

Developing the child
care workforce:
Understanding 'fight' or
'flight' amongst workers

WORKPLACE RESEARCH CENTRE
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The views and opinions expressed in this document are those of the author/project team
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About the research



Developing the child care workforce: Understanding 'fight' or 'flight' amongst workers

Tanya Bretherton, Workplace Research Centre, University of Sydney

Higher qualifications in the early childhood education and care workforce are a central focus of new policy developed by the Council of Australian Governments. With new staffing requirements for early childhood education and care to be implemented through the National Quality Framework by 2014, it is timely to look at how child care providers develop their workforce.

The sector has traditionally been a low skill–low pay environment. Despite the challenges faced by the sector, some employers have employed successful strategies to develop the skills of the workforce. Based on case studies of four early childhood education and care providers, this report investigates how particular employers are overcoming the low skill–low-pay challenges in the industry to improve workforce development.

Key messages

- Employers in this study are attempting to combat staff turnover—seen as a universal challenge for the sector—through careful recruitment and skill development. Two different recruitment strategies have been used:
 - the recruitment of higher skilled staff
 - the recruitment of less skilled staff, based on profiling characteristics rather than qualifications, followed by training.
- Employers argue that workers in the sector must develop a skill set which offers an understanding of both care and education. These skills are currently gained through two different career paths, with carers trained through the vocational education and training (VET) sector and teachers trained through higher education, and it is doubtful whether these two career streams could be merged.

Any move to higher skill levels in the child care industry must impact on the economic structure of the industry. Higher skills inevitably mean increased wages, which must be met through fees or government subsidy.

Readers are directed to a research overview developed from this report, *Workforce development in early childhood education and care*.

Tom Karmel
Managing Director, NCVER

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Executive summary

The early childhood education and care sector¹ in Australia is undergoing a shift in philosophy. Changes in policy are driving the industry towards a combined early childhood education and care focus, away from one only on child care. This move has implications for the skilling of the child care workforce.

This report examines workforce development strategies in the early childhood education and care sector and identifies the factors that affect the development of skills. The report explores how broad policy environments and local labour market challenges shape and influence employer choices about the development and use of labour. This research was guided by the following questions:

- ✧ What are the key features for best practice workforce development in the child care sector?
- ✧ What are the key challenges for employers in deploying labour in the child care sector?
- ✧ How have best practice operators managed to achieve what others cannot, given the inherent challenges and underlying operational dilemmas created by low-cost environments?
- ✧ What are employers' views of engagement with the vocational education and training (VET) system, and what role, if any, has VET played in maximising productivity and quality?
- ✧ What are the possible consequences of a best practice approach adopted on a sector-wide basis?

Quality child care systems

The Organisation for Economic Co-operation and Development (OECD) identifies a mix of indicators for quality child care (Roseveare & Taguma 2009). High-quality systems have a number of core components including: substantial public investment; public funding to develop and revise quality standards; good working conditions for staff, with opportunities for professional development; favourable child–adult ratios; and partnerships with community and parents.

The literature suggests that another indicator of quality is the level of amalgamation between care and education activities. Some systems are based on high levels of integration between these activities. In these systems (common in the Nordic region), education and care are not seen as distinct activities, but are delivered by workers qualified in both fields, and typically in one facility. Other systems (for example, the United States) operate on a distinct separation between care and education, in which children attend 'care' facilities in the early years to receive care from care workers, but then transfer to different facilities to access 'learning' provided by education

¹ This report uses the label of early childhood education and care to describe the child care sector, in keeping with current policy conventions and industry vernacular. However, the report at times reverts to the generic sectoral descriptor of 'child care' for ease of reading.

workers. The literature review identifies a strong correlation between those countries identified as 'high quality' child care providers, and those countries with child care systems geared towards a high level of amalgamation between education and care activities. In other words, those countries with a 'united' policy and program focus on early childhood education and care (rather than the provision of child care alone) also tend to meet the OECD standards for high-quality providers.

The Australian system

The Australian child care sector has been characterised by low funding levels, poorly defined and fragmented notions of customer need, weak professional advocacy, and to date, limited ability to re-define work activity in a way that explores areas for developing 'high skill' areas of work. These conditions set the scene for skill atrophy. The depth of the challenge in child care is so great that the sector has been characterised as a low skill–low pay trap.

The current policy environment in Australia, however, may offer scope for the sector to shift from a path of skill atrophy toward a path of skill growth. The federal government has dissolved the traditional policy structures attached to child care and has re-grouped education and care activities into a merged ministry. This has steered Australia towards an early childhood education and care focus, and away from a narrow child care focus. The scope for professionalisation in the sector has also been expanded by the government's initiatives. In particular, the government has made continuing licensing dependent on the presence of workers who have been specifically trained in the early childhood area (in both teaching and practitioner roles).

