had put their principles firmly into practice. For each of these participants, values-based leadership was synonymous with an organization that focused on enriching and empowering people.

4.6 Theme 5: Changing the Culture to Embrace Values-Based Leadership in a Learning Organization

Following from the previous section, and intentionally juxtaposed, was the question of how leaders would go about changing the organization's culture if it did not embrace the tenets of values-based leadership in a learning organization. Although the mechanics of changing the culture varied, there were common threads that ran through the responses, such as knowing people's strengths, pushing out responsibility and accountability, involving people in the decision making process and building in people's successes.

However, one point that came through on a more singular basis was Bette's belief that, in order to effect any change:

> you have to take the basis that fear is the great resistance to change and so you have to work at what people are afraid of. You've got to unwrap the fear first, with them, and that has to be over time and then you figure out what that's all about and from that you can build.

From Bette's viewpoint, you couldn't change the culture in any other way. However, as part of this process, Bette felt that the leader needed to set a realistic deadline that incorporated some flexibility and allowed people to work at their own pace. It was regarded as essential that leaders included people's achievements and acknowledged their contributions in the initial stages so that, with any subsequent change, it was really the same exercise.

> You've got to put in little pockets of success that people have very early on in the piece and then celebrate the success and make the success their own. Don't have the arrogance that you then think you're at the helm changing all these people because it's not going to be very lasting.

Moreover, Bette was adamant that you've got to engage people if you're going to make a fundamental shift and change because there has to be something in it for them. In support of this contention, she believed that as a leader you needed to check that the road you were going down was right for those individuals and that exercise was not always easy. In light of changing the culture, Bette had found it harder over the years to assess whether some of the people in the organization were going to stay on board and whether it was better to say at the beginning of the process that it was

time to part ways. These conjectures were consistent with Meg's assessment that a values-based culture was not for all people and in some instances, it was better if those people who felt uncomfortable focused their energies elsewhere.

When hiring fee-for-service people in Bette's organization, the emphasis was on retaining a culture built around their existing values. Bette helped to preserve this values-based culture by hiring topic leaders whose values fitted the things that:

> we espouse, that we do, that we're able to deliver.... We've taken that value of quality to the point where we see it as incredibly important to have the right people on the programme as well.... We cannot deliver a quality programme if the wrong person is on the wrong programme. With all of that, I'm trying to get a fit and if your values are right, you'll be successful. It's a win/win.

However, in trying to get the best fit, Bette was very aware of the danger:

> that you hire people of a very narrow cloning thought-pattern or with values very similar to your own and therefore, you don't challenge what's going on.

As a result of these deliberations, she was making a conscious effort to avoid this pitfall and to support her belief that leaders needed to check that their values were robust and appropriate for the environment (4.2.2, p. 7). From Fay's perspective, changing the culture to embrace values-based leadership in a learning organization sat squarely with the leader, as did quality management. Fay cited an enormous cultural change that had occurred in her area during a five-year period and it had become clear that

staff would need to gain higher qualifications, if they were to offer degrees. In Fay's instance, it wasn't so much a matter of telling people what to do as through doing things herself and involving people in a positive way.

> I didn't feel very honest about encouraging people, especially people who perhaps weren't so keen, unless I was prepared to put myself out. That was one of the compelling reasons for starting the doctorate.

Encouraging people and leading by example related to Fay's view of the leader being a servant of the organization and being prepared to help people reach their goals and potential without leading from the front. From Fay's perspective, it was also being aware of your own frailties as a leader and getting people to go with you. Fay agreed with Bette's philosophy that the leader must acknowledge and celebrate people's successes and repeated her view that the leader was:

> indirectly the servant of the organization but they do it through staff. You don't get there in isolation or achieve something and say: "Look at what the organization's done because you have achieved it personally."

Jude's approach to changing the culture also centred on supporting people and finding out what was important to them in relation to the organization.

> If you want to develop collaboration and an environment where people feel free and can be innovative, it's important that people actually have that space for discussion and I know that historically it's been really, really hard finding time where people can get down and talk and just chew over an idea and bounce off ideas.

On a more structured basis, Jude saw the values clarification exercise with staff as a very useful vehicle in discovering more about themselves as individuals; where they came from, what they believed in and where they wanted to go. Performance appraisals had also been carried out in Jude's area and they were based on reflective questions that led to goals being developed. Jude had found the goal-setting exercises very helpful in exposing what it was that people saw as important in the job, what they liked doing and where they wanted to be. From this leader's viewpoint, it was essential to find out:

> how we work with them to help them get there; so that to me is part of the culture change in knowing people's strengths.

Within a less formal setting, Jude and a colleague had worked together to create some team spirit by holding potluck dinners and celebrating birthdays in some small way. Jude felt that these sorts of functions were an integral part of changing a culture because it was focusing on people and taking time out to relax and reflect in a social setting. On a similar basis, Meg held afternoon teas as part of her informal strategy in changing the culture. During these gatherings approximately 20 staff members from around the organization came together and it was an opportunity to:
talk about <u>all</u> sorts of issues. They tell me whatever they like and when we've finished that we mix the staff up again so they're meeting others and getting to know what others do and discussing a lot of issues.

It was noted that this process was seen as a bit threatening initially but Meg expected to be able to go anywhere at any time in the organization and talk directly to staff because, in her own words, she was nosy and staff were aware of that. However, Meg qualified this by saying that she was:

> mindful of the fact that I can't afford to undermine my managers at all, but I have to perceive of where the issues are and then try and work those things through with them, so that gives staff an opportunity to raise issues that might be of concern to them.

It was particularly relevant to this study to interview a leader who was actually moving the organization from the past to the present – to a value-based culture. As part of that process, Meg was involving others in her thinking and building mutual understanding and trust. Part of that trust was managing by exception and basing staff relationships around three monthly performance agreements that embodied certain key values and certain key thrusts that pushed out responsibility and accountability:

> and that's really important. There's a very high degree of trust [with staff] and if they say they've done it, they've done it. If I ever find that they've told me they've done it and they haven't, they know that trust would break down and implicit in that is the assumption of trust.

An important factor in their relationship centred on Meg's willingness to assist people if they needed some help or if they had a problem such as a major external issue, a major complaint about customer service or an issue where they really needed some mentoring, support or coaching. If any of these situations arose, Meg encouraged them to come and see her even if it was eight o'clock at night.

As part of bringing about change effectively, Meg used external and internal work-related examples to train her managers and talk through situations:

> so all the time you're actually re-confronting them with the ways in which they do things without being harsh and hammering the table; there's huge changes going on. We've fought a lot of fires and now we need to put it all together.

For Meg, the next step in moving the organization forward focused on strategic planning meetings with all staff and groups of staff and this was seen as an intrinsic and invaluable part of bringing about a new cultural identity.

Equally important in changing the culture were the social functions that allowed people in the organization to get to know one another in a less structured environment. One aspect of the interview with Meg that the researcher particularly enjoyed was the recounting of a recent staff social:

> ... yes, the staff had a 'P' party last weekend. Not a great number came, because they're not used to doing things together, but I think we'll soon succeed and I went as Miss Piggy! I had a wonderful time and everyone loved it, absolutely loved it. What's more, they brought out a whole pig for dinner and of course, Miss Piggy had a total fit about that!

It was interesting to see and hear directly about the more human side of leadership to which participants and authors had referred earlier in the study. From the researcher's position, dressing up as Miss Piggy was a metaphor for values-based leadership because Meg encouraged the informal contact with staff and valued the occasion where work protocols could be set aside and people could laugh with her and she could laugh at herself. From Meg's perspective, being human was an inseparable part of being a leader who valued people.

> So you've got to be real. I think the other thing you've got to be is absolutely human. And laugh at yourself; you've got to laugh at yourself. You cannot take yourself too seriously. You've got to laugh at yourself most of all [and] you can't actually think you're the bee's knees, 'cause you're not. You know, my kids keep me in perspective.

Meg's reference to her children in this context extended Bette and Jude's notion that a values-based leader and a learning organization were analogous to the role of a parent and an effective family relationship (4.2.3, p. 9). In addition, Meg's insights into her own vulnerability mirrored Fay's view that leaders must be aware of their own frailties if they were going to be a true servant of the organization (4.6, p. 27).

4.7 Theme 6: What Shapes Leaders?

From the researcher's point of view, the question of what events or people most significantly influenced the participants' philosophy on leadership elicited the most revealing aspect of the study. The researcher learned, on a very personal basis, who and what had shaped the participants' thinking on leadership.

In relation to this, one of the more important points in the study occurred in the first interview when the participant noted that it was people who had influenced her thinking on leadership rather than events. Subsequently, the word "people" was added to the last question and this single but essential word helped to construct a further dimension and perspective to the research findings.

4.7.1 People Are Paramount

While Bette had felt at the leading edge of change and found it difficult to have role models or people who were seen as mentors, she still thought that:

> The things that have affected me most have been people and I can't really come up with names, but it's people who seem to live the values they espouse.

When qualifying this point, Bette was of the opinion that, for women in the business she had chosen, it was lonely because there weren't too many people with whom she could align herself. While she felt it was important for others to have mentors, Bette recognised the irony of this endorsement when she didn't really have one herself. On a very personal basis, she disclosed that she had been very ill again last year and that was a great leveller and a reminder:

> to sort myself out and so that was one of those significant emotional events in my life which makes you realise you've got to keep it simple. And maybe that is the driver.

The leading drivers for Fay were the people who had come into her life at critical stages. In terms of leadership, Fay didn't have any aspirations for leadership for many years, so it wasn't an issue for her. However, Bryce became a significant person because he took a personal and professional interest in academic areas in which Fay had never been involved before.

> He took on a leadership role and is still highly regarded 10 or so years after he left the organization. He was totally true to his

> principles and he was the sort of person who lived it – there's your values-based leadership.

Later on, Pat headed the organization and that, for Fay, was like a crystallisation of many things because, for the first time, everyone in the organization was considered important and people were prepared to get involved. Moreover, Fay felt that this leader had achieved something that she had not observed before in her career - an ability to have a very close personal relationship with a huge number of people both inside and outside the organization.

> It was the little notes of support, it was the messages, or phone calls, or emails or whatever and it was very, very genuine. She believed in people and I think Pat would probably be the most significant influencer of all because she had such [ability] and you trusted her totally. I mean, she was so modest. It wasn't hard to feel close to Pat.

The other person who had a significant impact on Fay's leadership philosophy was Mary, who became her doctoral supervisor, friend and supporter. For Fay, the significant person was coupled with the event because the decision to go ahead with the doctorate created:

> opportunities that weren't there in quite the same way before and in terms of leadership, I could see a niche there between the academic side and management side. The doctorate enables you to have confidence in yourself to go on and become that leader.

Postgraduate study also had a huge impact on Jude's leadership philosophy. For her, one of the most positive influences that had helped shape her

thinking was studying for a masters degree in educational administration and the direct relationship between her study and work.

> It was the applied nature that was so good. I found the leadership aspect threaded through virtually everything and for me that's been quite significant. I'm realising now how much I've learnt.

Equally as important was her son's influence because he was studying for his Bachelor in Management Studies at the same time and that prompted some very fruitful discussions because of their different philosophical and perceptual bases.

> He challenged my ideas and he's continually challenging my ideas. I feel the ideas on leadership are constantly being shaped because you read things, you see people, you hear people and it just adds up.

On a less positive basis, Jude's attitude to leadership was also shaped and influenced by a number of negative experiences. For her, the negative experiences came from observing poor practice and this left her with some very strong ethical views about what is and isn't appropriate in a leadership role. These views were reflected in her responses to questions one and three when she emphasized the importance of leaders having strong values about humanity and "walking the talk." (See 4.2.2 p. 7 and 4.4.1, p. 19.)

Jude's introduction to Covey's (1992) writing and the assistance that it gave her during a demanding period in her working life was a significant factor in determining her philosophy on leadership.

> I was going through quite a difficult time with a colleague at work and I found *The Seven Habits of Highly Effective People* just mind-

> blowing. I've been so impressed that I have given that book to a number of colleagues.

Correspondingly, Meg had found books on leadership to be extremely important in shaping her thinking on leadership.

> The very best books I think you can read are O'Toole's books on the *Executive Compass* (1993) and on *Leading Change* (1995). Both of these are just unbelievably wonderful books. There's also John Gardner who writes on leadership in the US and communities in particular.

While authors such as O'Toole and Gardner provided positive and primary perspectives on leadership, the practice of effective leadership was not always in evidence for Meg. Reflecting Jude's negative experiences, Meg had also observed poor practice and this had strongly affected her philosophy on leadership:

> I had a boss who was the ultimate [in what not to do] and we'd have these 'grizzle sessions' every Friday morning where all the managers sat around and told each other what they'd done wrong during the week and why they didn't like them. [...] was the ultimate powerbroker and it was just unbelievably awful.

Meg regarded this as a singular example of how not to manage and the experience instilled in her a firm resolve never to be like that or to deny her staff the opportunity for further training.

> When I went to [name of organization] no one ever allowed me to go on a management course in the entire time I'd been practising as

> a manager because they always used to send all the men and, in fact, when I asked to go on a course I was told it wasn't appropriate.

In conjunction with Jude's view that leadership was an evolutionary process, Meg saw her skills develop through a combination of reading and doing.

> A lot of what I did initially was really just because it felt all right. Then I'd later read something and [think] that sounds like what I've done and yes, there's a name for that. So it was practice as much as anything.

Implicit in the concept of fostering leadership is understanding the relationship between leaders and followers. The study found that one of the responsibilities of the values-based leader in a learning organization is to engender leadership and this could be achieved if the guiding principles of the leader were transparent and demonstrable.

4.8 Leadership Styles: Reflections and Examples

Although the interviews focused on the six research questions, the participants were willing to reflect on their own leadership styles or roles and to consider other issues associated with leading and learning.

Expanding on her own leadership style and aspirations, Fay stated that there were aspects to being a leader that she really enjoyed as long as she was able to:

> do it in a way, which isn't leading from the front, being a big noise in the press and whatever, but being able to support people - that's the sort of leadership I feel comfortable with.

In a similar vein, and reflecting the notion of the leader being a servant of the organization, Jude saw her role as fitting into the leader-follower, follower-leader model. This was graphically and humorously illustrated in a recent encounter with a staff member.

> When I was asked to do this job someone said to me, "Oh, you're the top-dog, I can see all the controls".... I immediately gestured to this person and said, "Oh no, I'm not one of those, I'm one of these", pointing to the back of me. The person misinterpreted my gesture...! What I [meant] was, that I prefer to lead from behind!

Jude's leadership style was similar to Fay's and both preferred to lead from a less prominent position and to provide the encouragement and the coaching. For Jude, providing support and working as a fully participating team member was an essential ingredient to her success as a leader.

From Meg's perspective, an important part of her leadership role centred on getting others to commit to the vision, and at the same time, to grow more leaders.

> One of my quests is ... to ensure that there are more people who have the vision and can get others to commit to that.... When I look around, particularly, particularly at young women, I say, well, OK, they have the potential, why hasn't it been grown? [It's] almost like they hit a point where the hierarchical system takes over and so many young men and women get swallowed up.

As identified in the literature review and supported by the participants' responses, traditional or hierarchical organizations are viewed increasingly as structures that are better assigned to the past rather than aligned to the future. The findings also revealed that within the framework of hierarchical organizations there was an expectation that those at the top were right and there was little room for admitting mistakes and learning from them. It was important from Bette's point of view that this was now changing and it was becoming more acceptable for men, in particular, to admit they had made mistakes.

> I feel strongly that women have had a huge role in senior management of saying I got it wrong, whereas it was very difficult for men to do that. That's no disrespect to men or an anti-men statement, but I think culture and society put them in a position where they had to be right and they had to defend that position even though they knew in their hearts many times they were wrong. While women, because of their background and their social conditioning, were much more prepared to say I was wrong.

Bette had found it quite refreshing that people were prepared to admit they were wrong and that these sorts of values were starting to emerge in the general work force. From her perspective, this approach took a great deal of pressure off people:

> and maybe when you're trying to tie this back to people who do lead with a values-base as their modus operandi, that gives them the freedom to behave like that.

4.8.1 A Spiritual Leader

When reflecting on her associations with leaders, Fay again cited the CEO whom she regarded highly and remarked how hopeful she and other staff members had been when a female leader was appointed to the organization for the first time.

> Before Pat came, females didn't get a lot of encouragement [but] the increase in the number of women managers was astonishing during that time, so she was obviously walking the talk, if you like.

Fay also recalled the paper Pat had written for staff (Appendix H) in which she described her role as a polytechnic leader. For the researcher, who worked so closely with this leader and encouraged her to share these insights, the paper encapsulates what values-based leadership in a learning organization is all about. Extracts from the paper have been selected to demonstrate the strengths and strategies of a spiritual leader and to illustrate the type of leader that prompted this study:

> I believe in people. I believe in the worth of each person. This was the reason I entered Education, initially as a teacher of 13-17 year olds, and later as a manager in Polytechnics....
>
> The leadership style I choose to use is consultative, to the extent that this is possible. My staff understand this as a Consult, Decide, Explain style. The degree to which consultation takes place is in direct relationship to the importance of the issue and the time frame available....

> I wish to encourage life-long learning.... My role is to establish a focus on quality issues ... in an increasingly competitive user-pays environment.... I am thus an agent for change [and] I endeavour to lead by example (Irving, 1992).

4.9 Conclusion

In Chapter Four the researcher has presented the participants' responses to the six research questions in a way that has created a continuum for the discussion and conclusion chapters. In the following chapter, the researcher discusses the working model, Figure 3, p. 126, in the context of these four practising leaders.

Chapter Five: Discussion

5.1 Introduction

The following chapter discusses the results of the research with four practising leaders and concentrates on what constitutes values-based leadership and the advantages and disadvantages of this type of leadership when building a learning organization. Within the context of values-based leadership, the researcher also discusses the leader's role and what has influenced the participants' philosophy on leadership. The working model, Figure 3, p.126, summarizes how values-based leadership and the learning organization can work and represents the main focus of the research. Although the study centred on a small group of practising leaders, the material presented in this section provides support for O'Toole's (1995, pp. 10-11) belief that, "the leadership of change does not depend on circumstances: it depends on the attitudes, values, and actions of leaders."

As detailed in the literature review, over the last three decades there have been significant changes in the precepts and concepts of leadership. Hesselbein (in Hesselbein, et al, 1997, pp. 81-82) reflected on the need for change when she stated that even though the world was round, the management world was built with squares, boxes and pyramids. In the 1970's and 1980's huge developments occurred and management took people out of the boxes, liberated the human spirit and transformed the organization. The concept of values-based leadership, which centres on the importance of valuing individuals and valuing organizational learning, can be seen as a catalyst for liberating the human spirit. As Greenleaf (in Spears, 1995, p. 310) submitted, "To deny the spirit is to deny the fullness of our growth and that of others." The value placed on the human spirit as

an important dimension of leadership and the organization is discussed in the following section and illustrated in Figure 3, p.126.

5.2 The Values-Based Leader – An Emphasis on Values

In examining what constituted a values-based leader, the findings established the need for leaders subscribing to the concept of values-based leadership to have and adhere to a clear set of values. Moreover, it was advanced that leaders should test these values to make sure that they were robust and appropriate for the environment in which they were working. As Bette emphatically stated, and the other participants reaffirmed, you have to have the senior person in any organization manage very closely to his or her own value set. Otherwise, there is a disjuncture between what is said and what is done and this can lead to a decrease in trust and a conflict of values.

Kouzes and Posner (1987, p. 302) underscored this values imperative when they stated that leaders: "who cannot personally adhere to a firm set of values cannot convince others of the worthiness of those values." Similarly, they maintained that the credibility and believability crucial to effective leadership were earned when their behaviour matched their beliefs. Participants shared Kouzes and Posner's viewpoint and regarded a values-based leader as one who had some strong values about humanity and what was right, fair and equitable; provided support and encouragement; and embraced a spiritual dimension. All participants endorsed the importance of leaders embracing a spiritual dimension and their responses echoed Bolman and Deal's (1995, p. 7) assertion that leaders who neglected the spiritual dimension were overlooking a "powerful untapped source of energy and vitality."

Bette associated the leader's spiritual dimension with the way you treated people and the trust you had in them to do a good job. In this same vein, Jude and Meg saw the spiritual dimension as embedded in the Golden Rule of treating others, as you would wish to be treated and believed that this philosophy played a vital role in building effective relationships with people. From Fay's perspective, a leader embodied a spiritual dimension when they became a servant of the organization and possessed and portrayed that essential ingredient - integrity. Stressing this perspective even more strongly, Kouzes and Posner (1987, p. 302) contended that, "leaders without integrity are only putting on an act."

Strengthening the case for integrity, Paine (1994, p. 111) took a more formal approach and proposed a strategy that fostered responsible conduct that cut to the ethos of the operational systems and its members and their guiding values, patterns of thought and action. While none of the participants was advocating such a prescribed process, they were firmly of the opinion that a values-based leader had to set the ground rules, build trust and mutual understanding, clarify values and involve other people in their thinking.

For Meg, it was critical for the organization's well being that a very high degree of trust existed with staff and she worked on the assumption that what was said and what was done were in concert. If, however, the reverse were true, they knew that trust would dissipate. When reflecting on the importance of the servant leader and the all-important element of trust, Tatum (in Spears, 1995, p. 312, author's emphasis) recommends that organizational decisions be prefaced by the word "trust" so that we train our minds "to encompass all of the values with one vision and have an ability to apply the issue of building trust with wholeness." Moreover,

according to Daft and Lengel (1998, p. 183), "Trust is the lifeblood of leader relationships" and all participants manifestly endorsed this assertion.

In the working model, Figure 3, p.126, the important connections can be seen between values-based leadership and people, who are the key to the organization; values, which are central to the organization's well being; and the spiritual dimension, which lifts people and the organization to another, higher level. While Peters (in Spears, 1995, p. 127) finds the growing emphasis on spiritual management a little unnerving, Spears believes that "People are taking a broader view of spirituality [and they are] seeking to integrate personal and spiritual growth at work." Further supporting the findings in this study, McCollum (in Spears, 1995, p. 128) points out that people want to be valued and it is up to organizations to "develop this spirit, this deep human connection."

In addition to the indispensable factor of trust, participants agreed that a values-based leader was someone who could link theory and practice by "walking the talk" and who exhibited the values they espoused. As long ago as 1957, Selznick (in Peters and Waterman, 1982, p. 85) maintained that the institutional leader's primary role was the promotion and protection of values. According to Rost (in Bryman, 1992, p. 175), even though the importance of leadership as the inculcation of values was recognized, little attention was given to the majority of theory and research at that time. That situation has now changed and more than forty years later, as proponents of this movement, Daft and Lengel (authors' emphasis, 1998, p. 191) have progressed the concept of "fusion leadership" where leaders act from high moral values and "lead others through destabilized and oppressive times while maintaining or enhancing others' self-worth and accomplishment." While participants did not specifically use the term "fusion leadership", the underlying philosophy of leaders knowing their

values and adhering to those values during difficult times was very much in evidence. As a leader in the throes of changing from a more traditional to a values-based organization, Meg recognized the enormous amount of work and commitment that was involved but maintained that it was not about "hammering" an entire organization during the change process. Rather, it was a matter of ensuring that people's dignity remained intact throughout any organizational initiatives and developments. Handy (1994, pp. 69-70) amplifies these findings when he considers the age of paradox and the dramatic changes taking place in organizational structures and operations. He views the management of the "doughnut", or the core activities surrounded by the space to explore our full potential, as the new organizational challenge. According to Handy (pp. 81-82), the challenge lies in the fact that there "is no longer the manager and the managed, but the designer of the doughnut and the occupant – a different relationship, one built more on trust and mutual respect than control."

5.2.1 Fundamental Values for the Leader

The four practitioners in this study, all of whom had experienced and were continuing to experience organizational and professional changes, were explicit about what values they saw as central to a moral leader. In addition to trust, integrity, honesty, fairness and equity, participants regarded respect, dignity, openness, consistency, understanding and quality as important principles for the leader and the organization to demonstrate. Reflecting these values very closely, Senge (1990a, p. 224) suggested a list of core values that could anchor the organization's vision, namely: integrity, openness, honesty, freedom, equal opportunity, leanness and merit or loyalty. As seen in Figure 3, p.126, participants maintained that the organization's core values had to be worked into the fabric of the organization and embedded in the culture. Paramount among these

principles, however, was the value these leaders placed on people in the organization. As Greenfield (1986, p. 71) pointed out, organizations have no ontological reality but "are an invented social reality of human creation" and there is no point studying them as if they were inanimate objects. Moreover, he argued, people are the ones responsible for organizations; therefore, they are the ones to bring about any changes.

Reinforcing the reality of Greenfield's thinking, participants had found that people actually liked the opportunity to be in an organization that valued them as individuals, valued their talents and valued their contributions. Heightening this perspective, Rosener (1990, p. 123) concluded from her study on the way women lead that enhancing the self-worth of others and bolstering co-workers and subordinates was particularly important in jobs that tended "to be hard on the person's ego." In today's environment of organizational change and challenge, it is difficult to envisage many positions that are exempt from testing times on a person's ego. However, reflecting Rosener's findings, participants in this study held that an implicit part of a values-based leader's role was increasing people's feeling of self-worth by sharing information, encouraging participation and being candid in the process.

In examining the challenges facing leaders in the future, Bolman and Deal (1991, p. 451) expressed the hope that managers and leaders would "embrace the fundamental values of human life and the human spirit" and appreciate the importance of knowing and caring for themselves, as well as those who work with them. Echoing Bolman and Deal's appeal, participants reiterated their belief that people were an organization's greatest asset. As Bette identified, there is a strong message that things of value now come from people at all levels of the organization and those with the least amount of experience have a great deal of value to add. Figure 3,

p.126, graphically illustrates this point and shows how people develop and grow as their value to the organization is increased and realized. Reinforcing this point, Fay maintained that organizations that cared for people needed to have leaders with a strong values base who were committed to putting people first, who encouraged them to have a say in strategic decisions and who involved them in the organization's critical path. O'Toole (1995, p. 2) contributed forcibly to this position and regarded moral leadership as treating people with respect and suggested that nothing is more difficult. Conversely, he believed that, "when there is organizational or social necessity for change, nothing is more practical." Amidst the structural and cultural transformations occurring in the workplace generally and with the leaders in this study specifically, O'Toole's claim was found to be both apposite and applicable.

In her role as a practising leader, Jude held that values-based leadership was very much associated with Sergiovanni's (1992, p. 8) model of "The Head, Heart and Hand of Leadership" which emphasized the heart of leadership, or the leader's values and beliefs. As an extension of this model, Jude and Meg maintained that a values-based leader must understand that organizations are communities of people who are bound together by a values system that has some meaning for them. An intrinsic part of that values system was developing shared values and a common belief system that enabled the organization to achieve notable ends. Morgan (1997, p. 137) reasoned, however, that formal leaders do not have a monopoly on creating shared meaning because others in the organization can influence the process by virtue of who they are or by acting as informal opinion leaders. The message for leaders then, is to actively enlist people to develop and implement those shared values and that, according to the results of this study, is a demanding and long-term process.

Expanding on the point of developing shared meanings and values, one of Senge's (1990a, p. 9) five disciplines involved the process of building a shared vision in the organization. In drawing attention to this goal, he could think of no organization that had achieved any form of greatness without binding people together around a common identity and sense of destiny. Within this context, Meg maintained that values-based leadership was about building communities and, as Gardner (1990, p. 113) averred, "It is in communities that values are generated and regenerated [and] leaders are community builders because they have to be." In support of Gardner's claim, Meg pointed out that, while leaders were trying to build communities, they also needed to understand the tension that existed between the values of freedom, personal freedom and equality. Therefore, it was a question of the leader balancing those values and recognising that all values have validity. It was Meg's firm conviction that once leaders realized that there was no pure truth, then they could move the organization forward. During this study participants acknowledged the ever-present pressures that arose when dealing with differing values and this reality was underscored by O'Toole (1995, p. 258) when he stated that: "The process of values-based leadership is the creation of moral symmetry among those with competing values."

While there was strong support by participants to develop and extend a common belief system and shared values, it was recognized that there could be a conflict of values in more traditional organizations that had been dominated and shaped by male values-systems. According to Gilligan and Helgesen (in Morgan, 1997, pp. 135-136) "this has led to the creation of organizations that often have strong female subcultures standing in tension and, at times, opposition with male power structures" and this can influence the culture along gender lines. While several issues relating to leadership and gender were raised during the research and subsequently included in

section 5.2.2, there was insufficient time to explore gender subcultures in any depth. However, the researcher believes that the issues raised by Gilligan and Helgesen (in Morgan, 1997) could provide provocative and timely research in a New Zealand setting, particularly given Harragan's (in Morgan, 1997, p. 135, author's emphasis) description of the corporate world in America as a "no-woman's land." The researcher has expanded on this proposed topic in the Chapter Six.

5.2.2 Past Experiences – New Meanings

In the context of values and professional and philosophical influences, participants shared a number of issues associated with gender in more traditional and hierarchical organizations. From Meg and Jude's perspectives, their experiences of observing or being part of poor practice had an enduring and profound effect on their leadership philosophies and practices. For Jude, the conflict in values resulted in her leaving one organization because she felt so strongly about the ethical implications. In her early years as a manager, Meg had found that reality conformed to assumption and leadership-training opportunities for women were considered inappropriate. In view of this deficiency, she has now taken a leading role in providing training opportunities for her staff and is actively encouraging young women to pursue and accept more leadership roles and responsibilities.

In Fay's case, her lack of interest in leadership initially stemmed from the predominance of males in senior positions who seemed to have a right of passage not accorded to females. For some years, there was very little leadership encouragement given to women until a female CEO was appointed. At that stage, there was a shift in values and women were encouraged to apply for positions and were subsequently rewarded for their

efforts and abilities. In these three instances, the organizations were traditional, male-dominated structures where a different set of values, based on hierarchical and centralised systems, prevailed.

On a wider scope, Bette had been less than enthusiastic about entering the predominantly male business world where underlying practices in the early days did not correspond to her values of truth, honesty and openness. She also considered that, for women in the business she had chosen to work, it was quite lonely because there were very few women with whom she could align herself. While the increase of women leaders in this setting could be slow, Bette was committed to fostering future leaders and encouraging a more equitable gender balance.

The perspectives of these women leaders highlighted more than the issue of values and advanced the wider implications associated with a male or female led organization and the nature of the principles promoted by each. The following quote of Rosener's (1990, p. 120) contributes to future research topics suggested in Chapter Six and provides a platform for further studies of male and female values-based leadership in a New Zealand context. According to Rosener's (1990) leadership studies, along with many others published over the years, men more commonly lead by command-and-control, whereas most women, "encourage participation, share power and information, enhance other people's self-worth, and get others excited about their work" (p. 120). Reinforcing this perspective, Helgesen (1990, p. 225) considered that women's ability to model and persuade was particularly important in an organization that concentrated on a web structure where the lines of authority were less well defined and more dependent on a moral centre. The aspect of a moral centre, which Helgesen (1990) relates to connective values such as compassion, empathy,

inspiration and direction, symbolizes a values-based approach to leadership and is reflected in the central positioning of values in Figure 3, p.126.

5.3 A Pivotal Partnership: Leading and Learning

As seen in previous sections of this chapter, the study demonstrated that part of developing a learning organization was creating the environment that valued people. A natural consequence of that evolution was valuing different ways of working and thinking. Within their respective organizations, participants supported Senge's (1990b, p. 7) contention that, more than ever, organizations needed to understand how they learned and then accelerate that learning. As an advocate of Senge's premise, Meg was committed to learning organizations and the concept of adaptive and generative learning. Inherent in this theory was creating an organization that was highly interactive and constantly changing that learning. Kotter (in Sonnenfield,1995, p. 49) extended the concept of leaders involving people in the learning process when he stated that: "Motivation and inspiration energize people." Throughout the research findings, participants recognized the importance of the leader's role in energizing people and creating an environment where individual and organizational successes could be enhanced and celebrated. As Senge (1990a) stressed, personal mastery enables people to realize the results that are most important to them and "as such, it is an essential cornerstone of the learning organization – the learning organization's spiritual foundation" (1990a, p. 7).

Participants viewed the creation of a learning environment, where people in the organization became learning agents and could effectively respond to the organization's internal and external forces, as pivotal to the learning process (Argyris and Schon, 1978, p. 29). Within this framework, Argyris and Schon (1978) also emphasized the importance of people discovering

errors in organizational theory-in-use so that the results of their examinations could become part of the "private images and shared maps" of the organization (p. 29, authors' emphasis). Closely reflecting this viewpoint, Fay considered that a learning organization was one that was trying to solve problems or issues from a long-term perspective and one that encouraged a climate where people could take risks, make mistakes and learn from them. Middlehurst (1997, p. 196) supported this viewpoint and stressed the need for leaders to value risk-taking and initiative and to demonstrate their openness to change. Bennis and Townsend (1996, p. 116) underscored the significance of leaders encouraging people in the organization to deal with the mistakes they had made because "the notion of risk is inherent in the nature of mistakes." As further support to the findings in this study, Bennis and Townsend (1996) emphasized how important it was for leaders to encourage their organizations to become more risk-prone because people learn from failure and the opportunity to reflect on their experiences.

Principal in the course of making mistakes and taking risks is the assumption of change and continuous improvement. Bette maintained that a learning organization was all about the need for change. The underpinning logic for her was accepting that change was a fact of life. Therefore, it was incumbent on the leader to set up structures and systems that encouraged and promoted change and allowed people to rejoice in doing things differently. As a result of this approach, the emphasis was on replenishing rather than replacing and led to individual and organizational growth and development. Jude also saw a learning organization as one that was constantly growing and regarded this growth in experience and understanding as a means of developing freedom and innovation. Moreover, the process of change called for organizations to look at how they operated to see if there were better ways of doing things. Egan (1993,

p. 170) underscored this view and concluded that the learning curve seemed to combine a "mix of improving current ways of doing things and finding better ways."

As shown in Figure 3, p.126, participants viewed continuous improvement and a learning organization as being mutually inclusive. Participants were unequivocal in their belief that continuous improvement, which led to the quality of the organization, was an essential part of a learning organization's culture and leaders were responsible for its instigation, evolution and endurance. Accordingly, Jude maintained that a learning organization should reflect a spiral growth that was closely linked to quality and unless there was cyclical sharing and growth going on, continuous improvement would decelerate. Supporting the notion of spiral growth as an important factor in a learning organization, Bunning (1995, p. 11) described the ultimate goal of fostering organizational learning as progressively replacing vicious circles with virtuous circles. He, too, saw this spiral growth in virtuous circles, which he believed were "about the establishment of positive energy flows which spiral upwards in ever-increasing levels of collaboration and synergy" (p. 11).

However, in relating his own experience Bunning (1995, p. 10) found that the main element that subtracted from an organization's attempts to improve its learning lay with senior and middle management rather than with workers. In Bunning's (1995) view, the forces working against organizational learning stemmed from a short term focus, a reluctance to reflect, a disinclination to share leadership and autonomy and a fear that any change might attract criticism or disrupt the personal interests of the managers in question. From Bunning's (pp. 10-11) perspective, effecting organizational learning was a matter of leaders throughout the organization having the vision, the courage, the personal integrity and the wisdom to

guide their organization's learning. Directly associated with this account, Bette had seen huge organizational changes over the last number of years and noted that the biggest resistance to change came from middle managers who saw it as taking away their role. Bette perceived the changes that took place in a learning organization as taking away the middle managers' traditional controlling roles but argued that someone was still needed at that level. As leaders themselves, participants saw the transition to a learning organization as increasing people's freedom to contribute and supported Senge's (1990a, p. 353, author's emphasis) belief that, "much of the leverage leaders can actually exert lies in helping people achieve more accurate, more insightful, and more *empowering* views of reality."

Participants saw the relationship between the leader and the organization as a very important factor in determining the success and longevity of a learning organization. Correspondingly, within the framework of life-long learning, participants maintained that the leader's ability to lead by example was fundamental. Schein's (1992, p. 366) insight into the relationship between the leader and an organization and the ultimate learning outcomes is summed up in the following quote and signifies the participants' views on the leader's role in the learning organization: "The learning leader must portray confidence that active problem solving leads to learning and, thereby, set an appropriate example for other members of the organization."

5.4 The Role of the Leader in a Learning Organization

The results of the study demonstrated that the role of the leader in a learning organization was central and strengthened the premise that leaders, including senior management, must be seen to live the values they espouse.

Terms such as "fundamental", "vital", "crucial", and "key" were attributed to the leader's position as well as to the concept of values-based leadership.

From Bette's perspective, the importance of the position was non-negotiable. Adding further force to the significance of the leader's role, Bette acknowledged the major contributions made by front-line people but reiterated the centrality of the leader's role in bringing the organization together and having an enormous impact on how the organization focused itself, what it did, how it worked and the culture that evolved. Similarly, Fay was resolute in her belief that a values-based leader must be totally committed to the role and could not delegate the responsibility for values-based leadership or quality in a learning organization. As De Pree (in Spears, 1995, p. x) stated, leadership is a serious meddling in other people's lives so it is imperative that the leader's role earnestly and honestly reflects good practice and is built on "the understanding that what we intend to be determines what we are able to do" (p. x). Extending this notion, Meg saw one of her key leadership tasks as providing sound and accurate advice to the Board so that the right decisions could be made. Moreover, as a key interactor with all the stakeholders, participants deemed the leader's role as crucial and one that reinforced the vital "web of inclusion" (Helgesen, 1990) to produce organizations that were truly "networked" because "the *process* of doing things [was] as important as the end result or product (Morgan, 1997, p. 136, author's emphasis).

In addition to exhibiting the values they advocated, the study reinforced the values-based leader's responsibility to guide the vision and build an organization that was committed to long-term change and improvement. From the participants' perspective, there had to be a firm commitment from the leader to provide the necessary resources for these changes and improvements to occur. As Senge (1990a, p. 225) posited, while core

values are necessary to assist with daily decisions, vision is long term and the "core values are only helpful if they can be translated into concrete behaviours" and tangible resources to support these changes.

5.5 The Advantages and Disadvantages of Values-Based Leadership

As evidenced at the beginning of this chapter, the research supported the notion that leaders played a primary and exemplary role in bringing about a culture that focused on values and on-going learning. How this came about varied from organization to organization, but the principal factor centred on the leader's responsibility for engendering a culture that embraced a clear set of values, supported people and exhibited a commitment to learning at all levels of the organization. De Pree (1991, p. 194) articulated one of the main principles of values-based leadership when he said that: "People must be able to pursue their potential" and it was up to leaders to make room for what he termed "amateurs" or people who do things for the love of it. De Pree (1991) goes on to say that, if an organization is able to attract amateurs and retain them, they will become an invaluable part of the organization's life, values and progress (p. 194, author's emphasis). In the following section, the advantages and disadvantages of values-based leadership are discussed in light of De Pree's (in O'Toole, 1995, p. 45) contention that the goal of organizational leadership ... "is to abandon oneself to the strengths of others."

5.5.1 Advantages of Values-Based Leadership

The overall advantages to values-based leadership from the participants' point of view focused on valuing people and as Meg stated, setting them

free to provide their contribution, their expertise and their imagination into the vision of a whole. There was no doubt in Meg's mind that the concept of releasing people from the shackles of hierarchy helped them work more effectively. As a proponent of values-based leadership, Campbell (in O'Toole, 1995, p. 50) graphically highlighted the idea of setting people free when he said: "In most companies, employees wear shackles – not on their hands but on their minds and spirits. They are not allowed to innovate or create, but only to do what they are told." In some instances, however, it is not the organization or the leader who quells the mind and spirit but the individuals themselves. Participants acknowledged that the concept of liberating people in order to reach their potential did not meet everyone's needs because there were those who preferred to work in a more prescriptive environment.

Notwithstanding the reluctance by some people to accept responsibility and accountability, participants still believed that one of the prime advantages to values-based leadership centred on people feeling part of an organization that was moving forward. Gardner (1990, p. 74) strongly supported this position and argued that the concern for the release of human talent and energy must go beyond the schools and workplace, and permeate society as a whole. What is needed he said: "Is an attitude, widely shared throughout society, toward individual growth, development and learning in the context of our shared values...."

In relation to values, Bette had found the biggest advantage to values-based leadership was having a seamless organization where the values they advocated and the way they worked corresponded. Accordingly, there was a direct relationship between knowing what the values of the organization were and the quality of the product or service. Jude endorsed this view and maintained that having the organization's values defined meant that

everyone was heading in the same direction and this resulted in a better product. Informing this perspective, Covey (1992, p. 221) maintained that, "when people identify their personal goals with the goals of an organization, they release an enormous amount of energy, creativity, and loyalty." Participants directly and indirectly supported Covey's claim and agreed that many of the advantages to values-based leadership involved motivation, satisfaction and improvement for the individual and ultimately, the organization.

The wave of public attention that is now focusing on society's immutable principles attests to the increasing importance that shared visions and shared values have in guiding the public and private sectors.

5.5.2 Disadvantages to Values-Based Leadership

According to the participants, while the advantages of values-based leadership outweighed the disadvantages, they all acknowledged that time, energy and commitment were critical issues when embarking on the road to values-based leadership. Specifically, Fay and Meg considered that the biggest disadvantage focused on a transparent decision-making process because it was time-consuming and there was not always a clear answer. Moreover, Fay saw a degree of discomfort in the values-based leader's role because by encouraging a more open environment, there were inevitably more opportunities for criticisms. Rosener (1990, p. 122) confirmed Fay's thinking and had found in her leadership studies that there were disadvantages to participatory management because "soliciting ideas and information ... often requires giving up some control, opens the door to criticism, and exposes personal and turf conflicts." Moreover, Rosener (1990) saw the inherent difficulties of including people in the consultative

process because when leaders ask for ideas and information it "can be interpreted as not having answers"(p. 122).

For Jude, the biggest drawback was dealing with changing people's mindsets and moving them from a very directed and directive environment into a more collaborative climate and this process involved a great deal of time, effort and a high degree of frustration. Despite being a firm advocate of values-based leadership, Meg also acknowledged and accepted the immense personal commitment to values-based leadership because the leader had to create the environment for it to occur. This process could be extremely stressful because it involved a re-distribution of power and the development of a new, values-based culture. O'Toole (1995, p. 71) exemplified the seeming paradox of trying to build a values-based culture when he said: "In a practical, business sense, values-based leadership provides for internal, strategic unity while at the same time encouraging independent, entrepreneurial initiative."

Although Bette was firmly convinced of the benefits to values-based leadership, she was very aware of the fine balance between bringing diversity into the organization and hiring people with similar values. However, for her, the primary disadvantage to values-based leadership was dealing with a conflict of values and she stressed that until that conflict had been resolved, it was difficult for a leader to progress. According to Morgan (1995, p. 137), however, part of dealing with conflicting and competing values is realizing that they "create a mosaic of organizational realities rather than a uniform corporate culture" and not everyone in an organization shares the same degree of commitment to the workplace.

5.6 Values-based Leadership and a Learning Organization: Possibility or Pipedream?

Central to this study was discovering the viability of values-based leadership in the participants' current positions and establishing whether the findings could have wider application in a small number of other organizations.

5.6.1 Values-Based Leadership: A Working Model

In essence, participants believed that values-based leadership in a learning organization did work and this is demonstrated in the working model, Figure 3, p.126. While Fay and Jude were more qualified in their responses about the practicalities of values-based leadership in their current positions, Meg and Bette were absolute in their conviction that values-based leadership worked in the organizations they headed. For Fay, the reality of whether values-based leadership would work in her new position depended on building relationships of trust and respect over time. However, because of her commitment to people and valuing their contributions, she was hopeful that it would work as successfully as it had in her previous position during the early 1990's. Although Jude was in an acting role, she based her own leadership approach on values; hence, the main qualifier was how far-reaching her decisions would be in light of organizational restructuring. In terms of a commitment to values-based leadership, it was a tenet for Bette and that was how she led her organization. Meg was equally ardent in her support of and commitment to values-based leadership and at the time of the study she was in the process of building a values-based organization.

Helgesen (1990, p. 235) suitably expressed the notion of leading and learning with values when she talked about the changing nature of

organizations and people in those organizations. From her perspective, leaders today "must create an ambiance that reflects human values and devise organizational structures that encourage and nurture human growth." As seen in the working model, Figure 3, p.126, values-based leadership and a learning organization are linked directly to people and they, in turn, are supported and sustained by the organization's underpinning values and spiritual dimension. Through effective communication these values become part of the culture and are subsequently embraced as fundamental components in building relationships and improving quality. The working model, in Figure 3, p.126, is the start of a journey towards values-based leadership in a learning organization rather than a finite theoretical paradigm. As Senge (1990a, p. 142) appropriately and realistically pointed out when discussing personal mastery, "The journey is the reward."

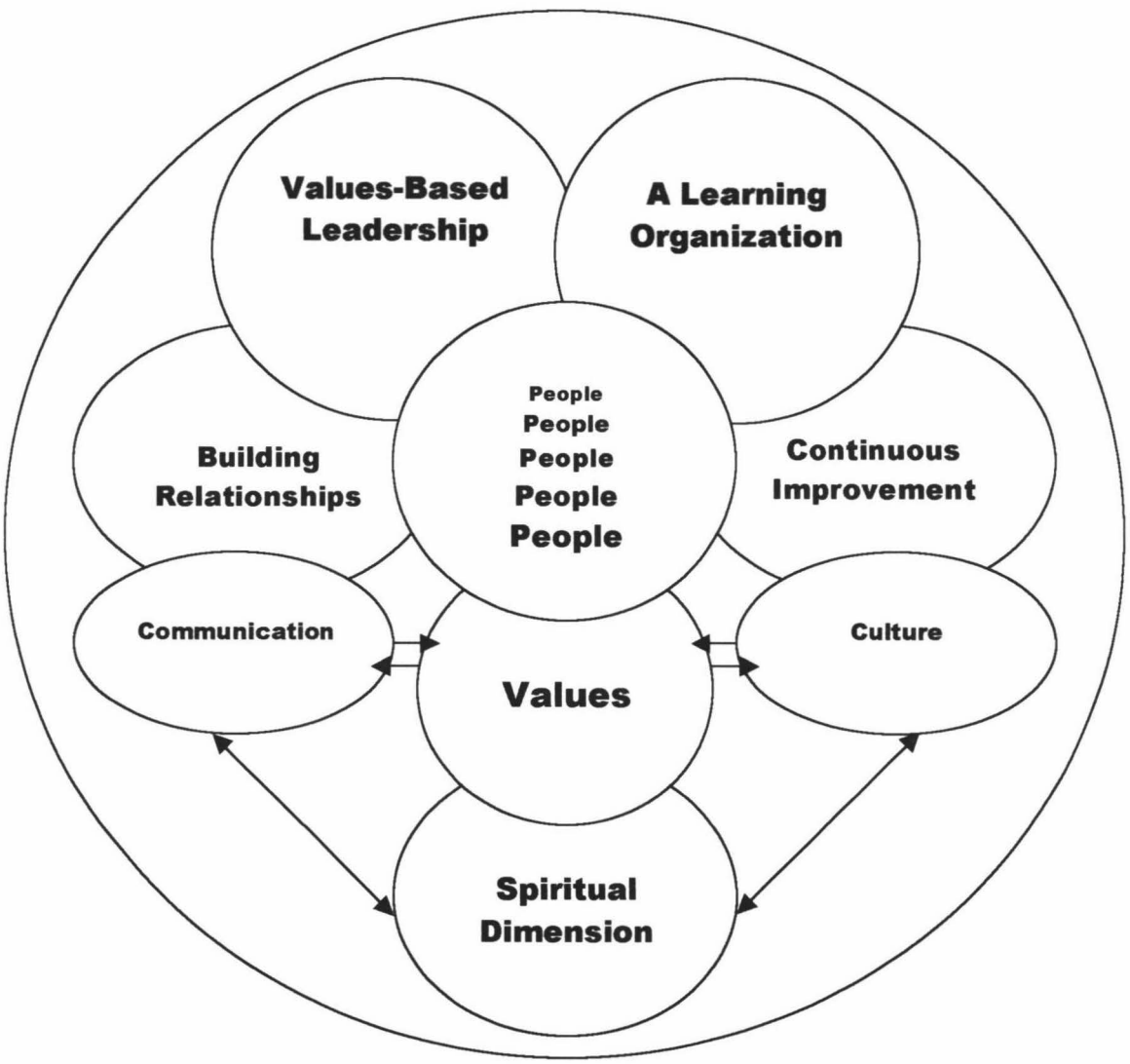
5.7 Closing Comments

When Hesselbein (in O'Toole, 1995) retired as CEO of the Girl Scouts in 1990, she had turned the organization around and left it more invigorated and united than it had ever been in its seventy-eight year history. The key, according to Hesselbein, was values-based leadership and the values that supported everything they did. As one who practised what she preached, she considered that leadership was a question of how to be, rather than how to do it. Moreover, she reasoned, leaders needed "to lead by example, with clear, consistent messages, with values that are "moral compasses" and a sense of ethics that works full time" (in O'Toole, 1995, p. 40, author's emphasis). From the researcher's perspective, the legacy that Hesselbein left reflects the symmetry and the sensibility between values-based leadership and a learning organization.