Workforce development in a challenging environment

Workplace case studies were conducted to investigate how innovative employers are responding to the challenges of skill atrophy in the child care sector. Four organisations, representing a cross-section of urban and rural sites and four different operational models (not for profit, commercial, government-owned, and community umbrella), were selected. In all cases, the employers identify staff turnover to be a universal challenge for the sector and argue that strategies to combat turnover and improve staff retention must be built through efforts to reshape the categories of skill on which the industry relies. Interviews with employers reveal two types of staff responses to the challenging conditions in the sector: finely honed 'fight' and 'flight' reflexes amongst workers. Turnover is high within the industry, and those employees who stay tend to maintain and fortify service quality, often at the expense of their own employment arrangements and quality of life (workers with a honed 'fight' reflex). Alternatively, the challenging working conditions and the low pay and low status associated with the work can produce a 'flight' reflex in other workers.

The employers at the heart of this study have successfully identified how turnover can be reduced by addressing the core reasons for fight or flight among workers. They have sought to counteract staff turnover through comprehensive skill development. Two different recruitment strategies have been used to achieve this. In one scenario, the employers are determined to recruit and retain only higher-skilled staff. In the other scenario, employers hire unskilled workers who conform to a narrow set of profiling characteristics, and then make a commitment to their training. In both of these scenarios, the employers are effectively narrowing the entry points to the industry by recruiting and selecting from niche labour pools. This approach has substantial implications for both the training sector and policies designed to shape and develop labour supply.

Much VET strategy is focused on creating entry points into the sector; yet the employers in this study indicate a high level of dissatisfaction with the quality of trained labour supplied through

some of these channels. If the approach used by the employers in this study anticipates the direction of sector-wide activity, the number of entry-level positions in the child care sector will shrink, rather than grow. Among the employers we interviewed, this shift had already begun.

The employers featured in this study indicate that quality outcomes in the industry must be predicated on both education and care skills, with a specific focus on early childhood needs, in order to maintain high-quality standards in the long-term. Yet, the current training frameworks do not lend themselves well to this transition. Certificates in child care have traditionally not had a strong 'educational' or pedagogical focus. Equally, the sector is generally critical of mainstream teacher training because it is argued that a strictly educationalist focus does not sufficiently prepare teachers for the working environment they will face in early childhood settings. Current policy, at the federal level, does appear to recognise the need to lift the status of work in the sector in order to provide a more stable and committed pool of workers for the industry. Government initiatives are seeking to supply the sector with 'new' forms of workers, with measures to encourage current child care workers to upgrade their skills to a diploma or advanced diploma level, at a minimum. Support has also been given to an expansion of the numbers of university places specifically in the early childhood teacher stream. It appears the federal government is steering the sector towards a higher-skill operating model, and away from the low-skill operating base that has characterised the sector in the past. However, higher skills inevitably mean higher wages, which must be met through higher fees or government subsidy. Without government subsidy, the higher costs associated with this operating model will be passed on to parents. In turn, this could have significant economic implications, as labour market participation for many parents relies on access to affordable child care.

Introduction

This report examines labour demand in child care and seeks to identify some of the impacts arising from labour-deployment strategies on skill formation in the sector. This examination is guided by a number of specific questions designed to elicit a clearer picture of the expectations and behaviours driving skill deployment at the workplace level. These questions are:

- ✧ What are the key features for best practice workforce development in the child care sector?
- ✧ What are the key challenges for employers in deploying labour in the child care sector?
- ✧ How have best practice operators managed to achieve what others cannot, given the inherent challenges and underlying operational dilemmas created by low-cost environments?
- ✧ What are employers' views of engagement with the vocational education and training system, and what role, if any, has VET played in maximising productivity and quality?
- ✧ What are the possible consequences of a best practice approach adopted on a sector-wide basis?

A qualitative methodology is used to yield insights on employer perceptions of labour. A critique of international approaches to child care underpins the analysis and illustrates the relationship between conceptual understandings of skill, institutional policy frameworks and local workplace behaviours. This report contends that understanding these relationships elucidates the key factors exerting pressure on the formation, refinement and consolidation of skill within a sector. The child care sector is undergoing significant change, and the traditional categories of skill are being challenged by both employers and employees. Innovative approaches to workforce development are examined to demonstrate how sustainable workforce development models might be implemented within the sector, and to identify possible policy structures sympathetic to their formation.