In the next section of this study, the writer outlines the conclusions drawn from the research and makes recommendations for further study.

Figure 3

Working Model: Values-Based Leadership and a Learning Organization



Chapter Six: Conclusions

6.1 Introduction

The primary objective of this study was to ascertain whether the concept of values-based leadership in a learning organization can work in the real world. The following conclusions were drawn from the results and discussion sections of the research and support the premise that values-based leadership can and does work in a small number of private and public sector organizations. While it was concluded that there were some disadvantages to values-based leadership in terms of the amount of time, energy and resources needed to enlist people in organizational change and development, the study concluded that participants were actively engaged in leading from a values base.

The conclusions are expressed in the four main themes that resulted from the study, are supported by the relevant literature and the working model in Figure 3, p. 126 and incorporate the main aims of the research. (See p. 6.) Included in the thematic conclusions are the responses to five of the six research questions. (See p. 2.) Question six, which dealt with the shaping of the participants' philosophy on leadership, is referred to separately in section 6.7. A brief evaluation of the methodology selected for this study and suggestions for further research and implications for future action also appear in Chapter Six.

6.2 Outline of the Four Main Themes

The first section of this chapter centres on the four themes that emerged as a result of the six questions in the study and stresses the need for leaders "to adopt the unnatural behaviour of **always**

leading by the pull of inspiring values" (O'Toole, 1995, p. 11 author's emphasis).

While the themes have been headed separately, they are inextricably linked and reinforce the relationship between the principles of values-based leadership and a learning organization. As discussed in Chapter Five, the model in Figure 3, p. 126 demonstrates how the theory of values-based leadership can be applied to any organization that focuses on values, learning and continuous improvement. The model further strengthens the conclusion that people are central to a values-based organization and highlights the spiritual component where leaders encourage "those vital bursts of spirit that sparkle in healthy organizations" (De Pree, 1991, p. 38).

The first theme summarizes what characterises a values-based leader. The conclusions focus on the importance of the leader's sense of values and the commitment to people in the organization. The second theme describes the impact of the values-based leader's role on the organization and concludes that the role is synonymous with the organization's credibility. The third and most important theme emerging from the study supports values-based leadership as a working model. These conclusions define the advantages of values-based leadership and illustrate what needs to be taken into account to ensure its long-term success. The fourth theme emphasizes the juxtaposition of values-based leadership and a learning organization. The conclusions drawn from this theme support the argument for leaders to be responsible "for **building organizations** where people are continually expanding their capabilities for the future" and underscore the importance of embedding this philosophy into the organization's culture (Senge, 1990b, p. 9, author's emphasis).

6.3 Characteristics of a Values-Based Leader

The study concluded that above all else a values-based leader must have a firmly established set of values and be able to demonstrate those values both personally and professionally. Adhering to those values and working them into the organization's culture were seen as critical factors in achieving success inside and outside the organization. Without exception, values, such as integrity, honesty, respect, fairness, openness, trust and a spiritual dimension were regarded as fundamental to a principled leader. De Pree (1989, p. 12) advanced his thoughts on the importance of values when he said: "leaders owe a clear statement of the values of the organization" ... and they should be broadly understood, agreed to and "should shape our corporate and individual behaviour." Accordingly, the key to values-based leadership resides with the leader manifesting strong values about humanity and abiding by the Golden Rule of treating others, as you would wish them to treat you.

6.3.1 Valuing People

Valuing people and growing the individual were seen as central to the concept of values-based leadership. Bennis and Townsend (1995, p. 160) underscored this conviction when Bennis stated that: "People are the key and only significant thing that really counts in an organization [and] the competitive edge is clearly people and their leadership." The conclusions reached in the research reflected Bennis' view that people are an organization's greatest asset and should be valued and trusted to do their best. Fittingly, Greenleaf (1977, p. 40, author's emphasis) in the literature review identified a considerable difference between a people-using and a people-building institution. The latter he stated: "starts on a course toward people-building with leadership that has a firmly established context of

people first" and his philosophy reinforces the principles of values-based leadership expressed by participants in this study.

6.4 Impact of the Leader on the Organization

Participants saw the leadership role, with all its theoretical permutation, as an essential force in establishing the organization's culture and strategic direction. Bolman and Deal (1991, p. xiv) posited that more than ever organizations needed leaders who combined "hardheaded realism with a deep commitment to values and purposes larger than themselves." Without exception, the four participants believed that the role of senior management, particularly the CEO/Director/Principal, was crucial to values-based leadership and the credibility of the organization. In this context, it was argued that those organizations that foundered lacked clear directions from the leader. Corresponding directly to the first theme on what constituted a values-based leader, the study concluded that leaders must have clearly defined values because the person heading an organization has an enormous impact on how the organization focuses itself, what it does, how it operates and the culture that evolves. Participants stressed that the leader was a key interactor with all stakeholders and it was vital that the CEO and senior management were instrumental at driving, living, and displaying "real" values-based leadership (Participant's emphasis). Kouzes and Posner (1987, p. 281) added to the intensity of these convictions when they pointed out that the more a leader acts like one the more likely it is that they will have a positive influence on others in the organization.

6.5 A Working Model –The Advantages of Values-Based Leadership

People feeling as if they were part of an organization that was

heading positively into the future was seen as a main advantage to values-based leadership. Within this framework, the study established that personal and professional satisfaction and motivation became an integral part of the culture because time had been taken to define the mission and values of the organization. Morgan (1997, p. 102) expressed this notion in terms of Corporate DNA. He submitted that the visions, values and sense of purpose that glue organizations together are instrumental in "helping every individual understand and absorb the mission and challenge of the whole enterprise." A further major advantage of values-based leadership was seen as releasing people from the shackles of hierarchy. As a result of this freedom, people responded better and relished the opportunity of being in an organization that valued them as individuals, valued their talents and valued their contributions.

Another distinctive advantage to values-based leadership was seen in the visible continuity between everything the organization did and felt because the same values were shared throughout the organization. Within this context, it was concluded that if everyone in the organization was moving in the same direction then the end result was a better product and the intrinsic and extrinsic satisfaction were more evident. De Pree (1989, p. 27) reflected this advantage when he said that: "A leader is responsible for lean and simple statements of policy consistent with beliefs and values, vision and strategy."

As a result of the findings, the working model in Figure 3, p. 126 has been developed to graphically illustrate the links between values-based leadership and a learning organization and to show the fusion between the essential parts that make up the whole. The theoretical construct of interlocking circles highlights the continuous flow between each component and underscores the interdependence and support necessary to build an organization that considers people as its primary asset. The

concentric shape of the model visually symbolizes the theory of values-based leadership and a learning organization because it de-emphasizes the squares, boxes and pyramids associated with hierarchical structures of the past (in Hesselbein et al, 1997, pp. 81-82).

6.5.1 Building a Values-Based Organization

While the study found that leaders were unanimous in their support of values-based leadership, participants were fully aware that it was an evolutionary process that took time to progress and implement. Within this developmental context, it was imperative that the leader and senior management created the environment for it to occur and that was acknowledged as a very time-consuming and stressful process, particularly if there were a conflict of values and people with firmly entrenched positions. Inherent in building a values-based organization was the energy and commitment needed to communicate the process, develop trust, establish relationships, make decisions and secure the necessary resources for training and development. Furthermore, it was concluded that for values-based leadership to work effectively the ground rules about what was right and fair had to be established in conjunction with a network of people to take responsibility for appropriate action. As Harmon (in Hesselbein et al, 1997, p. 246) claimed, any successful organization reflects many values and "the elevation of any values opens wide the opportunity for the development of the organization."

6.6 A Successful Union: Values-based Leadership and a Learning Organization

In the previous section of the conclusions, participants confirmed that today's leaders in the private and public sectors were being called upon to lead by example with a clear set of values. Moreover, leaders were

being urged to provide a climate and culture where people were encouraged and supported and their contributions were valued. Implicit in the role of a values-based leader was creating an environment where opportunities for personal and organizational growth abounded. The increasing awareness and emphasis on life-long learning and the resultant benefits to individuals and organizations have made these conclusions fitting as well as affirming. In the final conclusion, the inseparability of a learning organization and values-based leadership has been underscored.

According to Deming (in Senge, 1990b, p. 7), people are born with a curiosity to learn and find joy in that learning. It became evident during the study that these practising leaders strongly endorsed learning as a continuous process that brought about change and improvement for people at all levels of the organization. Expanding on the theme that one never stops learning, it was agreed that a values-based leader was creating an organization that was highly interactive and forever changing. Change in this context was viewed as a fact of life requiring leaders to set up structures and systems to promote continuous improvement and encourage the notion of doing things differently. The degree of change was considered an important factor because incremental developments could be seen in the context of improving rather than replacing the existing order.

Furthermore, the study concluded that a significant function of a learning organization was fostering an environment where people were able to take risks and make mistakes. The process of learning from mistakes and constantly growing in experience and understanding were seen as essential elements in the learning continuum. As Senge (1990b, pp. 7-9) posited, to build a learning organization, leaders are now required to be designers, teachers and stewards who promote adaptive as well as generative learning. "Over the long run, superior performance depends on superior learning" (p. 7).

6.7 Significant Events and People of Significance

It is fitting in the context of values-based leadership in a learning organization that people and on-going learning should be the most noteworthy factors in shaping the participants' philosophies on leadership. The main conclusions drawn from the findings in question six centred on people who had shown an interest in participants' learning and leadership development and who lived the values they espoused. Of significance too, were prominent authors who had stimulated and extended participants' thinking on leadership and helped them to reflect on their own values and burgeoning leadership skills. Conversely, observing poor practice in the workplace had contributed strongly to the analysis and formation of the participants' own leadership practices and reinforced the style of leadership they wanted to progress and share with their followers.

6.8 Methodological Evaluation of this Study

In electing to use a qualitative approach based on the case studies of four practising leaders, the researcher found that the semi-structured, in-depth interviews paralleled Hamel, Dufour and Fortin's (1993, p. 39) reasoning that case study "has proven to be in complete harmony with the three key words that characterize any qualitative method: describing, understanding, and explaining."

The purpose of the interviews was to elicit thick descriptions and to allow participants the opportunity and the environment to express their thoughts, feelings and perceptions in relation to values-based leadership and a learning organization. The six open-ended research questions were deliberately constructed so that participants could respond to them candidly and in the order that best reflected their thinking and experience.

As Bogdan and Biklen (1992, p. 96) noted, "the interview is used to gather descriptive data in the subjects' own words so that the researcher can develop insights on how subjects interpret some small piece of the world." By using semi-structured interviews, the researcher was readily able to obtain comparable data from the subjects, which assisted with triangulation. The interviews were replete with descriptions, explanations and examples of the participants' personal and professional experiences and the resulting data contributed immeasurably to the researcher's understanding of how these leaders viewed the two concepts under study. Despite the many hours involved in personally transcribing the verbatim data, the process fitted the research objectives and produced lively reconstructions of the interviews (See Appendix F).

As part of the validation process, the transcripts were returned to the participants and remained in their original form with one minor exception in question five. Although this process worked very well, the researcher, on reflection, would have conducted a second round of interviews with participants had the timeframe and circumstances been more accommodating. In revisiting the participants, the researcher would have been able to examine the theory further and talk with the participants on a different, more informed level.

As a means of obtaining data, the researcher found that qualitative one-on-one interviews suited the focus of the study and encouraged expansion and clarification of various points in a relaxed and uninterrupted environment. Although it could have worked against the interview process, the researcher's personal and professional associations with each participant enhanced the flow and candour of the responses. However, the researcher was acutely aware of the potential for seeping biases and each step of the process called for a concerted effort to keep the data authentic. In reviewing the field notes, the researcher found the order of the questions

not only created a natural flow of ideas and responses, but also allowed spontaneous interjections without producing a disjointed effect in the data results and subsequent analysis. As the researcher, it was somewhat surprising to discover the consistency in the responses and the similarity in values held by participants in a small number of organizations in the public and private sectors. Because the responses and values reflected many of the researcher's own beliefs, there were additional demands to present a balanced analysis of the findings and conclusions.

The researcher considered that this type of study lent itself to a qualitative approach rather than a quantitative one because "the investigator's goal is to expand and generalize theories ... and not to enumerate frequencies" (Yin, in Hamel et al, 1993, p. 39). As a result of the findings, the researcher was able to create a working model of the theory of values-based leadership and a learning organization and this points to a degree of generalizability despite the small, non-random sampling. In terms of the study's reliability, Lincoln and Guba (in Merriam, 1998, p. 206) prefer the term "dependability" or "consistency" of the data results rather than the more traditional term of reliability. The researcher believes that the relative worth of this study lies with the consistency between the data collected and the findings and is, therefore, dependable within the framework of such a small study.

6.9 Suggestions for Further Research and Implications for Future Action

As a result of this study and the inherent limitations of a small sampling, the researcher offers the following suggestions for further research.

1. If further research on values-based leadership in a learning organization were undertaken, then the researcher considers

that participants should be selected from a wider geographic area to capture a broader cross-section of leaders in both rural and urban locations. Participants in this study came from middle to large urban cities in the north of the North Island and while the research questions were not localised, the findings may have offered more comparisons and contrasts if participants had represented a greater regional spread.

2. In conjunction with widening the geographic area for participant selection, the researcher also suggests that the sampling size, gender, age, and cultural imbalance would need to be addressed in any future research. While it was recognized that the sampling numbers was small and that it was preferable to focus on quality rather than quantity, further study on the subject of values-based leadership could be enhanced by increasing the sampling size and stimulating more heterogeneous findings. Similarly, a study that included both male and female leaders of different ages would extend the research beyond four middle-aged women. In addition, the absence of any cultural diversity was a recognized limitation and the researcher strongly suggests that any future research includes participants from a variety of cultures to afford more representational and contextual results.

   However, the resources and time to produce a more comprehensive study would have to be taken into account, as these were major factors for the researcher when considering the scope of this research.

3. As referred to in the conclusions, the issue of leadership and gender and its impact on the culture of corporate organizations in New Zealand could also provide a challenging and timely study

from the researcher's perspective. The corporate world in America was defined by Harragan (in Morgan, 1997, p. 35, author's emphasis) as "no-woman's land" and despite the number of popular articles on the increasing number of women in top positions in New Zealand, the researcher is unaware of any published studies on women's values in a New Zealand corporate world, how they compare with men's values and the consequent effects on the organization's culture.

4. In the findings, the value of "growing" more leaders was seen as an important facet in the role of a values-based leader. Tracing the development of leaders who have been "grown" and supported by their leaders, mentors or coaches against those who have been left on their own could offer a useful comparative study in a New Zealand context. Since there is an increase in the number of companies in the private and public sectors that are engaging mentors and coaches to improve individual, team and, ultimately, organizational performance, this would seem to be an appropriate research topic (Stephens, 2000, pp. 1-2).

6.9.1 Implications for Future Action

Throughout the study, the majority of publications and case studies on leadership and executive training have focused mainly on North American and British authors and examples. As cited earlier in the conclusions, the researcher is advocating an increase in values-based leadership training programmes using more immediate and exemplary points of reference. While the researcher accepts that the size of New Zealand's population is understandably restrictive, it would seem that if four leaders in the context of this study can lead from a firm set of values and help to build learning organizations, then the opportunities for more on-the-job values-based

leadership programmes with a distinctly New Zealand flavour could be realized.

6.10 Summary Statement

At the centre of the study was the question of whether the concept of values-based leadership can make the transition from theory to practice. From the researcher's position, Meg's unequivocal response answers that question and reflects the prevailing view held by all participants:

> I'm just so committed to values-based leadership that I can't see any advantages of doing it any other way. The huge advantage is that you're setting people free ... to actually provide their contribution, their expertise, and their imagination into the vision of the whole.... So it's been my personal experience that values-based leadership works.

As revealed in this study, if people are to truly benefit from learning in the workplace, they should be part of an organizational culture that values them as people and values their potential and contributions. Principled leaders who are valued by their followers are in a pre-eminent position to effect positive changes that can become the hallmark for continuous improvement throughout that organization and beyond.

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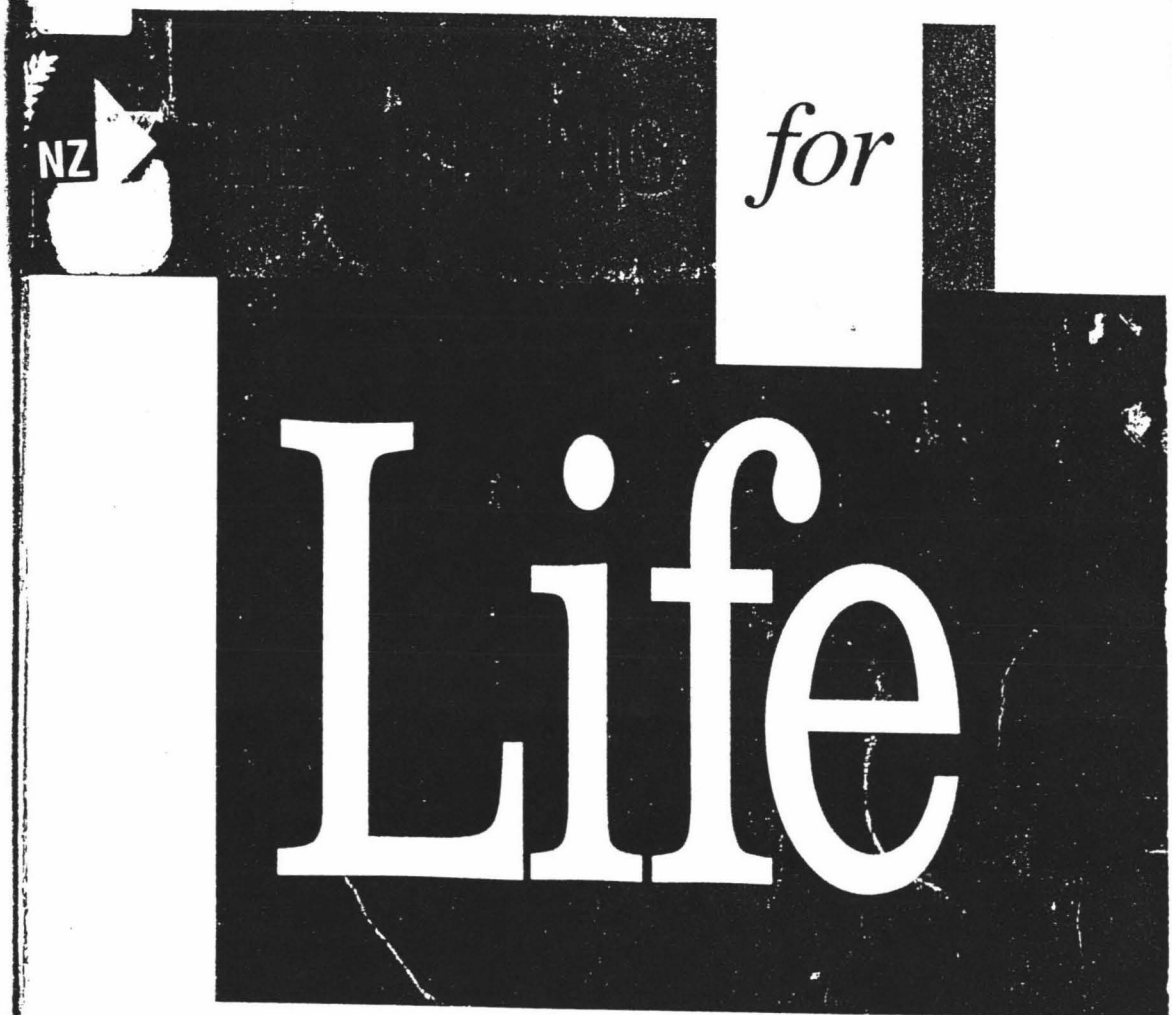
Appendix A

New



Education and Training Beyond the Age of Fifteen

the Rt. Hon. David Lange
Minister of Education

the Hon. Phil Goff
Associate Minister of Education

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Learning for Life

Rapid change is a feature of the modern world. Technology, the changing structure of the economy and the increasing complexity of modern society require people today to possess higher levels of skill and to be more adaptable. Not only must young people spend longer in their initial training and education — increasingly, education and retraining will become a recurrent feature in our lives. Education is becoming a truly life-long process, necessary for us in taking our places both in the workforce and wider society.

Compared with other successful modern nations, New Zealand lagged behind in recognition of the need for higher participation levels in post-compulsory education and training.

In the decade up to the mid 1980s, the real level of investment in post-school education was in fact run down.

Since 1984, the trend toward declining expenditure has been reversed and the Labour Government has increased real spending by an average of 12.5% each year.

But even that is not enough. We need more places to keep abreast with demand. New Zealand, however, faces severe restraints on its limited resources — and, as a result, the Government has looked to reform the current system. We are concerned to achieve the best use of scarce resources and to augment them with ways to further fund the necessary expansion.

Since the election of the Labour Government in 1984, a number of reports have looked into various areas of post-school education. These investigations happened because it was obvious that New Zealand did not have the level of participation in post-school education needed to enable it to adapt and expand in the 1990s. Not only was the level of participation low — as well, the range and type of skills taught appeared to be limited.

The reports on the individual sectors of the post-compulsory field made one thing clear: that there was a serious lack of co-ordination of education and training after the age of 15.

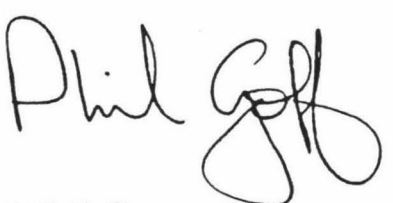
The Government commissioned Professor Gary Hawke to co-ordinate a committee of officials to bring together the various reports into a comprehensive document dealing with these problems. The ideas in Professor Hawke's report were discussed by the public and the Government. As a result of these discussions, significant changes have been made. Nonetheless, the framework for the integration of the different post-school areas, and post-compulsory sector, has been maintained.

Qualifications will also be rationalised, made more flexible and simplified. Young people and those retraining or returning to the workforce will have a clearer idea of where to aim and how to achieve those aims.

Decisions will be made by those best able to make them. A Ministry of Education will make policy decisions, drawing on knowledge of the whole education and training system. Institutions will make operational decisions. This will improve responsiveness to industry, the community, and the other clients of post-school education and training.

Finally, places will be available to allow the continuing expansion of post-compulsory education and training. Those who have found it difficult in the past to participate will have better opportunities now to participate.

The Government believes that the future of New Zealand society and the well-being of its citizens rests firmly on the development of a forward-looking and responsive education system dedicated to excellence. The reforms set out in the following pages will assist the development of this new system.



Phil Goff
Associate Minister of Education.

Contents

1. *Introduction*

1.0.1 *Learning for Life* outlines the comprehensive changes to the organisation and delivery of post-compulsory education and training. The changes are linked to those in *Tomorrow's Schools* which deal with primary and secondary education. They also link with the changes outlined in *Before Five* on early childhood care and education.

1.0.2 Broadly speaking, post-compulsory education and training means education and training beyond the age of fifteen — and it is the Government's intention to approach all areas of post-compulsory education and training as a single policy continuum. So the statements in this document that refer to the broad policy and philosophical aspects of post-compulsory education and training should be taken to refer to *all* education and training over the age of fifteen. *However*, in specific practical terms, the delivery of post-compulsory education and training remains split between the school and the post-school sectors. A substantial amount of post-compulsory education and training takes place in secondary schools and other learning institutions which combine secondary and other levels of education — such as area schools, special schools and community schools. These are, and will continue to be, administratively distinct from the purely post-compulsory institutions such as universities, polytechnics and colleges of education. The institutional administration of schools — including their post-compulsory aspects — will be governed by the reforms outlined in *Tomorrow's Schools*. The institutional administrative reforms in *Learning for Life* apply only to purely post-compulsory institutions. To make this administrative difference clear, these purely post-compulsory institutions will be referred to throughout this document as post-school institutions.

1.0.3 *Learning for Life* is a statement of Government's intent. In a system as complex as the post-compulsory education and training system, not every detail can be established at this stage. Working groups under the guidance of an Implementation Unit responsible to the chief executive officer of the Ministry of Education will further investigate specific issues and operational requirements. Other working groups/parties will be responsible to the Associate

Minister of Education and to other Ministers as well if this is appropriate. (See Figure 2 in the centre pages of this booklet for an outline of the implementation process.)

1.0.4 The reform of post-compulsory — and, in particular, post-school — education and training is based on the following principal features:

¶ Institutions will be given as much independence and freedom to make operational and management decisions as is consistent with the nature of their service, the efficient use of national resources, and the demands of accountability. Universities have had such *decentralised decision-making* in the past, but polytechnics and colleges of education (teachers colleges) have worked under a more centralised system where the Department of Education has made many operational decisions affecting institutions. Post-school education and training institutions (and other non-institutional providers) will now make their own operational decisions — and this will enable them to respond to local conditions and the needs of their clients with a speed and sensitivity that has not been possible in the past.

¶ The Ministry of Education will be set up primarily as a policy ministry — not an operational department — and so will be able to provide *comprehensive policy advice on education and training*. For the first time, policy development will be able to encompass all aspects of the post-compulsory sector: it will include the universities, the polytechnics, colleges of education, non-formal education and training, on-the-job training, the labour-market-training programme of Access, and also the apprenticeship system. As a result, the Government's ability to plan and respond to developments in education and training will be enhanced.

¶ There will be a *new mechanism for government funding*, based on a common formula, which will allow an even-handed approach to institutions and different forms of education and training. In addition, there will be a *new approach to achieving funding*. The Government is committed to being the principal funder of post-school education and training; it is also committed to the expansion of this sector. It has therefore decided to broaden the funding base and to increase the proportion of private funding in post-school education and training.

¶ There will be changes in the funding of scholarship and research. What these changes will be are yet to be finally decided, but they will be based on *accountability and effectiveness of research and scholarship*. A special working party will be established to examine reports already submitted and to make recommendations in this area. It will also investigate the practicability and desirability of making such funding contestable, and of separating the funding of research and scholarship from that of teaching.

¶ A National Education Qualifications Authority (NEQA) will be set up to provide *an across-the-board approach to the validation of qualifications* in schools, and in vocational and advanced academic areas. This will simplify the present unco-ordinated and confusing system of qualifications, and will improve the ability of those studying to move between different courses and institutions in pursuit of their qualifications. It will also aim to recognise competencies achieved at whatever level.

¶ The Government believes that the post-school education system needs to be accessible to as wide a range of students as possible. It therefore intends to encourage *greater participation in post-school education and training*, with particular emphasis on removing barriers to access for those groups who have so far been under-represented. It will do this through the institutions' charters (which will define each institution's equity targets) and their corporate plans (which will provide details of the programmes each institution will use to achieve the targets in its charter). It will also provide funding for specific courses designed to attract those who have not traditionally participated in the post-school sector.

¶ Overall, the post-compulsory education and training system will actively encourage *excellence*. It will maximise the educational potential of all members of the population, encourage free and independent thinking, expand the frontiers of knowledge, develop vocational skills to the highest possible level, and contribute to a dynamic and satisfying society.

1.1 Problems with the Present Structure

1.1.1 The present structure needs changing because it was designed for different times and for different circumstances. Some of

its difficulties — such as lack of equity amongst institutions, uncoordinated policy advice, failure to attract a wide range of students — have been indicated above. They are symptomatic of a system that needs a clear sense of direction and the freedom to manage its resources, so that post-school education and training can become more equitable, more responsive to industry and the wider community, and a greater source of excellence in our society. In summary, the present system is failing because of:

- ¶ fragmentation of the system into various unconnected sectors which often do not recognise the achievements and contributions that each has to offer
- ¶ duplication of courses and services offered by different publicly-funded institutions within a given area — often resulting in unfilled places, a misuse of resources, and insufficient places for courses that are in demand
- ¶ a general complexity of rules and regulations which frustrate institutions, industry clients, other clients and the wider community, students, and teachers
- ¶ a lack of coherent information throughout much of the system, which frustrates choice
- ¶ the vulnerability of central decision making to pressure group politics, with a subsequent lack of focus on the central purposes of education and training
- ¶ sectoral infighting and a lack of overall priorities
- ¶ lack of accountability in many areas of operation, especially in research
- ¶ few incentives to manage effectively
- ¶ inadequate property management
- ¶ the slowness of the system in responding to changing technological requirements
- ¶ a substantial under-representation of students from lower socio-economic-status groups
- ¶ insufficient places overall in post-school education and training
- ¶ insufficient sensitivity to the needs of ethnic groups, the socio-economically disadvantaged, and women.

These are only some examples — and they do not always apply to every institution. But they indicate a system in need of change.

1.2 *The Process of Change*

1.2.1 At the beginning of its second term of office, the Government indicated its desire to revise and restructure the delivery of social services. Hence the three principal sectors of education — early childhood care and education, primary and secondary education, and post-school education and training — have all been reviewed in the last year.

1.2.2 In the post-school area, this process was preceded by a number of contributing reviews. These include the Watts report on the universities (*New Zealand Universities : Partners in National Development*), the Probine-Fargher report on polytechnic education and training (*The Management, Funding and Organisation of Continuing Education and Training*), the Royal Commission on Social Policy, the Beattie report on research (*Key to Prosperity : Science and Technology*), the Tertiary Review (*Report on Submissions to the Tertiary Review*), and the Shallcrass report on non-formal education (*He Tangata*). These reviews, although valuable, were limited to specific areas within the post-school sector and the Government recognised that a more comprehensive review was needed.

1.2.3 Consequently, it contracted Professor Gary Hawke, Director of the Institute of Policy Studies at Victoria University, to head a team of interdepartmental officials who acted as his consultants. Professor Hawke was charged with bringing together the various reviews that already existed, and to present a comprehensive framework for a new and simplified system.

1.2.4 Professor Hawke and his working group were to address the fundamental issues of:

- the role of post-compulsory education and training in the social and economic life of New Zealand
- how to increase the provision of post-compulsory education and training, while fairly apportioning the cost
- the role of central government in the sector
- the need for greater equity, both in terms of access to post-compulsory education and training and in terms of the way it is delivered to all those wishing to participate

¶ the need for efficient and effective delivery mechanisms

¶ the establishment of more appropriate management structures

¶ the development of national certification arrangements.

1.2.5 Professor Hawke produced his report (*Report of the Working Group on Post Compulsory Education and Training*), which was made available for comment, consultation and submissions. A committee of officials developed the Hawke recommendations, and then brought its work and the responses of the public together in a document presented to Cabinet. Cabinet considered the issues in depth before arriving at its decisions. These decisions are outlined in this document — *Learning for Life* — which supports many of the Hawke working group's recommendations, while in some areas diverging considerably from them.

2. *Matters of Principle*

2.1 Definition of Post-Compulsory Education and Training

2.1.1 The Government considers that post-compulsory education and training is a wide-ranging activity covering learning in formal institutions, on-the-job training, self-motivated learning in non-formal settings, and informal acquisition of knowledge and understanding. It refers to all courses of study available to people over the age of 15.

2.1.2 As far as possible, distinctions between education and training should be avoided — they both belong to the same process, which differs in emphasis rather than content. Education at a university, training at a polytechnic, on-the-job training at the workplace, and non-formal education at a rural location are of equal value in their personal, social, and economic worth. Different institutions may specialise, but overall — and in terms of public policy — they are part of a conception of education as a single process.

2.1.3 Research and scholarship are an important part of the post-compulsory system. Not only do research and scholarship expand boundaries of knowledge, they also conserve and maintain the relevance of our present knowledge and culture. Their effectiveness in these roles needs to be increased.

2.1.4 Non-formal learning — including community education programmes offered within institutions — is seen by the Government as a valuable educational opportunity for people who have found formal institutional programmes unsuited to their needs.

2.2 The Role of the Government in Post-Compulsory Education and Training

2.2.1 Education and training are of such importance to the development of each individual and to New Zealand as a nation that the Government is committed to making it more accessible and affordable for New Zealanders. Participation in post-compulsory education and training has risen rapidly in recent years — but not rapidly enough. The Government is particularly concerned that the

opportunity and encouragement to participate should be extended to those people and groups who have been under-represented in the past.

2.2.2 In particular, the Government acknowledges the importance of post-compulsory education and training as a pathway for Maori to achieve their social and economic potential. Full participation by Maori in the spirit of the Treaty of Waitangi is an important objective of the post-compulsory education and training system.

2.2.3 Any steps taken to increase participation should aim to make education and training more attractive, rather than forcing people to take part. Because the post-compulsory education and training system has a wide range of outcomes, it should also provide a wide range of services. It should not use qualifications in a 'gate-keeping' fashion to prevent students from advancing in their studies and training. There should be more emphasis in the post-compulsory sector on a 'gate-opening' that creates more possibilities for students, while still maintaining national standards.

2.2.4 There are important reasons why the Government should maintain its present role as the principal funder of post-school education and training. There are benefits from education and training that accrue to society as a whole. Better education, for example, is a positive influence in encouraging social responsibility and tolerance. It helps people to adapt to change. It is a foundation upon which excellence and economic achievement can be built. The broader benefits to society as a whole — in addition to the individual benefits — which result from training and education determine that the Government should remain the principal funder.

2.2.5 The need for a broader base of funding for post-school education and training (in order to maximise the extent to which demand can be met) requires a greater commitment to funding from non-government sources. Government funding for post-school education and training has expanded markedly over the last four years (see Appendix 1) — but financial constraints place an unavoidable limit on the level of government spending. As well, there is an acknowledged private individual benefit from more advanced training and education. The aim of this non-government contribution is not to displace government funding but rather to assist the continuing expansion of the post-school system. This includes

enhancing the ability of institutions to generate income from saleable services, encouraging employers to make a greater contribution to the education and training from which they derive benefit, and asking students to make a greater contribution towards the costs of their courses.

2.2.6 Improving the ability of institutions to generate income will be achieved by altering the legal status of institutions and so giving them more control of their operational decisions. This is further commented on in paragraphs 3.1.1 to 3.1.7.

2.2.7 The possibility of greater employer contribution to the funding of post-school education and training will be further explored by a tripartite working party of government officials and representatives from the Employers' Federation and the Council of Trade Unions. This working party will report to the Associate Minister of Education. It will look into the desirability and feasibility of employer levies as a way of both encouraging training and ensuring that the costs of the system are fairly distributed among those who benefit from it. Employers clearly benefit from post-school education and training; the challenge is to find an equitable and administratively efficient way in which that benefit can be reflected in an increased employer contribution to costs.

2.2.8 The third factor in increasing the private contribution to funding is an increase in the contribution from students. The principal reason for seeking this is to allow more places to be made available in post-school education and training.

2.2.9 The means by which a greater contribution towards the cost of education may be made by students will be determined by the need for equity. Part-payment of costs by students will not be allowed to create a financial obstacle to participation. Moreover, because the use of a student contribution is intended to increase the number of places in post-school education and training, it will then help achieve equity by enabling greater participation by those who are currently excluded because of a shortage of places. The new system of student allowances — which involves additional expenditure of $58 million on post-school student support — will complement this objective.

2.2.10 The increased student contribution also recognises the personal benefits which post-school education and training can give the

individual — such as increased employment opportunities, better pay and more interesting work. (For further details on the student contribution see paragraphs 3.5.1 to 3.5.11.)

3. *Post-School Institutions and Providers*

3.1 The Structure of Institutions

3.1.1 Post-school education and training institutions will be defined as bodies-corporate in legislation and established as separate and fully independent legal entities.

3.1.2 The legislation will outline the structures and powers of the various institutions. Their powers will include being able to: borrow, mortgage property, issue debentures, invest, form joint ventures, set up subsidiaries, amalgamate with other institutions, buy and sell assets of all types, set fees, decide on the courses they shall offer, employ staff, and any other such powers as may be necessary to achieve their purposes.

3.1.3 Institutions will be obliged to operate under a charter, which will spell out any limitations on how institutions can use their powers within the broad guidelines and safeguards specified by the Government. Specifically, the charter will be accompanied by a corporate plan, both of which will be reviewed periodically by the Ministry of Education.

3.1.4 Each institution will become the legal owner of the assets it uses. A capital structure will be devised for each institution, based on the value of its assets — this will include provision for debt and equity.

3.1.5 The corporate plan will specify debt:equity ratios which will limit the amount of debt each institution can have in relation to its equity capital. For the purposes of the corporate plan, equity will be defined as the total assets of an institution—including the value of its educational and intellectual assets. The corporate plan will also specify debt:income ratios which will limit the amount of debt an institution can have in relation to its income. In addition, there will be a limit on the extent of individual capital transactions and total capital commitments (as a percentage of total capital assets) that an institution may enter into without ministerial approval. The ratios and limits on capital expenditure will differ from institution to

institution — and each institution will negotiate their particular requirements with the ministry.

3.1.6 Part of the legislation setting up post-school education and training institutions will prohibit the sale of those institutions.

3.1.7 Provided that institutions remain substantially education-oriented, the Government will not require them to pay any dividends to the state. Nor will institutions be liable for the tax that applies to corporate bodies as long as their purpose remains substantially education-oriented.

3.1.8 The councils of post-school education and training institutions will be composed of not fewer than twelve and not more than twenty people. Four members will be appointed by the Minister; other details on the exact composition and manner of appointment of the councils will be decided by an implementation working group, and will include fair representation in terms of gender and ethnic composition. When the new system comes into operation, new councils will be required to be elected.

3.1.9 The terms of council members will be fixed but with rights of renewal.

3.1.10 The council will appoint the chief executive officer of the institution and will be responsible for efficiently managing its assets.

3.1.11 'Academic freedom' for staff of post-school education and training institutions will be set out and protected in the legislation.

3.1.12 The powers of the 'Official Visitor' will be transferred to the Office of the Ombudsman. Currently, the Governor-General, by virtue of his or her office, holds the position of 'Official Visitor' to each of the universities in New Zealand. Similarly, the Minister of Education is the 'Official Visitor' to Lincoln College. The 'Official Visitor' is called upon from time to time to adjudicate in disputes which have arisen between a university and its staff or students. The function is essentially a judicial one and both parties in the dispute are usually represented by legal counsel. The transfer to the office of the Ombudsman will make both the powers for settling disputes and the process for doing so clearer.

3.2 Charters and Corporate Plans

3.2.1 Charters will consist of statements of educational and other goals. In addition to the charter, there will be a corporate plan

which sets out each institution's operational objectives. Both the charter and the corporate plan will be subject to periodic review by the ministry.

3.2.2 The charter and the corporate plan will both be public documents.

3.2.3 One of the goals stated in the charter will be that of accessibility to post-school education and training by disadvantaged groups. The corporate plan will also specify methods of attracting disadvantaged groups to post-school education and training.

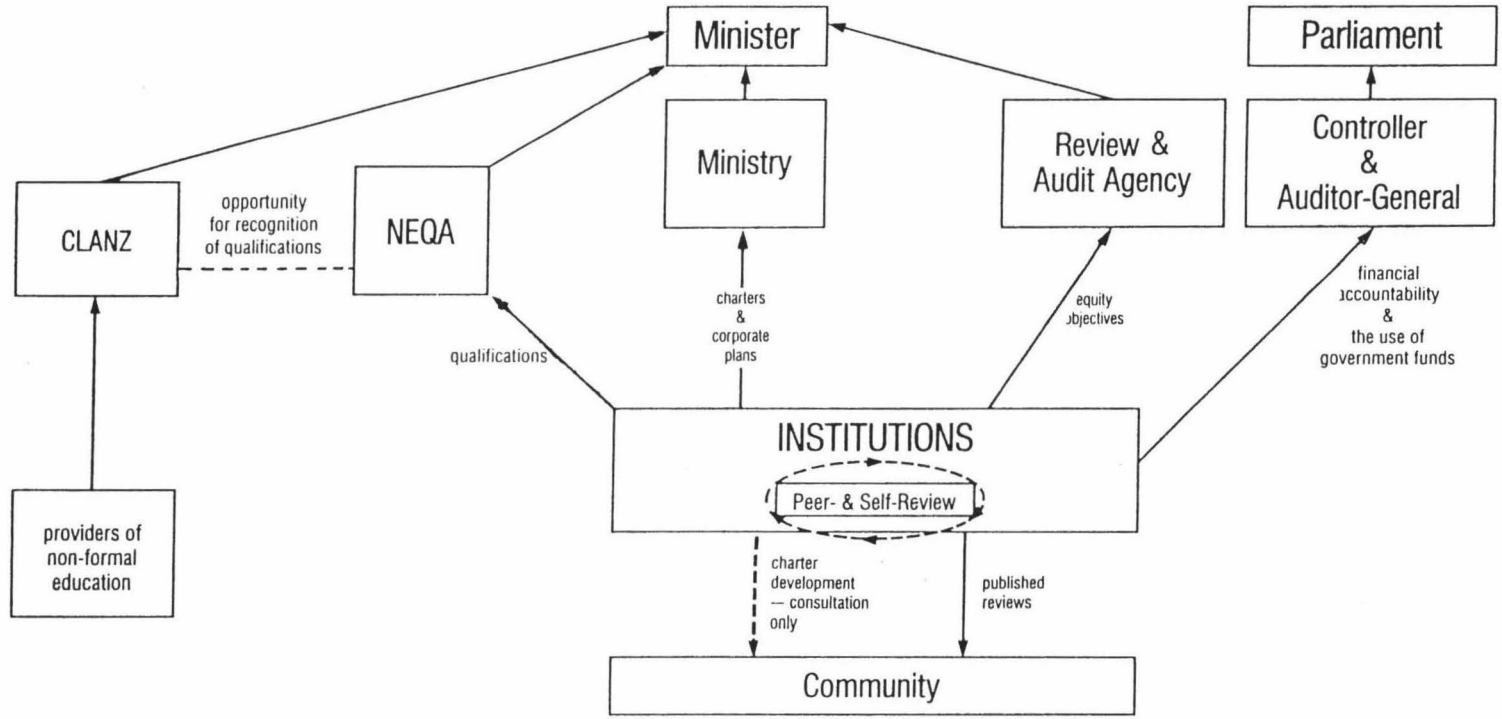
3.2.4 In taking account of those who are disadvantaged, the charter (and the corporate plan) will recognise that one of the most significant defining characteristics is that of socio-economic disadvantage. People may also be disadvantaged by ethnicity, disabilities, race, and gender. Any mechanisms or programmes adopted by institutions to assist disadvantaged students must take account of all these types of disadvantage.

3.2.5 Private institutions and other types of providers will be able to negotiate charters with the Ministry of Education. This will not automatically qualify an institution for government funding — although funding may be made available in appropriate cases. An implementation working group will examine in more detail the question of registration of private institutions. In doing so, the working group will take into account the operation of the charter mechanism for these institutions, and also the accreditation requirements of the National Education Qualifications Authority.

3.2.6 The corporate plan will be the principal continuing mechanism by which an institution's performance is assessed. If the ministry judges on the basis of the various accountability processes (see paragraphs 3.3.1 — 3.3.7) that the objectives in the corporate plan have not been met, or if there is no satisfactory explanation as to why they have not been met, then the following year's funding may be reduced. Alternatively, an institution may be required to repay the Government (in full or in part).

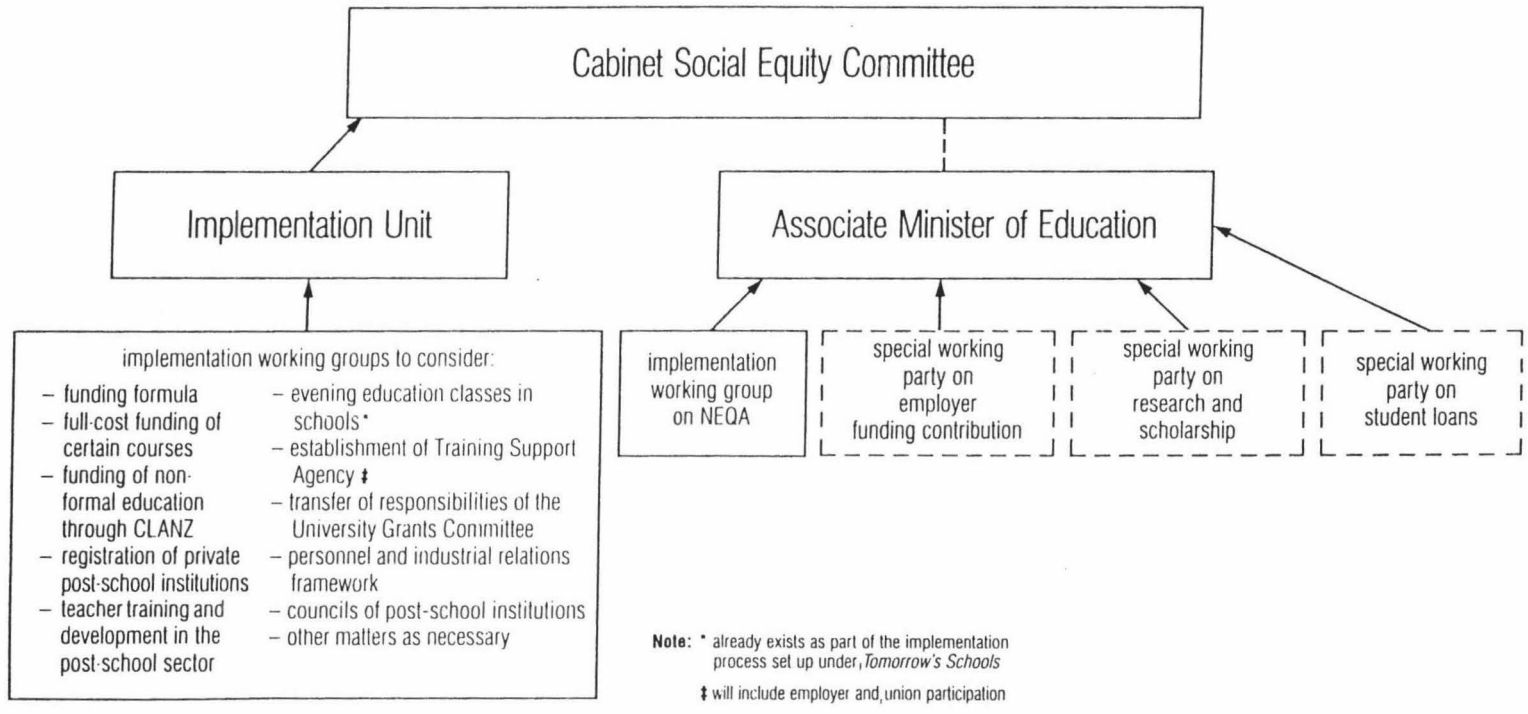
3.2.7 The Ministry of Education will publish guidelines for institutions to assist them in drawing up their charters and corporate plans. It is expected that institutions will consult with their community and clients — and each institution will be expected to show evidence that it has consulted its community. The institution will

Figure 1: Lines of Accountability in Post-Compulsory Education and Training



Note: The chart does not include the Access/MAccess systems or the apprenticeship system

Figure 2: Implementing the Changes in Post-Compulsory Education and Training



then negotiate the charter with the ministry. The institution and the ministry will attempt to reach agreement on the charter, but in the case of a dispute the Minister will make the final decision. The institutions' existing councils will negotiate the first charter with their community; that charter will have provisional status and will be reviewed after one year when new councils are in place.

3.3 Review and Audit of Institutions

3.3.1 Those who use public funds must be accountable for what is achieved with those funds. The principal mechanism for ensuring accountability in the post-compulsory education and training sector will be audits of the performance of each institution in relation to the stated objectives of their charters and corporate plans. These performance audits will be carried out in various ways.

3.3.2 The corporate plan of an institution will be subject to periodic review by the Ministry of Education.

3.3.3 The Controller and Auditor-General will also conduct periodic reviews which will comment on how well institutions and other chartered providers have used public funds to achieve the objectives in their charters. This will be primarily a financial audit, but will also take into account how successful an institution has been in relation to its objectives. It will therefore be wider than a traditional accounting audit.

3.3.4 The Review and Audit Agency (set up under the reforms outlined in *Tomorrow's Schools*) will report on the extent to which institutions are successful in:

- avoiding the creation of unnecessary barriers to the progress of students
- implementing appropriate equal-employment-opportunities programmes
- developing programmes to attract students from under-represented or disadvantaged groups. (The success rates achieved by these students will also be reported on by the Review and Audit Agency.)

3.3.5 An institution's eligibility to teach specific nationally recognised courses will depend upon the National Education Qualifications Authority (NEQA) judging that the performance of the

institution, as shown by its regular reviews, is satisfactory. (For more detail on NEQA, see paragraphs 4.2.1 — 4.2.13.)

3.3.6 Institutions will be encouraged to undergo a continual process of self-review and peer-review.

3.3.7 Institutions and other providers with charters will be required to publish systematic reviews of teaching and other activities.

3.4 The Funding of Institutions

3.4.1 The basic mechanism for government funding of post-school education and training institutions will be a bulk grant from which institutions will meet all their own costs including capital spending. This bulk grant will be delivered through the Ministry of Education.

3.4.2 The bulk grant will be determined by a funding formula based on the nominal value of a full-time-equivalent student. This will be adjusted by weightings for different course costs — so that similar courses in different institutions will be funded similarly. The weightings will be determined initially by a thorough review of course costs, and, in subsequent years, by monitoring of these costs.

3.4.3 Details of the formula are not yet finalised and will be developed by an implementation working group. Funding mechanisms that take account of post-graduate, part-time, and extra-mural students will be specifically included in the terms of reference for this working group.

3.4.4 The overall funding of post-school education and training will be on a rolling-triennium basis. This means that the Government's overall level of funding will be set three years in advance. The formula for the institutions will be decided two calendar years in advance — which means that the bulk grant will be set two years in advance, although there will be some flexibility to take account of small variations between actual and forecast levels of enrolments. Any savings that occur in the running of a course will be retained by the institution; any extra costs incurred will be absorbed by the institution.

3.4.5 For many institutions, a proportion of their bulk grant will be earmarked by the ministry to be used for specific purposes —

such as national courses and courses which the ministry wishes institutions to deliver.

3.4.6 The Government may also provide additional targeted funding, in order to achieve equity objectives — for instance, to encourage enrolments from those who have not traditionally participated in post-school education and training.

3.4.7 In certain instances the Government will also contribute the *full* cost of courses — including the student contribution. An implementation working group will develop the criteria for such courses. Again, instances of this may include courses that are targeted to meet the needs of those who have not traditionally participated in post-school education and training.

3.4.8 The Government will also retain the ability to inject funds for capital purposes into post-school education and training institutions, where it is satisfied of the need to do so. The balance sheet of the institution will be adjusted to recognise the new assets and liabilities resulting from the extra funds.

3.5 Loan Assistance for Students and Trainees at Institutions

3.5.1 Student loans are an important form of financial aid for students in various European countries, throughout Scandinavia, in Canada, the United States, and Japan; and they are also widely used in Latin America.

3.5.2 Student loan programmes can have a number of different objectives. They may cover part or all of the costs of tuition, or help students to cover part or all of their living costs while they are students.

3.5.3 The Government's intention is that loan assistance should cover course fees. Students will be expected to pay a course fee which will result in 20% of total course costs in post-school education and training being paid by students. The course fee will be averaged nationally across all courses — and hence will not be 20% of each individual course. A loan scheme will be introduced to meet these fees.

3.5.4 Loan assistance must be viewed in conjunction with the Student Allowance Scheme being introduced in 1989 as part of a Youth Allowance Scheme to provide support for students, Access

trainees and young unemployed. The majority of tertiary students will be better off under the scheme. Tertiary students — as a group — will receive over $58 million extra in income support this year (given current numbers and amounts). Students from low-income families and students aged 20 and over will receive substantial increases in assistance. For instance, students aged 20 and over will receive $86 per week if living at home, and $108 per week if living away from home — in contrast to the former rates of $41 if living at home, and $78.50 if living away from home. Students with dependants will receive an allowance equivalent to the appropriate rate of the Adult Unemployment Benefit: for a student with a dependent spouse and child(ren) this will be $232.88 per week.

3.5.5 There are two options for a loan scheme — which will be considered further by a special working party reporting to the Associate Minister of Education. One option is a government-funded loan scheme; the other is a government-supported loan scheme run by private-sector financial institutions. Regardless of the option chosen, the basic features of the loan scheme will remain the same.

3.5.6 Repayments will nominally begin the year following a student's last year of enrolment, but will not actually start until a certain threshold of income is reached. As these payments are compulsory, the intention is to protect those who do not earn sufficient money to be able to make repayments. This threshold will be investigated by the special working party on student loans, and a decision on it will be made by the Government.

3.5.7 Repayments will not normally exceed 3% of annual gross income. On a 10-year-table-mortgage basis, repayments will range from $10 to $18 a week, depending on whether the course of study was for 3, 4 or 5 years. Students may, however, choose to make early repayments (in excess of the expected 3%). There will be no penalty for early repayment.

3.5.8 There will be no *real* interest charged on the outstanding loan balance. There will, however, be a charge to cover the effects of inflation.

3.5.9 There will be some courses for which the state pays the full fees — that is, no student contribution is required. As stated

earlier in paragraph 3.4.7, the criteria for these courses will be developed by an implementation working group.

3.5.10 If a loan scheme run by private-sector financial institutions is introduced, then:

- the Government will pay the real interest rate on the loan
- the Government will guarantee the scheme so that all students can borrow regardless of their circumstances
- the Government will indemnify the bank where a student produces evidence that show his or her earnings are below the threshold point.

3.5.11 If a government-funded loan scheme is introduced, then a small discount for self-funded payment of course fees will be introduced.

3.6 The Status and Funding of Other Providers

3.6.1 Most post-compulsory elements of secondary schools, special schools, and other combined-class schools will be treated as part of the schools system, and so will be governed by the arrangements set out in *Tomorrow's Schools*.

3.6.2 The funding and status of evening education classes in schools (the decision on which was deferred in *Tomorrow's Schools*) will be investigated by working groups during the implementation process; and a decision on it will be made by the Government before the new system comes into effect.

3.6.3 Providers of Access training courses will continue to be funded under the terms of their contracts with their appropriate Regional Employment and Access Councils (REACs). REACs themselves will be funded through Vote : Education and serviced through a Training Support Agency. (For details on these see paragraphs 4.3.1 — 4.3.7.)

3.6.4 The future management of MAccess (Maori Access programmes) will be determined in the context of the Government's policy statement on Maori affairs, *Te Urupare Rangapu (Partnership Response)*.

3.6.5 Non-formal education and training is recognised as a significant part of post-compulsory education and training. Community Learning Aotearoa/New Zealand (CLANZ) is confirmed by

the Government in its status as the advisory body on non-formal learning. It will also continue in its role as disburser of funding for much of the non-formal learning that takes place outside institutions. The manner and method of funding non-formal education and the accountability procedures for the funds that CLANZ handles will be decided by an implementation working group. CLANZ will be serviced from within the Ministry of Education.

3.6.6 The delivery and funding of on-the-job training will continue to be the responsibility of employers, working where appropriate in co-operation with the new Training Support Agency (see paragraphs 4.3.1 — 4.3.7 for more details on the Training Support Agency).

3.7 The Role of Institutions and Other Providers

3.7.1 Post-compulsory education and training will be delivered in a variety of ways — using a wide range of institutions and other providers. The most obvious of these will be delivery of services by institutions such as secondary schools, polytechnics, colleges of education (teachers colleges), and universities. But post-compulsory education and training also includes on-the-job training carried out in the workplace, non-formal education conducted in various institutional and non-institutional settings, delivery of services by private institutions and specialist institutions (such as the schools for the deaf), Access and other labour-market-training programmes (delivered by both private and state institutions), and programmes such as the Rural Education Assistance Programme (REAP) — which offers services through both schools and polytechnics and also independently of these.

Colleges of Education

3.7.2 Colleges of education will be established as independent institutions, free to stand alone or to amalgamate with other tertiary institutions such as universities or polytechnics.

3.7.3 Those colleges of education that remain independent and do not amalgamate with other institutions will negotiate charters and corporate plans with the Ministry of Education.

3.7.4 Colleges of education will be able to offer a variety of courses in the manner of polytechnics and universities — subject to their charter being approved by the Ministry of Education. They will also have to meet the requirements (established by the National Education Qualifications Authority, see paragraphs 4.2.1 — 4.2.13) for validation of courses and accreditation of institutions. That is, they will not necessarily be restricted to teacher-training courses alone.

3.7.5 Colleges of education will be able to contract with the ministry to provide in-service training for schools or for the post-school sector.

3.7.6 The rolls of colleges of education will not be controlled by government projections of the future demand for teachers. As set out in *Tomorrow's Schools*, the Government will fund a minimum number of teacher trainees. Colleges of education will be able to take additional trainees if they can find other sources of funding for them.

3.7.7 Qualifications for teaching may be offered by institutions other than colleges of education.

3.7.8 The Teachers' Registration Board recommended by *Tomorrow's Schools* will set conditions and requirements for registration of teachers, including those who work in the post-compulsory areas of secondary institutions. It will not, however, apply to those teaching in post-school institutions.

3.7.9 An implementation working group will be established to consider all aspects of the training and development of teachers working in the post-school education and training sector. At present, there are differences between the entitlements to training for teachers in schools, polytechnics and universities. In addition, entitlements to training for teachers involved in labour-market training, and in transition education — which links schools to further training or employment — are based on other sets of arrangements. Furthermore, there are a number of different qualifications in the various sectors of the post-school field, which have differing conditions of service and salary attached to them, and limited transferability.

Polytechnics

3.7.10 Polytechnics will have broad objectives, reflecting their role in post-school education and training. They are viewed as important instruments of national policy for vocational education and training, labour-market adjustment programmes (including retraining), second-chance education, and the transition of young people to adult life.

3.7.11 To satisfy these broad objectives, polytechnics will be able to offer courses at degree level, provided that the standards of the National Education Qualifications Authority (NEQA) are met. Polytechnics will not be accredited as degree-awarding institutions on the same basis as universities. Instead, they may apply to have any degree-level courses that they offer validated on a course-by-course basis.

3.7.12 The main focus and predominant role of polytechnics will continue to be vocational education and training. They will also offer socially oriented programmes (such as community education courses) and vocationally oriented courses aimed at the disadvantaged (such as labour-market-training programmes). Degree-level courses are expected to be a small percentage only of the total courses offered by polytechnics.

Post-Compulsory Elements of Secondary Education

3.7.13 Secondary schools will continue to offer the variety of educational and training paths for young people that have been developed in recent years, and not simply a traditional academic path to university.

3.7.14 The Government therefore approves, in principle, initiatives which will assist secondary schools to develop this wider role. These include removal of barriers to simultaneous study in schools and other publicly funded bodies, and a reduction in the present number of upper-secondary-school qualifications.

Universities

3.7.15 The Government recognises that universities have a particular role to play in post-school education and training. The title 'university' will therefore be restricted by legislation to institutions which satisfy all of the following criteria:

- they are primarily concerned with more advanced learning — the principal aim being to develop intellectual independence
- their research and teaching are closely interdependent, and most of their teaching is done by people who are active in advancing knowledge
- they meet international standards of research and teaching
- they are a repository of knowledge and expertise
- they accept a role as critic and conscience of society.

3.7.16 The word 'degree' will be protected in order to recognise completion of a course of advanced learning that is taught by people engaged in research and which emphasises general principles and basic knowledge as the basis for self-directed work and learning. Such criteria will also apply to any degrees awarded by polytechnics.

Other Providers

3.7.17 Those engaged in on-the-job training will be encouraged to make informed judgments about the appropriate balance between on-the-job and off-the-job training.

3.7.18 Equally, all institutional providers of post-compulsory education and training will be encouraged to integrate their courses and activities with on-the-job training.

3.7.19 Non-formal education is acknowledged as a means of providing basic education to those who have not succeeded in the education system or who find access to institutional learning difficult for a variety of reasons.

3.7.20 The present reform of apprenticeship from time-based to competency-based training — with an increased emphasis on encouraging participation from those currently under-represented in apprenticeships — will be continued and extended.

3.7.21 The Rural Education Activities Programme (REAP) will be reviewed in 1990, in accordance with *Tomorrow's Schools*, to investigate whether resources should be distributed on a more equitable basis — and whether or not the present status and structure should be maintained or altered.

*(b23s) 34 R.S. p. 17(1)

EDUCATION ACT 1989

(For the Education Act 1964 see p. 355 *post*)

AMENDMENT ACTS SINCE REPRINT:

1996 No. 98. In force 1/1/97 by s. 1(2) of that Act. See s. 9 of that Act which provides as follows:

"9. Transitional—(1) Subject to subsection (3) of this section, this subsection applies to every person who, immediately before the commencement of this Act,—

(a) Either held, or had been appointed to but not yet taken up, a teaching position (within the meaning of section 120 or section 315 (1) of the principal Act); and

(b) Did not hold a practising certificate (within the meaning of section 120 of the principal Act).

(2) Until the close of the 31st day of December 1997, the principal Act shall apply to every person to whom subsection (1) of this section applies as if that person holds a limited authority to teach.

(3) Sections 130D and 130E of the principal Act shall apply to every person to whom this section applies as if the reference in section 130G to cancelling a person's authorisation is a reference to withdrawing the person's authority to teach; and where the Registration Board withdraws a person's authority to teach, subsection (2) of this section shall cease to apply to that person."

1998 No. 21. In force (except where indicated otherwise in these annotations) 23/5/98 by s. 1(3) of that Act.

1998 No. 90. *Repealed*

1998 No. 118. In force (except where indicated otherwise in these annotations) 19/12/98 by s. 1(2) of that Act. See ss. 62, 63 and 64 of that Act for transitional provisions relating to enrolment schemes (see p. 44 *post*), syllabuses in force under the Education Act 1964, and suspension of students from state schools (see p. 50 *post*).

1999 No. 79 (Education (Te Aho Matua) Amendment Act 1999). In force 17/7/1999 by s. 1(2) of that Act.

1999 No. 107. In force 1/11/1999 by s. 1(2) of that Act.

2000 No. 21. In force 8/7/2000 by s. 2 of that Act. See ss. 28, 29 and 30 of that Act for the transitional provisions relating to enrolment schemes, bulk funding agreements and financial assistance for liabilities under employment contracts.

REFERENCES:

1996 No. 39 (Institute of Chartered Accountants of New Zealand Act 1996). In force (in its application to this Act) 1/10/96 by s. 1(2) of that Act. See also s. 18 of that Act as to every reference to "the Society" being read as a reference to "the Institute".

1996 No. 55 (Survey Amendment Act 1996). In force 1/7/96 by s. 1(2) of that Act. See s. 4 of that Act as to every reference to the "chief executive of the Department of Survey and Land Information" or to the "Director-General of Survey and Land Information" being read as a reference to the "chief executive of Land Information New Zealand", and every

*(b23s) 34 R.S. p. 17(2)

1998 No. 96 (Employment Services and Income Support (Integrated Administration) Act 1998). In force 1/10/98 by s. 1(2) of that Act. See ss. 3 to 10 of that Act for the transitional provisions. See s. 10(1) of that Act as to every reference to the Director-General (or the chief executive of the Department of Social Welfare), or the Secretary of Labour (or the chief executive of the Department of Labour) being read as a reference to chief executive of the responsible department; also every reference to the Department of Social Welfare or the unit of that department called Income Support, or to the unit of the Department of Labour called the New Zealand Employment Service, the Community Employment Group or the Local Employment Coordination Unit, being read as a reference to the responsible department.

1999 No. 61 (Stamp Duty Abolition Act 1999). In force 20/5/1999 being its assent date. See s. 3 of that Act as to its application to instruments executed after 20/5/1999, or between 20/5/1991 and 20/5/1999. See also s. 8 of that Act as to the refund of duty following abolition of stamp duty.

1999 No. 82 (Department of Child, Youth and Family Services Act 1999). In force 1/10/1999 by s. 1(2) of that Act. See ss. 7 to 12 of that Act for the transitional and savings provisions. See s. 11 of that Act as to every reference to the Director-General of Social Welfare being a reference to the chief executive of the responsible department and every reference to any designated unit or to the Department of Social Welfare being a reference to the responsible department.

1999 No. 141 (Children's Health Camps Board Dissolution Act 1999). In force 1/4/2000 by s. 1(2) of that Act.

2000 No. 24 (Employment Relations Act 2000). In force 2/10/2000 by s. 2 of that Act. See ss. 242 to 253 of that Act for the transitional provisions.

REGULATIONS:—

Auckland Institute of Technology Disestablishment and Incorporation into Auckland University of Technology Order 1999/333

Auckland University of Technology (Establishment) Order 1999/332.

Education (2000 Area School Staffing) Order 1999/190.

Education (2001 Area School Staffing) Order 2000/147.

Education (2000 Intermediate School Staffing) Order 1999/188.

Education (2001 Intermediate School Staffing) Order 2000/145.

Education (2000 Primary School Staffing) Order 1999/187.

Education (2001 Primary School Staffing) Order 2000/144.

Education (2000 Secondary School and Form I to VII School Staffing) Order 1999/189.

Education (2001 Secondary School and Form 1 to 7 School Staffing) Order 2000/146.

Education (1993 Special School Staffing) Order 1992/396.

Education (2000 Special School Staffing) Order 1999/191.

Education (2001 Special School Staffing) Order 2000/148.

Education (Aotearoa Institute) Order 1993/183.

Education (Change of Name of Education Entities) Order 2000/117.

*(b23s) 34 R.S. p. 17(3)

Education (Home-Based Care) Order 1992/238.

Education (Specified Institutions) Order 2000/44.

Education (Stand-down, Suspension, Exclusion, and Expulsion) Rules 1999/202.

Education (Te Wananga o Raukawa) Order 1993/184.

Education (Te Whare Wananga O Awanuiarangi) Order 1996/352.

Education (Trustee Elections) Regulations 1992/78.

Revocation of Student Allowances Notices 1998/289.

Student Allowances Regulations 1998/277.

GAZETTE NOTICES:—

Rules for Student Enrolment Records. *N.Z. Gazette* 1999 p. 498.

The Palmerston North College of Education (Disestablishment and Incorporation in Massey University) Order 1996. *N.Z. Gazette* 1996 p. 1241.

"University Grants Committee" means the University Grants Committee established under Part I of the Universities Act 1961:

"Vice-Chancellor", in relation to a university, means the chief executive of the university, by whatever name called:

"Vice-Chancellors Committee" means the New Zealand Vice-Chancellors Committee established by Part XIX of this Act:

"Wananga" means, subject to subsection (3) of this section, a body established as a wananga under section 162 (2) of this Act.

(2) In the absence of proof to the contrary,—

(a) A certificate signed by the chief executive of **[[**the Ministry of Foreign Affairs and Trade**]]** that on a specified day, or for a specified period, a specified person was or was not, or will or will not be, in New Zealand to study under an assistance programme administered by the New Zealand Government; or

(b) A certificate signed by the Secretary that on a specified day, or for a specified period, a specified person was or was not, or will or will not be, in New Zealand to study under an exchange programme approved by the New Zealand Government,—

is, for the purposes of the definitions of "assisted student" and "exempt student" in subsection (1) of this section, conclusive evidence of the matter certified; and judicial notice shall be taken of the signature on any such certificate of the chief executive or (as the case may be) the Secretary.

(3) The definitions of the terms "college of education", "polytechnic", "university" and "wananga" do not apply for the purposes of subsections (1), (2), and (4) of section 162 of this Act.**]**

Part XIII (comprising s. 159) was added by s. 35 of the Education Amendment Act 1990.

In subs. (1):

"Chief Review Officer": A definition of this term was omitted by s. 26 (1) of the Education Amendment Act 1993.

"Government training establishment": The definition of this term was substituted for the former definition (as substituted by s. 42 of the Public Finance Amendment Act 1992) by s. 13 (1) of the Education Amendment Act 1993.

"Minister" and "Ministry": The definitions of these terms were substituted for the former definitions by s. 2 (5) of the Education Amendment Act (No. 4) 1991.

"New Zealand apprenticeship committee": The Apprenticeship Act 1983 was repealed on 1 July 1992 by s. 14 (1) of the Industry Training Act 1992.

"University Grants Committee": The Universities Act 1961 was repealed by s. 50 (5) of the Education Amendment Act 1990.

In subs. (2) (a) the reference to the Ministry of Foreign Affairs and Trade was substituted for a reference to the Ministry of External Relations and Trade by s. 9 (3) of the Foreign Affairs Amendment Act 1993.

[PART XIV

[ESTABLISHMENT AND DISESTABLISHMENT OF TERTIARY INSTITUTIONS

[160. Object—The object of the provisions of this Act relating to institutions is to give them as much independence and freedom to make academic, operational, and management decisions as is consistent with the nature of the services they provide, the efficient use of national resources, the national interest, and the demands of accountability.

[161. Academic freedom—(1) It is declared to be the intention of Parliament in enacting the provisions of this Act relating to institutions that academic freedom and the autonomy of institutions are to be preserved and enhanced.

(2) For the purposes of this section, "academic freedom", in relation to an institution, means—

(a) The freedom of academic staff and students, within the law, to question and test received wisdom, to put forward new ideas and to state controversial or unpopular opinions:

(b) The freedom of academic staff and students to engage in research:

(c) The freedom of the institution and its staff to regulate the subjectmatter of courses taught at the institution:

(d) The freedom of the institution and its staff to teach and assess students in the manner they consider best promotes learning:

(e) The freedom of the institution through its chief executive to appoint its own staff.

(3) In exercising their academic freedom and autonomy, institutions shall act in a manner that is consistent with—

(a) The need for the maintenance by institutions of the highest ethical standards and the need to permit public scrutiny to ensure the maintenance of those standards; and

(b) The need for accountability by institutions and the proper use by institutions of resources allocated to them.

(4) In the performance of their functions the Councils and chief executives of institutions, Ministers, and authorities and agencies of the Crown shall act in all respects so as to give effect to the intention of Parliament as expressed in this section.

[162. Establishment of institutions—(1) Upon the commencement of this section, this Act has effect as if—

(a) Each body specified in Part I of the Thirteenth Schedule to this Act was established as a university under subsection (2) of this section; and

(b) Each body specified in Part II of that Schedule was established as a college of education under subsection (2) of this section; and

(c) Each body that, immediately before that commencement, was established as a polytechnic, institute of technology, technical institute or community college under the Education Act 1964, was established as a polytechnic under subsection (2) of this section,—

and a reference in any other Act to an institution established under this Act shall be read as including a reference to a body referred to in paragraph (a), paragraph (b), or paragraph (c) of this subsection.

(2) Subject to subsections (3) to (5) of this section, the Governor-General may, by Order in Council made on the written recommendation of the Minister, establish a body as a college of education, a polytechnic, a university, or a wananga, as the Governor-General considers appropriate.

(3) Before deciding whether or not to recommend to the Governor-General the making of an Order in Council under subsection (2) of this section, the Minister shall—

(a) Give the Qualifications Authority a reasonable period in which to give advice to the Minister on the matter and consider any advice so given; and

(b) Consult with such institutions, organisations representing institutions, and other relevant bodies, as the Minister considers appropriate.

(4) In recommending to the Governor-General under subsection (2) of this section that a body should be established as a college of education, a polytechnic, a university, or a wananga, the Minister shall take into account—

(a) That universities have all the following characteristics and other tertiary institutions have one or more of those characteristics:

(i) They are primarily concerned with more advanced learning, the principal aim being to develop intellectual independence:

(ii) Their research and teaching are closely interdependent and most of their teaching is done by people who are active in advancing knowledge:

(iii) They meet international standards of research and teaching:

(iv) They are a repository of knowledge and expertise:

(v) They accept a role as critic and conscience of society; and

(b) That—

(i) A college of education is characterised by teaching and research required for the pre-school, compulsory and post-compulsory sectors of education, and for associated social and educational service roles:

(ii) A polytechnic is characterised by a wide diversity of continuing education, including vocational training, that contributes to the maintenance, advancement, and dissemination of knowledge and expertise and promotes community learning, and by research, particularly applied and technological research, that aids development:

(iii) A university is characterised by a wide diversity of teaching and research, especially at a higher level, that maintains, advances, disseminates, and assists the application of, knowledge, develops intellectual independence, and promotes community learning:

(iv) A wananga is characterised by teaching and research that maintains, advances, and disseminates knowledge and develops intellectual independence, and assists the application of knowledge regarding ahuatanga Maori (Maori tradition) according to tikanga Maori (Maori custom).

(5) The Minister may, on the recommendation of the Council of the institution concerned, change the name of an institution by notice published in the *Gazette*.

[163. Constitution of institutions—(1) Each body referred to in paragraph (b) or paragraph (c) of section 162 (1) of this **[[**Part of this Act shall**]]** consist of its governing body, the chief executive, the teaching staff, general staff, the graduates and students, and such other people as the governing body may

(2) Each Order in Council establishing an institution shall make provision for determining the people who are to constitute the institution.

In subs. (1) the words in double square brackets were substituted for the words "Act shall" by s. 14 (2) of the Education Amendment Act 1993.

[164. Disestablishment of institutions—(1) Subject to this section, the Governor-General may, by Order in Council made on the written recommendation of the Minister, disestablish an institution.

(2) The Governor-General shall not disestablish a university specified in Part I of the Thirteenth Schedule to this Act unless the House of Representatives has passed a resolution approving the disestablishment of the university.

(3) The Minister shall not recommend the disestablishment of an institution unless the Minister—

(a) Is satisfied on reasonable grounds that there are good reasons to do so; and

(b) Specifies the reasons in the recommendation.

(4) When an institution is, or 2 or more institutions are, disestablished, the Governor-General may, by Order in Council made on the written recommendation of the Minister, incorporate the disestablished institution or any one or more of the disestablished institutions in another institution, whether the other institution is an existing institution or is a new institution established for the purpose.

(5) Before deciding whether or not to recommend the making of an Order in Council under subsection (1) or subsection (3) of this section, the Minister shall—

(a) Give to the Council of the institution or the Councils of the institutions concerned, and to every other body that the Minister considers is likely to be directly affected, written notice—

(i) Setting out the action that the Minister is considering whether to take and the reasons for that action; and

(ii) Inviting each Council or other body to make a written submission to the Minister in relation to the matter; and

(b) Publish such notices as the Minister considers appropriate inviting members of the public to make written submissions in relation to the matter; and

(c) Consider any submissions made within a reasonable period in response to the notices referred to in paragraphs (a) and (b) of this subsection.

(6) If an Order in Council is made under subsection (1) or subsection (4) of this section, the Minister shall lay before the House of Representatives a copy of the Order in Council and a statement of the reasons for the making of the Order in Council.]

Part XIV (comprising ss. 160 to 164) was added by s. 36 of the Education Amendment Act 1990.

[PART XV

[ADMINISTRATION OF TERTIARY INSTITUTIONS

Councils

[165. Institutions to be governed by Councils—(1) After the commencement of this section,—

(a) The governing body of each institution shall be a Council constituted in accordance with this Part; and

(b) A reference in any law to the Council or other governing body of an institution shall be construed, except in relation to matters that occurred before that commencement, as a reference to the Council of that institution as so constituted.

(2) Subject to section 108 (2) of this Act, all ...

(19s) 34 R.S. p. 170

21-30 **S. 164(4) and (5) (that part before paragraph (a)).** **READS** as amended by s. 3(1) and (2) of 1998 No. 21:—

"[(4) When an institution is, or 2 or more institutions are, disestablished, the Governor-General may, by Order in Council made on the written recommendation of the Minister, incorporate the disestablished institution or any one or more of the disestablished institutions in another institution, whether the other institution is—

(a) An existing institution or a new institution established for the purpose:

(b) An institution of the same class as the disestablished institution or institutions or an institution of a different class from it or them (for example, a disestablished polytechnic may be incorporated in a university).]

(5) Before deciding whether or not to recommend the making of an Order in Council under subsection (1) [or subsection (4), or both subsections (1) and (4)], the Minister shall—".

52-56 **S. 164(6).** **READS** as amended by s. 3(3) of 1998 No. 21:—

"(6) If an Order in Council is made under subsection (1) or subsection (4)[, or both subsections (1) and (4), the Minister must present to] the House of Representatives a copy of the Order in Council and a statement of the reasons for the making of the Order in Council."

(2) Subject to subsection (6) of this section, an authority under subsection (1) of this section may be given—

(a) Unconditionally, or subject to any conditions the Council thinks fit:

(b) To a specified member or members of the Council or a specified member or members of the staff of the institution:

(c) To a member or members of the staff of the institution of a specified class or description:

(d) To the holder or holders for the time being of a specified office or offices of or in the institution:

(e) To the holder or holders for the time being of offices of a specified class or description of or in the institution.

(3) The institution's common seal shall not be affixed to any document except—

(a) Pursuant to a resolution of the Council; or

(b) By virtue of, and in accordance with, an authority under subsection (1) of this section.

(4) The affixing of the institution's common seal pursuant to a resolution of the Council shall be countersigned—

(a) In the case of the affixing of the common seal to an award, by one member; or

(b) In any other case, by at least 2 members.

(5) The affixing of the institution's common seal by virtue of an authority under subsection (1) of this section shall be countersigned in accordance with the authority.

(6) An authority under subsection (1) of this section shall provide for the affixing of the institution's common seal to be countersigned by at least 2 people.

(7) The affixing of the institution's common seal on a document is conclusive proof of the authority of the people who affixed it to do so.

Constitution of Councils

[168. Constitutions of Councils of existing institutions—(1) It is the duty of the governing body of an existing institution to recommend to the Minister, as soon as practicable after the commencement of this section, a constitution for the Council of the institution that is, in the opinion of that governing body, appropriate for the institution and complies with the requirements of section 171 of this Act.

(2) Subject to subsection (3) of this section, if the governing body of an existing institution recommends to the Minister a constitution for the Council of the institution in accordance with subsection (1) of this section, the Minister shall, by notice published in the *Gazette*, determine the constitution of that Council in accordance with the recommendation.

(3) If the governing body of an existing institution does not make a recommendation in accordance with subsection (1) of this section within 6 weeks after the commencement of this section or does not make a recommendation within that period that complies with the requirements of section 171 of this Act, the Minister shall, by notice published in the *Gazette*, determine the constitution of the Council of that institution.

[169. Constitutions of Councils of new institutions—(1) For the purpose of advising the Minister as to the constitution for the Council of a body that is, or is to be, established under section 162 (2) of this Act, the Minister shall appoint a committee (in this section referred to as an "establishment committee") consisting of 3 persons.

(2) The establishment committee shall recommend to the Minister a constitution for the Council that is, in the opinion of that committee, appropriate for the institution and complies with the requirements of section 171 of this Act.

(3) When the establishment committee has recommended a constitution for the Council in accordance with subsection (2) of this section, the Minister shall, by notice published in the *Gazette*, determine the constitution of the Council in accordance with the recommendation.

[170. Amendment of constitution—If, after the constitution of a Council has been determined, the Council recommends to the Minister that the constitution be amended in a manner that complies with the requirements of section 171 of this Act, the Minister shall, by notice published in the *Gazette*, amend the constitution in accordance with the recommendation.

[171. Requirements as to constitutions of Councils—(1) The Council of an institution shall consist of not fewer than 12 nor more than 20 members.

(2) Subject to subsection (1) of this section, the Council of an institution shall include—

(a) Four persons appointed by the Minister:

(b) The chief executive of the institution:

(c) At least one, but not more than 3, permanent members of the academic staff of the institution elected by the permanent members of that staff:

(d) At least one, but not more than 3, permanent members of the general staff of the institution elected by the permanent members of that staff:

(e) At least one, but not more than 3, people who are or have been students of the institution and who,—

(i) If the students at the institution belong to an association of students recognised by the Council of the institution and the students decide that the governing body of that association is to appoint the student member or the student members, are appointed by the governing body of that association; or

(ii) In any other case, are elected by those students:

(f) Having regard to the courses provided by the institution—

(i) One person appointed in accordance with the Council's constitution after consultation by the person or body making the appointment with the central organisation of employers within the meaning of the Labour Relations Act 1987:

(ii) One person appointed in accordance with the Council's constitution after consultation by the person or body making the appointment with the central organisation of workers within the meaning of the Labour Relations Act 1987:

(iii) If the governing body or the establishment committee, as the case may be, considers it appropriate for professional bodies to be represented on the Council, one or more persons appointed in accordance with the Council's constitution to represent those bodies.

(3) The constitution of a Council may, in addition to providing for the Council to include the persons mentioned in subsection (2) of this section but subject to subsection (1) of this section, contain any one or more of the following provisions:

(a) A provision allowing the Council to co-opt as members not more than a specified number of persons:

(b) A provision allowing the appointment, in accordance with the provision, as members of not more than a specified number of persons:

(c) A provision allowing the election, in accordance with the provision, as members of not more than a specified number of persons.

(4) It is desirable that the Council of an institution should reflect so far as is reasonably practicable,—

(a) The ethnic and socio-economic diversity of the communities served by the institution; and

(b) The fact that approximately half the population of New Zealand is male and half the population is female.

(5) The Minister, when appointing members of a Council, and a Council, when co-opting or appointing members, shall have regard to subsection (4) of this section and shall strive to ensure that the Council has a sufficient number of members with expertise in management to enable the Council properly to perform its functions.

(6) A person is not eligible for appointment, election, or co-option as a member of a Council, if,—

(a) Except in the case of a student member, the person has not attained the age of 18 years; or

(b) The person is a mentally disordered person within the meaning of **[[**the Mental Health (Compulsory Assessment and Treatment) Act 1992**]]**; or

(c) The person is a bankrupt who has not obtained his or her order of discharge or whose order of discharge has been suspended for a term not yet expired or is subject to conditions not yet fulfilled.

(7) The constitution of a Council shall contain a provision

*(23s) 34 R.S. p. 174

*05-14 **S. 171(2)(e).** **RPLD & SUBSTD** *by s. 24(1) of 2000 No. 21 as follows:—*

"[(e) at least 1, but not more than 3, persons who must be appointed,—

(i) in the case of an institution at which membership of a students association is compulsory, in accordance with the constitution or rules of the association; or

(ii) in any other case, following an election (conducted in accordance with statutes made by the Council) by the students at the institution:]".

*81-89 **S. 171(8).** **RPLD** *by s. 24(2) of 2000 No. 21.*

S. 171(8A). **REFER:** *s. 3(2) of 1998 No. 90 and s. 24(2) of 2000 No. 21. This new subsection was inserted by the former and repealed by the latter.*

member of the Council or of the committee; or

(b) A disqualification of a member of the Council or of the committee; or

(c) A defect in the convening of a meeting; or

(d) A vacancy or vacancies in the membership of the Council or of the committee.

(10) In this section "permanent member", in relation to the academic or general staff of an institution, means a member of that staff—

(a) Who is employed, either on a full-time or part-time basis—

(i) For a period ending, unless sooner terminated, on his or her reaching a specified age; or

(ii) Until he or she retires or resigns; or

(b) Who has been employed, whether under a contract for a specified period or otherwise, and either on a full-time or part-time basis, for at least 3 months; or

(c) Who has been employed, whether under a contract for a specified period or otherwise, and either on a full-time or part-time basis, for less than 3 months and whose employment is, in the opinion of the chief executive of the institution, likely to continue for at least 3 months from the date of commencement of that employment.

(11) The members of the staff of an institution who are to be regarded as the academic staff of the institution, and the members of the staff of an institution who are to be regarded as the general staff of the institution, for the purposes of an election of members of the Council of the institution by the staff of the institution or for the purposes of membership of the Council by persons so elected, shall, if there are no statutes of the institution dealing with the matter, be determined by the chief executive of the institution.

In subs. (2) (f) the labour Relations Act 1987 was repealed and replaced by s. 174 of the Employment Contracts Act 1991.

In subs. (6) (b) the Mental Health (Compulsory Assessment and Treatment) Act 1992, being the corresponding enactment in force at the date of this reprint, has been substituted for the repealed Mental Health Act 1969.

[172. Transitional provisions relating to an institution's first Council—(1) A reference in this section to an election includes a reference to the taking of any step connected with an election, including the calling for nominations of candidates for election, the ascertainment of the persons eligible to vote, the voting, the counting of votes and the declaration of the poll.

(2) If it is practicable to do so, the Minister shall defer making the first appointments to the Council of an institution of persons referred to in section 171 (2) (a) of this Act until the

other members of the Council referred to in section 171 (2) of this Act have been elected, appointed or co-opted.

(3) An election of a member of a Council may begin to be held at any time on or after the day on which the Education Amendment Act 1990 received the Royal assent and, if not completed before the 1st day of January 1991, may be completed on or after that day.

(4) An election of a member of the Council of an institution as mentioned in subsection (3) of this section shall be held,—

(a) In the case of an election of a student member where the students at the institution belong to an association of students recognised by the governing body of the institution, in such manner as the governing body of that association determines; or

(b) In the case of any other election, in such manner as is provided by statutes made by the governing body of the institution or, if there are no such statutes, in such manner as that governing body determines.

(5) The governing body of an institution may make statutes for the purposes of subsection (4) of this section.

(6) If, on the 1st day of January 1991,—

(a) The election of a member or members of the Council of an institution referred to in paragraph (c), paragraph (d) or paragraph (e) of section 171 (2) of this Act has not been held or completed or, if provision is made by the Council's constitution for a member or members to be elected by the Court of Convocation for the institution, that election has not been held or completed; and

(b) The previous governing body of the institution included a person or persons whom the Minister considers to correspond to a member or members referred to in paragraph (a) of this subsection,—

the Minister may, by written notice to the chief executive of the institution, direct that a specified person or persons, being a person or persons referred to in paragraph (b) of this subsection, is or are to be a member or members of the Council until the corresponding member or members referred to in paragraph (a) of this subsection is or are elected.

(7) If the Minister notifies the governing body of an institution before the 1st day of January 1991 that a member of the proposed Council of the institution to be appointed by the Minister will not be appointed until after that day, that governing body may before that day appoint a

than a person who is not eligible for appointment because of section 171 (6) of this Act) to be a member of the Council of the institution from and including that day until the first-mentioned member is appointed or the 1st day of November 1990, whichever is the earlier.

(8) In the case of an existing institution, nothing in this Act affects the functions and powers of the existing governing body of the institution before the 1st day of January 1991 but, on the commencement of that day, that governing body ceases to exist and thereafter the Council of the institution constituted in accordance with this Part of this Act shall be the governing body of the institution as provided by section 165 of this Act.

[173. Term of office—(1) Subject to this section, members of the Council of an institution who are appointed, or (not being student members) are elected, hold office for 4 years.

(2) Subject to this section, a student member holds office for one year.

(3) Subject to this section, a member co-opted by the Council holds office for such period, not exceeding 4 years, as the Council determines in relation to the member concerned.

(4) Each of the members first appointed (otherwise than under section 172 of this Act) to the Council, and each of the members (other than a student member) first elected to the Council, holds office for either 2 years or 4 years, as the Council determines in relation to the member concerned at, or within 3 months (or such further period as the Minister allows) after, its first meeting.

(5) The term of office of a member of a Council who is appointed, elected or co-opted commences on whichever is the latest of the following:

(a) The date of the appointment, election or co-option:

(b) In the case of a member who was appointed or elected as mentioned in section 171 (2) of this Act and whose predecessor in office did not cease to hold office before the expiration of his or her term of office, the expiration of that term:

(c) The date of commencement of this section.

(6) Notwithstanding subsections (1), (2), and (4) of this section, if the term of office of a member of a Council who was appointed or elected as mentioned in section 171 (2) of this Act expires before a successor is appointed or elected, the member continues in office until a successor is appointed or elected.

(7) This section has effect subject to sections 172, 174, and 176 of this Act.

[174. Vacation of office—(1) A member of a Council (other than the chief executive) may resign as a member by written notice signed by the member and given to the chief executive.

(2) A member of the Council of an institution who was elected as mentioned in paragraph (c) or paragraph (d) of section 171 (2) of this Act ceases to hold office as a member if he or she—

(a) Being a member referred to in section 171 (2) (c) of this Act, ceases to be a permanent member of the academic staff of the institution; or

(b) Being a member referred to in section 171 (2) (d) of this Act, ceases to be a permanent member of the general staff of the institution.

(3) The Council may, by resolution, dismiss a member of a Council (other than the chief executive) as a member if the member—

(a) Is declared bankrupt; or

(b) Becomes mentally disordered within the meaning of **[[**the Mental Health (Compulsory Assessment and Treatment) Act 1992**]]**; or

(c) Fails to attend 3 consecutive meetings of the Council without having given to the chief executive prior notice of his or her inability to attend the meeting concerned; or

(d) Without reasonable excuse, fails to comply with section 175 of this Act.

(4) The chief executive shall send to the member concerned a letter setting out the terms of the resolution dismissing the member.

In subs. (3) (b) the Mental Health (Compulsory Assessment and Treatment) Act 1992, being the corresponding enactment in force at the date of this reprint, has been substituted for the repealed Mental Health Act 1969.

[175. Disclosure of interest—(1) A member of, or of a committee of, a Council who has an interest in a matter being considered or about to be considered by the Council or committee, as the case may be, shall, as soon as possible after the relevant facts have come to the member's knowledge, disclose the nature of the interest at a meeting of the Council or committee.

(2) A disclosure under subsection (1) of this section shall be recorded in the minutes of the meeting of the Council or committee and the member shall not unless the Council decides otherwise—

(a) Be present during any deliberation of the Council or committee with respect to that matter; or

(b) Take part in any decision of the Council or committee with respect to that matter.

(3) For the purposes of this section, a person has an interest in a matter if, and only if, the matter relates to the conditions of service of the person as the chief executive or a member of the staff of the institution concerned or the person has any other direct or indirect pecuniary interest in the matter.

[176. Casual vacancies—(1) If the office of a member of a Council becomes vacant before the end of the member's term of office, a person shall, subject to subsection (2) of this section, be appointed, elected or co-opted to the vacant office by the same procedure as that by which the member whose office became vacant became a member.

(2) If the vacancy occurs within 3 months before the end of the member's term of office, the Council may decide that the vacancy need not be filled under this section.

(3) A member appointed, elected or co-opted under this section holds office for the period commencing on the date of the appointment, election or co-option and ending at the expiration of the term of office of the member whose office became vacant.

(4) Notwithstanding subsection (3) of this section, if the term of office of a member referred to in that subsection who was appointed or elected as mentioned in section 171 (2) of this Act expires before a successor is appointed or elected, the member continues in office until a successor is appointed or elected.

(5) This section has effect subject to section 174 of this Act.

[177. Chairperson and Deputy Chairperson—(1) At the first meeting of a Council the Council shall elect one of its members to be the Chairperson, and another of its members to be the Deputy Chairperson, of the Council.

(2) Whenever a vacancy subsequently occurs in the office of Chairperson or Deputy Chairperson of the Council, the Council shall elect one of its members to fill the vacant office.

(3) A member of the Council who is the chief executive of the institution, a member of the staff of the institution or a studer ≅ nember is not eligible for election as the Chairperson or De ∞ y Chairperson of the Council.

(4) The Chairperson and Deputy Chairperson of a Council each hold office, subject to this section, for one year but are eligible for re-election.

(5) Notwithstanding subsection (4) of this section, if the term of office of the Chairperson or Deputy Chairperson of a Council expires before a successor is elected, the Chairperson or Deputy Chairperson, as the case may be, continues in office until a successor is elected.

(6) The Chairperson or Deputy Chairperson of a Council—

(a) May resign as Chairperson or Deputy Chairperson by written notice signed by him or her and given to the chief executive; and

(b) Ceases to hold office as Chairperson or Deputy Chairperson if—

(i) He or she ceases to be a member of the Council; or

(ii) He or she becomes the chief executive, a member of the staff or a student of the institution; or

(iii) The Council passes a resolution to the effect that it has no confidence in the Chairperson or Deputy Chairperson, as the case may be.

(7) The Chairperson of the Council of a university may be referred to as the Chancellor or by such other title as the Council determines and the Chairperson of the Council of an institution other than a university may be referred to by such title (other than Chancellor or another title that includes the word "Chancellor") as the Council determines.

(8) The Deputy Chairperson of the Council of a university may be referred to as the Pro-Chancellor or by such other title as the Council determines and the Deputy Chairperson of the Council of an institution other than a university may be referred to by such title (other than Pro-Chancellor or another title that includes the word "Chancellor") as the Council determines.

[178. Meetings of Councils—(1) The Chairperson of a Council may convene meetings to be held at such places and times as he or she determines.

(2) It is the duty of the Chairperson of a Council to convene such meetings as he or she thinks necessary for the efficient performance of the functions of the Council.

(3) If so requested by written notice by not fewer than 5 members of a Council, the Chairperson of the Council shall convene a meeting.

(4) If there is no Chairperson of a Council or for any reason the Chairperson is not available, the Deputy Chairperson of the Council has the powers and duties of the Chairperson under subsections (1) to (3) of this section and references in those

subsections to the Chairperson shall be construed as references to the Deputy Chairperson.

(5) No business shall be transacted at a meeting unless a majority of the members then holding office are present.

(6) The Chairperson shall preside at all meetings at which he or she is present.

(7) If the Chairperson is not present at a meeting but the Deputy Chairperson is present, the Deputy Chairperson shall preside.

(8) If neither the Chairperson nor the Deputy Chairperson is present at a meeting, the members present shall appoint one of their number to preside.

(9) Every question before a meeting shall be decided by a majority of the votes cast on it by the members present.

(10) At a meeting the member presiding has a deliberative vote on every question, and on any question where the deliberative votes for and against are equal also has a casting vote.

(11) Except as provided by this section, a Council shall determine its own procedures.

[179. Fees and allowances—(1) A member of a Council other than the chief executive may be paid fees at such rates (not exceeding maximum rates fixed by the Minister) as the Council determines.

(2) A member of a Council shall be paid such allowances in respect of expenses of travel and child care as the Council determines.

(3) The Minister has power to fix maximum rates of fees for the purposes of subsection (1) of this section.

Functions and Duties of Councils

[180. Functions of Councils—The functions of the Council of an institution are—

(a) To appoint a chief executive in accordance with the State Sector Act 1988:

(b) To prepare and negotiate with the Secretary as to the charter of the institution in accordance with this Part:

(c) To approve statements of objectives in accordance with section 41 (2) (d) of the Public Finance Act 1989 as that section has effect by virtue of section 203 of this Act:

(d) To ensure that the institution is managed in accordance with its charter and the statements of objectives:

(e) To determine the policies of the institution in relation to the implementation of its charter, the carrying out of the statements of objectives and, subject to the State Sector Act 1988, the management of its affairs.

[181. Duties of Councils—It is the duty of the Council of an institution, in the performance of its functions and the exercise of its powers,—

(a) To strive to ensure that the institution attains the highest standards of excellence in education, training, and research:

(b) To acknowledge the principles of the Treaty of Waitangi:

(c) To encourage the greatest possible participation by the communities served by the institution so as to maximise the educational potential of all members of those communities with particular emphasis on those groups in those communities that are under-represented among the students of the institution:

(d) To ensure that the institution does not discriminate unfairly against any person:

(e) To ensure that systems are established for the co-ordination of, and accountability for, activities within the institution to ensure the responsible use of public resources:

(f) To ensure that proper standards of integrity, conduct, and concern for—

(i) The public interest; and

(ii) The wellbeing of students attending the institution—

are maintained.

[182. Determination of policy—(1) In determining the policy of an institution with respect to any matter relating to the institution, the Council of the institution shall consult with any board, committee, or other body established within the institution that has responsibility for giving advice in relation to, or for giving effect to, the policy of the institution with respect to that matter.

(2) The Council of an institution shall establish an academic board consisting of the institution's chief executive, and members of the staff and students of the institution, to—

(a) Advise the Council on matters relating to courses of study or training, awards, and other academic matters; and

(b) Exercise powers delegated to it by the Council.

(3) The academic board shall be deemed for the purposes of section 222 of this Act to be a committee appointed by the Council under section 193 (2) (i) of this Act.

(4) Without limiting the generality of subsection (1) of this section, the Council of an institution shall not make any decision or statute in respect of any academic matter referred to in subsection (2) of this section unless it has requested the advice of the academic board and considered any advice given by the academic board.

(5) Without derogating from the duties of the Council of an institution under subsections (1) and (4) of this section, a decision or statute made by the Council is not invalid merely because of a failure of the Council to comply with either of those subsections.

[183. Personal liability—No member of the Council of an institution is personally liable for any act done or omitted by the member or by the Council—

(a) In good faith; and

(b) In pursuance or intended pursuance of the functions of the institution or of the Council.

Charters

[184. Each institution to have charter—(1) The Council of each institution shall ensure that the institution has a written charter, prepared and approved under this Part of this Act, of goals and purposes that are appropriate for the type of institution concerned.

(2) It is the duty of the Council of an institution,—

(a) As soon as practicable after the first meeting of the Council, to prepare and submit to the Secretary for approval by the Minister a proposed charter for the institution; and

(b) If at any time it appears to the Council that it is desirable that the institution's charter be amended, to prepare and submit to the Secretary for approval by the Minister a proposed amendment to the charter.

[1 [illegible] Consultations—(1) Before submitting to the Secretary a proposed charter for an institution or a proposed amendment to an institution's charter, the Council of the institution shall consult, in such manner as it considers appropriate, with staff and students of the institution and such members of, or groups of persons in, the communities served by the institution as the

Council considers appropriate and shall consider the views expressed by those persons.

(2) If the Secretary considers, in relation to a proposed charter for an institution or a proposed amendment to the charter of an institution,—

(a) That the Council of the institution has not consulted particular persons or groups of persons who in the opinion of the Secretary ought to have been consulted; or

(b) That the Council's consultation with particular persons or groups of persons has not been adequate,—

the Secretary may refuse to consider the proposed charter or proposed amendment.

(3) Where the Secretary so refuses to consider a proposed charter or proposed amendment, the Secretary shall give written notice to the Council specifying the persons or groups of persons who should have been consulted or the extent to which the consultation has not been adequate.

(4) The Council shall,—

(a) If the notice specifies persons or groups of persons who should have been consulted, consult those persons or groups of persons; or

(b) If the notice specifies an extent to which the Council's consultation has not been adequate, carry out such further consultations as are necessary to remedy the inadequacy.

[186. Consideration of proposed charter or amendment—(1) Subject to subsections (2) and (3) of section 185 of this Act, the Secretary shall consider a proposed charter or proposed amendment to a charter submitted to the Secretary and shall strive to reach agreement with the Council as to the terms of the charter or of the amendment.

(2) If the Council of an institution and the Secretary are unable to agree on any matter relating to the proposed charter of the institution or a proposed amendment to the charter of the institution, the Minister shall determine the matter after consulting the Council and such other bodies and persons as the Minister considers appropriate.

[187. Power of Minister to initiate amendment of charter—(1) The Minister may, on his or her own initiative, propose an amendment to an institution's charter.

(2) The Secretary shall give to the Council of the institution a copy of the proposed amendment and a statement of the

reasons for proposing the amendment and shall allow the Council a reasonable period in which to make a submission in relation to the proposed amendment.

[188. Approval of charter or amendment—(1) The Minister may approve a proposed charter for an institution or a proposed amendment to an institution's charter by signing the charter or amendment and specifying on it a date that is not earlier than the date on which it is signed.

(2) The Minister shall approve a proposed charter, or a proposed amendment to a charter (not being an amendment proposed by the Minister), unless satisfied on reasonable grounds that the Minister should not do so.

(3) An amendment proposed by the Minister to a charter shall not be approved until the Minister has considered any submission made by the Council under section 187 (2) of this Act.

(4) On the day specified on a proposed charter in accordance with subsection (1) of this section, the proposed charter takes effect as the charter of the institution.

(5) On the day specified on a proposed amendment to a charter in accordance with subsection (1) of this section, the proposed amendment takes effect and the existing charter shall be read accordingly.

[189. What happens if institution has no charter—If an institution has not had a charter for a period of at least 6 months and the Council of the institution has not submitted to the Secretary for approval by the Minister a proposed charter for the institution, the Minister may, on his or her own initiative, approve a charter for the institution in such reasonable terms as the Minister determines.

[190. Mandatory requirements for charter—(1) The Minister may from time to time, by notice published in the *Gazette*, set out the kinds of matters in respect of which charters must specify goals and purposes.

(2) The kinds of matters that the Minister may so set out include—

(a) Standards of teaching and learning to be achieved at institutions; and

(b) Codes or principles of conduct or administration to be observed in the management of the affairs of institutions.

(3) Subsection (2) of this section does not limit the generality of subsection (1) of this section.

(4) A notice under subsection (1) of this section may apply to all institutions, institutions of a specified class or description, or a specified institution or institutions.

[191. Charter to be available for inspection—The Council of an institution shall ensure that a copy of the institution's charter is available at the office of the Council for inspection during ordinary office hours by any person without charge.

Powers of Institutions and Councils

[192. Powers of institutions—(1) Subject to subsection (2) of this section, an institution has—

(a) The rights, powers, and privileges of a natural person; and

(b) The power to issue debentures; and

(c) The power to grant floating charges on the institution's undertaking or property, or any of it; and

(d) The power to do any other thing it is authorised to do by this Act, by any other enactment, or by any rule of law.

(2) None of the rights, powers, or privileges of an institution shall be exercised except for the purpose of performing—

(a) Functions characteristic of institutions of the class to

78 **(19s) 34 R.S. p. 186**

New s. 192(2)(aa). **INSD** by s. 4(1) of 1998 No. 21 as follows:—

"[(aa) In the case of an institution that incorporates another institution or other institutions under section 164 (4), functions characteristic of institutions of the class to which the incorporating institution belongs and functions characteristic of institutions of the class or classes to which the incorporated institution or institutions belong; or]".

84-85 S. 192(2)(b)(ii). **READS** as amended by s. 4(2) of 1998 No. 21:—

"(ii) Are appropriate for institutions of the class to which the institution belongs [or, in the case of an institution that incorporates another institution or other institutions under section 164 (4), are appropriate for institutions of the classes represented in the institution]."

(c) The power to grant leases of land or buildings or parts of buildings:

(d) The power to borrow, issue debentures, or otherwise raise money.

(5) Subsection (4) of this section does not prohibit an institution, without the consent of the Secretary, from—

(a) Selling or otherwise disposing of, or mortgaging or otherwise charging, an asset or an interest in an asset, where the value of the asset or interest does not exceed an amount determined by the Minister or an amount ascertained in accordance with a formula determined by the Minister:

(b) Granting a lease for a term that does not exceed, and when added to any term for which the lease may be renewed does not exceed, 5 years:

(c) Borrowing, issuing debentures, or otherwise raising money, where the amount to be borrowed, the amount of the debentures, or the amount to be raised, does not exceed an amount determined by the Minister or ascertained in accordance with a formula determined by the Minister.

(6) A determination by the Minister under this section may relate to all institutions, institutions of a specified class or description, or a specified institution or institutions, and shall be made after the Minister has consulted the institution or institutions concerned.

(7) Where the Secretary consents under subsection (4) of this section to the exercise of a power by an institution, the Council shall comply with any conditions imposed by the Secretary and shall tell the Secretary when the transaction has been completed and how the proceeds, if any, of the transaction have been dealt with.

(8) Subject to subsection (11) of this section, the powers to grant awards conferred on an institution by this Act or any other enactment—

(a) In the case of nationally recognised awards, are subject to any reasonable requirements made by the Qualifications Authority in the performance of its functions under this Act; and

(b) In any case, do not extend, without the consent of that Authority, to granting an award that is described as a "degree" or the description of which includes the words "bachelor", "master", or "doctor".

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(9) Subsection (8) (b) of this section does not apply in relation to the granting of an award by a university.

(10) Any consent by the Qualifications Authority under subsection (8) (b) of this section may be withdrawn, after consultation with the Council of the institution concerned, with effect from a date not earlier than the 1st day of January next following the giving of notice of the withdrawal to that institution.

(11) Nothing in this Act prevents an institution that was in existence immediately before the commencement of this section—

(a) From granting during the 2 years following that commencement an award of a kind or description that the institution, or the governing body of that institution, was entitled to grant immediately before

*93-94

S. 193(2)(e). *(20s) 34 R.S. p. 188 RPLD & SUBSTD (by new paragraphs (e) and (ea)) by s. 5 of 1998 No. 21 as follows:—

"[(e) **To agree to the disestablishment of the institution and its incorporation in another institution of the same class or a different class (for example, the Council of a polytechnic may agree to the disestablishment of the polytechnic and its incorporation in a university):**

[(ea) To agree to the incorporation in the institution of another institution or other institutions, whether of the same class as itself or a different class from itself (for example, the Council of a university may agree to the incorporation of a polytechnic in the university):]".

(including provisionally)

grant awards:

(b) To grant fellowships, scholarships, bursaries, or prizes:

(c) To authorise the making of grants or loans out of the money of the institution to the chief executive, to members of the staff or students of the institution, or to any association of staff or students, on such terms and conditions as the Council thinks fit and guarantee loans made by other persons to the chief executive or members of the staff of the institution for housing purposes:

(d) To accept gifts, devises, and bequests made to the institution, whether on trust or otherwise:

(e) To agree to the amalgamation of the institution with any other institution:

(f) To arrange for the manufacture of, and distribute (whether by way of sale or otherwise), any article or

thing bearing a mark, symbol or writing that is associated with the institution:

(g) To arrange for the provision of (whether by sale or otherwise) goods and services to staff or students of the institution or other persons using, or otherwise attending at, facilities of the institution:

(h) To prescribe fees payable by students of the institution or any of them:

(i) To establish boards or other bodies within the institution to give advice to the Council:

(j) To do anything incidental to the exercise of any of the preceding powers.

(3) The Council of an institution has power to appoint committees consisting of such persons, whether or not members of the Council, as the Council determines to exercise such powers as are delegated to them under section 222 of this Act and such powers as are conferred on them by statutes made by the Council, and to alter, discharge, and reconstitute committees so appointed.

[194. Statutes—(1) The Council of an institution may make statutes, not inconsistent with this Act or the State Sector Act 1988, with respect to any of the following matters:

(a) The good government and discipline of the institution:

(b) The imposition, by or on behalf of the Council, of penalties upon staff or students of the institution for contravention of or failure to comply with a statute with respect to a matter referred to in paragraph (a) of this subsection:

(c) The election of members of the Council by the staff of the institution including—

(i) The persons who are to be regarded as members of the academic staff, and the persons who are to be regarded as members of the general staff, for the purposes of such an election; and

(ii) The determination of questions arising in relation to the conduct or the result of such an election:

(d) The persons who are to be regarded as being, or having been, students of the institution for the purposes of the election of a student member of the Council or for the purposes of membership of the Council as a student member and, in the case of an election of a student member to which section 171 (8) (a) does not apply, any other matters relating to the election

including the determination of questions arising in relation to the conduct or the result of the election:

(e) Subject to Part XVI of this Act, the enrolment of persons in courses of study or training of the institution or the admission of persons to examinations of the institution:

(f) Subject to Part XVI of this Act, the courses of study and training of the institution:

(g) Subject to section 192 (8) of this Act, the awards that may be granted by the Council and the requirements for those awards:

(h) The granting by the Council of fellowships, scholarships, bursaries, and prizes:

(i) The provision of superannuation or retirement benefits for, or in respect of, the chief executive or members of the staff of the institution:

(j) Any other matter required or permitted by this Act to be provided for by statutes.

(2) If the Council of an institution makes a statute under subsection (1) (b) of this section providing for the imposition of penalties upon staff or students of the institution, the statute shall provide for the Council, if so requested by a member of the staff or a student upon whom a penalty is imposed, to review, or arrange for the review of, the amount of the penalty, the imposition of the penalty, or both.

[195. Trust property—Notwithstanding anything contained in this Act or any other enactment relating to the institution, any real or personal property held by an institution upon trust shall be dealt with in accordance with the powers and duties of the institution as trustee.

Chief Executive and Staff

[196. Duties of chief executive—(1) The academic and administrative affairs of an institution shall be managed by the chief executive of the institution.

(2) A person who held office as chief executive of an institution immediately before the commencement of this section (whether by virtue of an appointment made as required by section 35 of the State Sector Amendment Act (No. 2) 1989 or otherwise) shall, unless the term of office of the person would, apart from this Act, have ended on that commencement, be deemed to have been appointed to that office on that commencement by the Council of the institution in accordance with section 180 (a) of this Act for the unexpired

portion of his or her term of office and on the same terms and conditions as those on which the person was employed immediately before that commencement.

(3) The chief executive of a university may be referred to as the Vice-Chancellor or by such other title as the Council of the university determines and the chief executive of an institution other than a university may be referred to by such title (other than Vice-Chancellor or another title that includes the word "Chancellor") as the Council of the institution determines.

[197. Delegation by chief executive—(1) The chief executive of an institution may from time to time, either generally or particularly, by writing delegate to the academic board or to any member of the staff of the institution any of the functions or powers of the chief executive under this Act or any other Act including functions or powers delegated to the chief executive under an Act other than this Act.

(2) Where the chief executive of an institution has, pursuant to subsection (1) of this section, delegated any functions or powers to the academic board or to a member of the staff of the institution, that board or member may, with the prior approval in writing of the chief executive, by writing signed by at least 2 members of that board or by the member, as the case may be, delegate such of those functions or powers as the chief executive approves to any other member of the staff of the institution.

(3) Subject to any general or special directions given or conditions imposed by the chief executive, the person to whom any functions or powers are delegated under this section may perform those functions or exercise those powers in the same manner and with the same effect as if they had been conferred on that person directly by this Act and not by delegation.

(4) The power of a chief executive to delegate under this section—

(a) Is subject to any prohibitions, restrictions, or conditions contained in any other Act in relation to the delegation of the chief executive's functions or powers; but

(b) Does not limit any power of delegation conferred on the chief executive by any other Act.

(5) A person purporting to act pursuant to a delegation under this section shall, in the absence of proof to the contrary, be presumed to be acting in accordance with the terms of the delegation.

(6) A delegation under subsection (1) of this section to the academic board shall be deemed to be a delegation to the persons from time to time constituting that board.

(7) A delegation under this section to a member of the staff may be made to a specified person or to persons of a specified class, or to the holder or holders for the time being of a specified office or specified class of offices.

(8) A delegation under this section does not affect or prevent the performance of any function or the exercise of any power by a chief executive, or affect the responsibility of a chief executive for the actions of any person acting under the delegation.

(9) A delegation under this section is revocable in writing at will and, until it is revoked, continues in force according to its tenor, notwithstanding that the person by whom it was made may have ceased to hold office, and continues to have effect as if made by the successor in office of that person.

[198. Transitional provisions for employment of staff—(1) A person who was a member of the staff of an institution immediately before the commencement of this section shall, after that commencement, unless the

82-85 **(23s) 34 R.S. p. 192**

S. 198(2). READS *as amended by s. 240 of 2000 No. 24:*—

"(2) The terms and conditions of employment of a person to whom subsection (1) of this section applies shall remain in force until varied either individually or through [a collective agreement]."

whom subsection (1) of this section applies shall remain in force until varied either individually or through an award or an agreement.

(3) This section has effect subject to the Labour Relations Act 1987 and the State Sector Act 1988.

In subs. (2) awards or agreements are now a collective employment contact, see s. 176 of the Employment Contracts Act 1991.

In subs. (3) the Labour Relations Act 1987 was repealed b s. 174 of the Employment Contracts Act 1991.

Bulk Funding

[199. Grants to institutions—(1) In each academic year an institution—

(a) Shall be paid a general grant, the amount of which shall be determined by the use of the equivalent full-time student formula; and

(b) May be paid one or more special supplementary grants,—

out of money appropriated by Parliament for the purpose.

(2) The amounts of every general grant and every special supplementary grant shall be determined by the Minister.

(3) Where an institution has submitted to the Secretary a statement of objectives in relation to 3 consecutive academic years in accordance with section 203 (2) (c) of this Act, the Minister shall, if he or she considers that the objectives are suitable for the implementation of the institution's charter, determine the amount of any grant for the institution in the light of the statement.

(4) The Minister shall ensure that no special supplementary grant is paid to an institution before the Minister has given to the Council written notice of the purposes for which the grant is to be used.

(5) The Council of an institution shall ensure that a special supplementary grant is not used except for the purposes specified for it by the Minister.

(6) Subject to the provisions of any enactment, and the terms of any trust or endowment,—

(a) An institution's income and capital shall be applied in doing whatever the Council of the institution thinks will accomplish the goals and purposes set out in the institution's charter; and

(b) The Council of the institution may, out of income, create, maintain, or add to, a fund or funds for any one or more of the purposes for which the income may be applied.

(7) Paragraph (b) of subsection (6) of this section does not limit the generality of paragraph (a) of that subsection.

Finance

[200. Bank accounts—(1) The Council of an institution may establish, maintain and operate bank accounts in the name of the institution at any registered bank.

(2) As soon as is practicable after receiving any money, the Council shall pay it into one or other of the institution's bank accounts.

(3) The Council shall properly authorise every withdrawal and payment of money from any of the institution's bank accounts.

[201. Proper accounts to be kept—The Council of an institution—

(a) Shall cause to be kept proper accounts and records of the transactions and affairs of the institution; and

(b) Shall do all things necessary to ensure that adequate control is maintained over the assets of, or in the custody of, the institution and over the incurring of liabilities by the institution.

[202. Application of money—The money of an institution shall be applied only—

(a) In payment or discharge of the expenses, charges, obligations or liabilities incurred or undertaken by or on behalf of the institution; or

(b) In making grants to the Tertiary Research Board; or

(c) In making grants to the Foundation for Research, Science, and Technology; or

(d) In payment of any remuneration or allowances payable to members of the Council or of committees of the Council or to the chief executive or members of the staff of the institution; or

(e) In making any other payments that are required or permitted by this Act or any other enactment to be made out of the money of the institution.

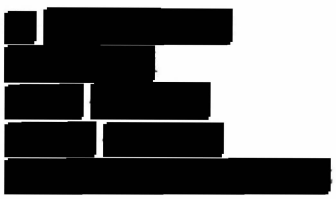
[[203. Application of Public Finance Act 1989—(1) Every institution is a Crown entity for the purposes of the Public Finance Act 1989.

(2) Section 41 of the Public Finance Act 1989 shall apply to every institution as if it is named in the Fifth Schedule to that Act; but shall have effect in relation to every institution subject to the following provisions:

(a) Subject to paragraph (b) of this subsection, every reference in that section to a financial year shall be read as a reference to an academic year of the institution:

(b) The reference in subsection (2) (e) of that section to classes of outputs to be produced during the financial year shall be read as a reference to classes of outputs to be produced during the academic year and the next 2 academic years:

Appendix C



(Massey University Letterhead)

Date

Inside Address

Dear

Following our recent phone conversation regarding my research project on values-based leadership, I appreciate your willingness to be part of the interview process.

Over the past 18 months, the subject of values-based leadership has become increasingly important to me professionally and I am looking forward to the opportunity of embarking on this three paper thesis for completion of a Master in Educational Administration through Massey University. My Supervisor is Associate Professor Wayne L. Edwards, who is based at the Palmerston North campus and can be contacted on (

Although there is considerable material available on what qualities constitute an effective leader in the private sector, there is limited information available on leadership in the public sector, and I am unaware of any specific research on values-based leadership as it applies to the polytechnic sector. One of the main aims of the project is to develop a model that will define the qualities and characteristics of values-based leadership and demonstrate how this can work in the polytechnic environment.

Because of your involvement at senior management level, it is important to elicit your insights and responses on the subject of values-based leadership in order to analyse and compare existing leadership practices and current leadership theories. From my

perspective, as the sole researcher, interviewing participants should extract vital information for the project and add greatly to a theoretical, practical and referential base.

To give you an idea of the research timeframe, I am hoping to begin the interview process in late April or early May. In terms of your time commitment, the interview will last from 45 minutes to an hour and if you agree, it will be tape-recorded. It may also be appropriate to have a follow-up interview to ensure the reliability and validity of the transcriptions. The follow-up interview would take approximately the same amount of time. All the interview data will be transcribed by me in the strictest confidence and held in a locked filing cabinet in my home office. Once the research is completed, all data will be destroyed.

If you agree to take part in the research project, you have the right to:

- refuse to answer any particular question and to withdraw from the study at any time
- ask any further questions about the study that occur to you during your participation
- provide information on the understanding that it is completely confidential to the researcher. All information is collected anonymously and it will not be possible to identify you in any reports that are prepared from the study
- be given access to a summary of the findings from the study when it is concluded
- ***agree / not agree to the interview being taped***
- ***have the audio tape returned, destroyed or archived***

During the next fortnight I will be in touch with you to see if you are still willing to participate and if you do agree, we can arrange a time, date and place for the interview.

If you have any questions or wish further information, please contact me by phone, fax or email.

Yours sincerely

Diana C Mead
Professional Development Services
Master of Educational Administration Student

Appendix D

Massey University Letterhead

Values-Based Leadership in a Learning Organization: Possibility or Pipedream?

Consent Form

I have read the letter containing the information for this study and have had the details of the study explained to me. My questions about the study have been answered to my satisfaction, and I understand that I may ask further questions at any time.

I also understand that I am free to withdraw from the study at any time, or to decline to answer any particular questions in the study. I agree to provide information to the researcher on the understanding that it is completely confidential.

I wish to participate in this study under the conditions set out in the information letter.

I agree / do not agree to the interview being taped.

Signed:

_____

Name:

_____

Date:

_____

Appendix E

Thesis Interview Questions

1. What is your understanding of a learning organization and values-based leadership?

2. What do you see as some of the main advantages to values-based leadership in your organization? Any disadvantages?

3. How important is the role of senior management, particularly the CEO/ Principal/ Director, in relation to values-based leadership in a learning organization?

4. How workable is values-based leadership in your current position?

5. How would you go about changing the culture if it did not embrace the tenets of a learning organization and values-based leadership?

6. In your career/ life, what events or people have most significantly influenced your philosophy on leadership?

Appendix F

Participant 1 –

Question 6: In your career/life, what events or people have most significantly shaped or influenced your philosophy on leadership?

I have to say people rather than events and it's the, the people that have come into my life at critical stages and either (Can I answer that yet?) *(D. Heavens yes, I'm just adding a note here - I thought that events probably did entail people but I'm, I'm just going to add "people" to the question)* humm, and in terms of leadership I don't think I had any aspirations for leadership for many years, it wasn't really an issue for me.

Um, the first person that I guess was a significant (vocalised smile) person or event would be B because he was in charge of the [...] area when I came to the Polytechnic but he took a personal interest and I got involved in things that I'd never been interested in before or whatever - I'm talking accounting and studying in an area that was totally different from my discipline and I guess what he picked up at that place as well, I mean he took on a leadership role and he's still highly regarded, I mean it must be 10 years since he left, at least. But he's still highly regarded by both the [...] in [...] and a number of people because of what he did to, to get people on the path, I mean he, now that would be one of them. But he also was the sort of person who lived it - you know - there's your values-based.

Ah, he was totally true to his principles and I think that cost him a great deal many, many times and um, so he would be the first one. Then (pause) I think you would come in at some point, to, to be frank because my, I think I was pretty cynical about leadership ah back in the early '80's and so on. [Confidential]

There was a mismatch, I guess, between values and action there – in the organization and I just had no time for so many of the sort of ridiculous um situations that we found ourselves in so I avoided being in a leadership situation because I felt once you get close to that you're kind of tainted by it. And you nobly stepped in the breach there and became the, I can't remember if was Course Supervisor or whatever we called it in those days and that wasn't a problem - I would do anything for someone I respected and so that, that was quite easy.

[Confidential]

But then later on um, when the whole leadership of the Polytechnic changed and, and Pat came, that was like a crystallisation of so much because for the very first time I think everybody in the organization was important. We'd been told that for many years but there'd been a lot of... (end of tape, word lost). But when Pat came, I mean I still remember having hope before she came even, partly that she was female which ah I hadn't seen an effective female leader in the organization before, they didn't get a lot of encouragement I guess (tape stopped for a minute) humm, but the increase in the number of woman managers was astonishing during that

time so she was obviously walking the talk if you like and people were prepared to get involved in stuff, but she achieved something I've not seen in anybody else in my, my career and that is the ability to have a very intense personal relationship with a huge number of people both inside and outside the organization and it was the little notes of support, it was the messages of, on the phone or email or whatever and it was very, very genuine. She believed in people and I think she would probably be the, the most significant influencer of all because she had the ability, both in a maths and in a writing sense I, I feel *(D. Uh huh)* and you trusted her totally and I remember talking to her just a month or so before she died and it was when I'd made the decision to ah do a doctorate and she was quite, ah, she was pleased for me but she was also, she expressed a feeling of envy about how lucky I was, I guess it, she was looking at someone ten years younger, she was looking at how she might have, you know, this is something she might have been interested in at one stage and um it wasn't hard to feel close to Pat and, and so I think she was everything that JB was writing about as well, the whole, every dimension was there.

And I guess the other one, in terms of leadership would be Mary (tape stopped briefly for phone call) because Mary was the person I'd vaguely heard of and she was so immediately supportive of me taking up the um, the doctoral study and she became my Supervisor and has been a friend and a supporter all of that time. Umm and the I guess there it is the event for

you because the decision to go ahead with the doctorate was significant and I can see now that there are doors opening, there are opportunities that weren't there in quite the same way before and in terms of leadership I can see a niche there between the academic side and management side and the doctorate enables you to have confidence in yourself, (we talked about self-doubts at the beginning) in order to go on and become that um leader.

I mean, I guess I don't at this stage have any aspirations to lead an organization - I mean that's not an issue. I mean I'd reached as far as I wanted to go some years ago when I was a Senior Tutor but there are aspects of being a leader that I really enjoy if I can do it in a way I enjoy which isn't leading from the front, leading, being a big noise in the press and whatever, but being able to support people if that's recognised and I mean I and this research seems to indicate that it is, then that's the sort of leader I feel comfortable with. *(D. Uh, huh)* That you're aware of your frailties but you, you push ahead but you get people with you where you're wanting to go - you don't get there in isolation or achieve and say look at what the organization's done because you have achieved it personally. *(D.Right)* And I guess as for looking back, was one of the reasons [...] was a significant event for me, because we were going somewhere and now I see them as, from what I hear about them and what they say to me is that they don't feel they're going anywhere at the moment because there's a different leadership style and people don't feel they can buy into that and

perhaps that will change and there will be a new way that evolves, but I think it's very, very difficult if the person in charge doesn't have the support and respect of the people around him. Ummm and that, that's probably about it. *(D. thank you)*.

Appendix F

Participant 2 -

Question 1: What is your understanding of a learning organization and values-based leadership?

Well, I've made one or two notes on the, ah, questions that you've given me. Ah, if we do take it from the top, my understanding of a learning organization and values-based leadership um, I guess that my understanding is, is based around ah, the things that we did in the MEd Admin. course um with, with Serg., Sergiovanni um and some things that I've been involved in looking at with Peter Senge, OK? So um to me the, the whole thing is tied together with an understanding that organizations are no longer structures where you have a top dog and a whole lot of minions. Organizations are, are communities of people and that um within that community um people are bound together by um a values system that has some meaning for them and part of that values system um you, you develop a shared values, a common belief system and that with that common belief system um you're then going to be able to achieve absolutely wonderful ends. So, so that, that, that's my sort of understanding um about it. I, in my head I liken it to an effective family relationship, um where there's, where there's growth and, and development going on all of the time. I see um a learning organization as

being one that is constantly growing and I don't mean one necessarily growing in size and dollar value. What, I mean growing in experience and understanding and um I think that with experience and understanding you develop freedom and innovation. So I see that sort of spiral sort of growth going on and with my work in Quality Assurance I see um, just a complete link there, that you're not going to get any quality improvement unless you do have this cyclical sharing and growth going on.

Um, and the values-based leadership, um I always liked Sergiovanni's "heart, head and hand" of leadership, I that, that appealed to me enormously and when I did my assignments for the MEd Administration I used that quite a bit um when I looked, there were a couple of assignments we did um on leadership, and there was one I applied in ah performance appraisal I think it was and, and staff development and another one I did on induction processes and I looked at the heart, head and hand of leadership in, in all of those. Um but to me a good leader and there I'm putting a value on (laugh), to me a good leader is, is one who recognizes the group culture, um who has some ah strong values about humanity and um about what is right and what is fair and equitable and all those sorts of things and a person doesn't just talk about those sorts of things. To me a good leader actually puts those into practice and to use the old jargon, they walk the talk. Um so I think the other thing I'd link it into is the old um, I think, think from memory, I grew up in a Presbyterian

family, we talked about the golden rule of "do unto others as you would have done unto yourself" and to me, that's what values-based leadership is, is all about. You don't go asking your team members to do anything that you would not be prepared to do yourself. If I were to prefer to do the dirty work and let them take the kudos, is, is the way I would see things. *(D. The leader-follower, follower-leader)* Yes, absolutely, yeah, yeah. When I was asked to do this job that I'm doing just at the moment, someone said to me um, they said, you know they could see me as the leader and I said, oh no, they said oh you're the top-dog, you're the top dog, I can see all the controls and I, I just immediately gestured to this person and said oh no, I'm not one of these, I'm one of these (much laughter from J&D) indicating ... the person misinterpreted my gesture but I was, I was meaning I prefer to lead from behind. (Laughter again from J&D) I prefer to give the encouragement and the coaching and those sorts of things.

(D. Really developmental) Humm, humm, absolutely.

Appendix F

Participant 3 -

Question 3/4 - How important is the role of senior management, particularly the CEO/Principal/Director, in relation to values-based leadership in the learning organisation?
How workable is values-based leadership in your current position?

Well the role of CE is key, I mean I um, I think you've got in any organisation you've got two key leaders, one of whom is your CE and the other one is your Chairman or whatever of the Board or whatever it might be. Um, you can have one of those be weak, weaker than the other and still be a good organisation, you can never have both of those being weak. If, if you have a choice as to which should be weak, make it the Chairman not the CE! All right, so that's what I would say. You must have a good CE because the CE has a key role in leadership in the Board, whether that's the way it's meant to be, but they, because they provide advice to the Board, ah, the Council or whatever, and they, they undertake the implementation and now if that advice is faulty, then the board faults, so it's, it's absolutely a key role. But there is also a responsibility of the CEO, the Principal or the Director or whomever to in fact, also engender leadership throughout their organisation and I mean in a way I often think it's an incredibly difficult role because you're, you're a bit like the conduit for almost everything, you know you're, you're a key interactor with the

customer, you're a key interactor with all the stakeholders you take an organisation like this, I mean the stakeholders or [...] is you know, we've got a population to deal with of [...] who are all customers so, I mean, you've actually got probably the biggest interaction of almost any organisation in the country apart from some of the - yes, you probably have apart from say public health.

(D. And a more sophisticated probably.)

Yeah, so I mean, so, so you know you're right in the, in the, I often think you're in the sort of syphon point you know you're the point at, a conduit if you like through which so much of that stuff needs to go - just key. But you, but to make it work, particularly something this size, you've actually got to have a whole network of others who actually take that responsibility - there's no way you'd hold it together if you try and do it all yourself. So you've gotta actually train, nurture, mentor and build up that responsibility and that, that ability, those skills to,in fact, do those same things, lead, um co-ordinate, facilitate, and such, right throughout your senior management team and right throughout your organisation and throughout your Council, so we train our Council in strategic planning, we're interacting, we're doing a lot more interactive types of work than they ever did before. While they have a governance role and we have a management role, we do a lot of things <u>together</u> because we, because I see that they're interlinked, you can't separate them out. Yeah, so we

have working groups that are working on business units and so on who involve some Councillors and some managers and some staff.

(D. Do you have outside facilitators or do you do it?)

I do a lot of facilitating - we do have some outside facilitators and we use those occasionally I've, I've always been inclined to actually facilitate things in large part myself with the Council just because you know we both know what we're about and, and we're really not trying to pull grand things out of the air and I mean we're really just trying to build on what we've got and so on. I often think outside facilitators are good when people are at, you know, widely disparate viewpoints but hopefully if you're working well together you're not - so um, you know, you can still stimulate mention of (?) and so on but um working together. But, but we're using an outside facilitator, we're using an outside trainer on Monday for a strategic planning, we'll see how that goes. But, I'll do the facilitation on Wednesday when we're actually doing the visioning stuff. So I mean, *(D.But that's ideally placed for you as the CE really, as the visionary)* Yes, well I mean yes, in getting their input into that. Um, one of the things I do that probably other CE's don't do particularly in local bodies is that and I didn't use to do it up North, I do here, um but I have an hour with my Council every month to talk management with them. I tell them what I'm doing right throughout the organisation, where I'm going, yeah, um and that's all about building trust too so that they don't get any nasty surprises like a big redundancy bill. So I mean, but that's all

about, ah, so we're quite close, I mean you actually have to develop that relationship and I think the hardest thing about this is knowing what's involved, you're building relationships while you're trying to deal with outside issues that the organisation is dealing with while you're trying to deal with change, while you're trying to deal with people issues and so on and I mean it gets better over time.

Appendix F

Participant 4 -

Question 5: How would you go about changing the culture if it did not embrace the tenets of a learning organisation and values-based leadership?

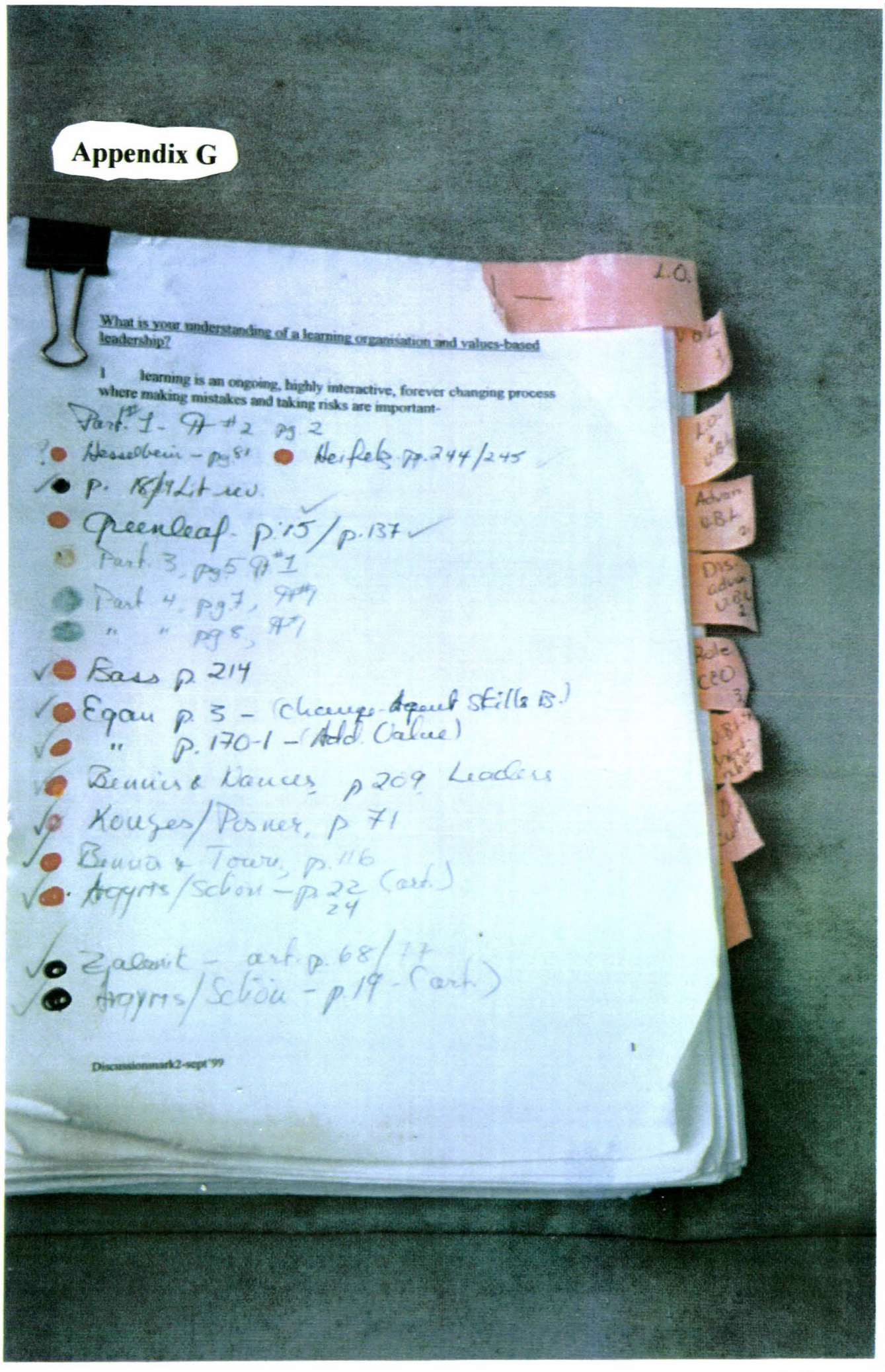
Ah I think it just has to be, you have to take the basis that fear is the great resistance to change and so you have to work at what, what people are afraid of and once you've identified that, with them, and that has to be over time, you have to, to some extent put your time line on one side and go at the client's pace. I mean, it takes me back to my client-centred therapy sort of days but to an extent it's very similar to that. I mean clearly as a leader you will have a deadline and that will be driving you but you have to have some flexibility I think, to work at the people's pace as well. Because you've got to build the building blocks, but you've gotta unwrap the fear first, figure what, you know, what that's all about and from that you build. You can't do it any other, my, my view, it's how you go with it. Um, and you have to build the successes in very early on, so you have to, you know, you have to, any change it's really the same exercise you've got to put in little pockets of success that people have very early on in the piece, and say oh, you know there's something in this, and hey didn't I feel good because that all went quite well and didn't we do well. And then celebrate the success and make the success their own.

Don't have the arrogance that you then think that you're at the helm changing all these people which is not going to go very, it's not going to be very lasting put it that way. People talk about buy-ins and again you can't talk about it, you've gotta have it if you're going to make a fundamental shift and change. And there has to be something in it for them. *(D. Humm, Yes)* And, and you know, you, and I say you need to check before you embark upon it that what you're going, the road you're going down is right for those individuals and probably as I get older, I am, it would be much harder on assessing whether some of the people who we've got on board are going to stay on board or whether we would be better off to say at the beginning of the process, maybe it's time to part the ways. *(D. So in, in your assessment of, on a cultural basis do you do this, you know, you're looking at the situation all the time to see how it's all melding together.)* Yeah, because we're constantly bringing in fee-for-service people to work with us, so if you like we're in a constant, constant state of hiring and firing, really. Contracted topic leaders if you like so, really it is a hiring and whatever process and a lot of that is around values. I mean, do you, you know, do your values fit the things that we, that we espouse, that we do, that we're able to deliver on, that we say we will deliver on in our brochures, that we say we will deliver on when we visit our people, that when our people come to our programmes their expectations have been set. I mean all of that I'm trying to get a fit and you know, we give people a couple of goes usually, particularly if they're

highly technical and we want their technical expertise but if the other stuff doesn't sit then I mean, for my money we, and, do regularly, um let people go or don't repeat them. So technically they may be superb but if their, their value doesn't fit with the way, with what we're trying to achieve then it's not going to work. *(D.'s reflections and reference to the evaluation process and the whole quality issue on the Advanced Management Forum 14, 1992)* Uh huh, uh huh, well, that's a value that we have. It's fundamental to us, um, now that's expanded a great deal since your experience with us because we've taken that value of quality now to the point where we see it um incredibly important that we have the right people on the programme as well because once upon a time like many organisation quality was something we put in at the end, if you like, sort of the um, what's it called, quality (assurance ?), we check for quality but now we build it in, you know, that sort of continuous improvement stuff. But yeah, and we see part of the quality partnership are the qualities of the course participants, the quality of what we do, the quality of the topic leader, the content curriculum and so on. And it's all, that's all a value thing. And you know, we cannot deliver a quality programme if the wrong person is on the, on the wrong programme. And they are just as big a partner in that as we are, in fact, they're probably bigger. In fact, I think it's about eighty to twenty, I'll be perfectly honest, Pareto is alive and well in that one as well, um, it might not be quite as much as that but it's certainly a huge component of what we do. And that's, so, we spend

next week, I'm spending nearly the whole week with people who are coming on programmes for the rest of the year, just making sure that we, are, but well, finding out what their objectives are for coming and making sure that they'll be able to achieve those and there is fit. So, that's, it's hard work. Um, but interestingly at the end of the day we have a much higher success rate. (*D. Oh, for sure.)* So we don't get people drifting off the programmes that they've signed up for in June and don't come until November because we've established some relationship with them, ah, we are much clearer and we write a report about each person we see so the Course Director has that so she's much clearer about what people are there to achieve, we know a bit about them and their value set, that's really helpful. And at the end of the day, we have a more positive outcome, so it fits with my view that if your values are right you'll make money out of it. Because at the end of the day we do, because we make money by the person not pulling out because we've built the relationship with them, they're excited, they're involved, they feel part of it, um, so we don't lose a candidate. We make money because they may well go back to their organisation a happier person and we get repeat business. We make money, not dollars, but we make money, simply because of the good experience they have, which is part of our currency. It's a win/win.

Appendix G


L.O.
What is your understanding of a learning organisation and values-based leadership?
1 learning is an ongoing, highly interactive, forever changing process where making mistakes and taking risks are important-
Part 1 - A #2 pg 2
Hesselbein - pg 81
Heifetz pp. 244/245
p. 18/19 Lit rev.
Greenleaf - p. 15 / p. 137
Part 3, pg 5 A 1
Part 4, pg 7, A 7
" " pg 5, A 1
Bass p. 214
Egan p. 3 - (change - Agent Stills B.)
" p. 170-1 - (Add. Value)
Bennis & Nanus, p 209 Leaders
Kouzes/Posner, p 71
Bruce & Tour, p. 116
Hoyrns/Schon - p 22 24 (art.)
Zaleznik - art. p. 68/77
Hoyrns/Schon - p 19 - (art.)
Discussionmark2-sept'99
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Appendix H

LEADERSHIP IN A POLYTECHNIC

I value people. I believe in the worth of each person. This was the reason I entered Education, initially as a teacher of 13-17 year olds, and later as a manager in Polytechnics.

My aim as a leader in Polytechnic education is to provide quality educational opportunities at tertiary level for the people of this region. Some programmes will cater primarily for school-leavers; others will provide for second-chance learning. I wish to encourage life-long learning, as well as develop in students an ability to analyse and learn from life's experiences.

The leadership style I choose to use is consultative, to the extent this is possible. My staff understand this as a CDE style:

- *Consult*
- *Decide*
- *Explain*

The degree to which consultation takes place is in direct relationship to the importance of the issue and the time frame available. I see the Polytechnic benefits from this style:

- Fuller participation and involvement by staff brings about commitment and ownership of direction, decisions and a willingness, in fact desire, to implement change and make policies work.

- A breadth of expertise and experience is available; joint decisions are often more creative. No one person is a repository of total wisdom.

- An interchange of ideas means decisions are more likely to take account of the wider ramifications, within and beyond the Polytechnic, than if entrusted to one or two people.

- The processes are open and known.

At the same time I am aware that a consultative approach can be slow, as well as costly. External pressures often mean it is not feasible.

My role is to establish a focus on quality issues. This is an essential platform for the Polytechnic, if we are to survive in an increasingly competitive user-pays environment, where the consumer (the student) is willing to seek a value-for-money education. I am thus an agent for change.

As a Polytechnic, we need quality programmes, quality education processes of teaching and learning, quality staff, quality buildings, facilities and equipment, quality systems and review processes, adequate financial resources. It is clear that staff education and professional development activities are a key to well-motivated adaptable staff. I have a strong personal commitment to providing opportunities for staff to upgrade knowledge, skills and attitudes in order to better provide quality education.

Education is a business (unfortunately it can no longer be termed a collective 'social good'); a business that is on the move. As a chief executive, I need to balance the many competing claims against finance against the priority goals.

Education is also a dynamic process, not free from political influence. In recent years, structural changes to the education system have been ongoing, significant, costly and subject to further change. The issues faced by this Polytechnic faces the development of:

- *a philosophy of quality*
- *strategic plans*
- *appropriate adult learning approaches*
- *systems for financial and non-financial information*
- *ways of meeting educational expectations of rural communities.*

I endeavour to lead by example. This involves thorough preparation and background reading, rigorous analysis of the issues and their effect on this Polytechnic (which will be different from those in metropolitan centres), encouraging staff to understand and grapple with issues, strategic planning, seeking creative solutions, acquiring sufficient resources to enable staff and student satisfaction. At all times I work within the guidelines set in the Polytechnic Charter. I am enjoying the challenge.

PAT IRVING (MAY 1992)