Background

This report forms part of a three-year research program on workforce development and the role of VET in the development of labour, and ultimately the deployment of labour. The first report in this series identifies four domains of activity important to workforce development: the service or product of interest; the context of skill deployment; labour supply; and the provision of training services. The second domain of activity is addressed within this report (on the child care sector) and a companion report (on meat processing). These two sectors were chosen as suitable case study sectors for a range of reasons: both sectors have represented important entry-level labour market entry points for low or unskilled labour; both have relied on VET training to sustain the skill base of the industry; and one industry is heavily male-dominated, while the other is female-dominated. Both of these case study reports consider the issues of skill deployment and perceptions of VET mediated through employer and employee experience at the sectoral level. The third and fourth domains will be addressed by work undertaken in 2010 which explores wider issues of labour supply, labour market entry points for job seekers, and the role that VET might play in these transitions.

Definitional scope of the report

At this point in time, there is no policy or industry consensus on which activities should be defined as early childhood education and care. Some argue that the ‘early childhood’ label is exclusive, and should be applied to only a narrow set of care and education philosophies (UNESCO 2002). Others use the label more generically, to describe the wide spectrum of activity servicing the early childhood years (including health, social and community support, education and care) in both the formal and informal sectors. In the case of Australia, the label of early childhood education and care must be applied in an inclusive way, one which captures a broad spectrum of activity. Early childhood care and education services in Australia are delivered in a wide variety of settings (long day care, kindergarten, pre-schools, occasional care) and using a variety of economic models (private, public or not for profit). For the purposes of this report, early childhood education and care activity in Australia is considered to include child care and education services catering to the 0–6 years age group which occurs in formal settings. It is for this reason that the report uses the label of early childhood education and care to describe the child care sector, in keeping with current policy conventions and industry vernacular. However, the report at times reverts to the generic sectoral descriptor of ‘child care’ for ease of reading. Family day care has not been included in the scope of the study, because of the unique operating, funding and licensing environments that are typically associated with its delivery.

The way in which child care activity is defined (both at the macro and micro levels) shapes the value assigned to skills currently held and the areas identified as prospective for skill growth. This is illustrated most clearly by looking at the breadth and form of paid child care activity overseas. This report contends that, in considering questions of workforce development, it is most useful to consider child care activity on a conceptual spectrum. This spectrum of activity ranges from high conceptual amalgamation at one end, to low amalgamation (also known as high separatism) at the other. We argue that understanding the degree of conceptual separation or amalgamation associated with child care activity offers the most useful insights to discussions pertaining to productivity and sustainable workforce development.

Understanding quality in child care: Identifying international benchmarks

Before identifying some key benchmarks for quality, it is important to understand the policy and system terrain of child care. Figure 1 represents a distilled account of some key international studies on formal child care systems. A range of countries which have been considered by international studies are placed on the spectrum², with arrows indicating both the direction and degree of acceleration associated with current policy reform. As the figure notes, Nordic approaches to formal child care are premised on highly amalgamated notions of education and care activity. In particular, Finland, Sweden, Norway and Denmark all operate on this model (Miller 2008, p.256). Highly amalgamated child care systems are premised on the notion that care and education are both critically important to emotional, behavioural and intellectual development in the early years of life (0–6 years in some societies, and 0–8 years in others). While superficially this appears to be a well-accepted notion in most societies, highly amalgamated child care systems argue that education and school readiness should not usurp or dominate the focus of institutional activity in the early childhood years. This stands in contrast to ‘care’ focused systems, which will rally activity around ‘safe and happy’ children but often bring less behavioural or theoretical meaning to the understanding of child behaviour. In child care settings, programs focused on ‘learning’ also tend to be geared towards ‘school readiness’ and education, not support and development of the ‘whole child’. Amalgamated models argue that ‘care’ skills among workers must be continually refined in order to enhance emotional security and independent development in children. These systems operate on a number of common features including: a unified model (all children of pre-school age (0–6 years) are enrolled in a single structure); a common qualification and salary scale for staff in these environments (regardless of the age of children for whom they are responsible) and delivery is contextualised in a ‘rights’ based access model, which entitles children to access services free (Eurydice Network 2009)³. For this reason, the direction of these models is positioned with an arrow pointing towards even greater conceptual amalgamation.

² This is, of course, not a definitive list of all country studies, but rather the countries included are identified as being representative examples of these models.

³ The age at which free entitlement occurs may vary from country to country (in Finland, Sweden, Norway, and Slovenia it is from one year; elsewhere it tends to occur before this age). (Eurydice Network 2009). Though these countries are not the only ones that operate on a universal rights of access (e.g. Spain), these countries meet multiple criteria in terms of quality provision.

Figure 1 Early childhood education and care continuum of conceptual amalgamation



Sources: OECD (2006a, 2006b, 2006c); Friendly (2004); Adamson (2008); Mooney et al. (2003).

At the other end of the conceptual spectrum are systems premised on low levels of amalgamation between care and education activities. The United States and Canada in particular are named by the OECD as maintaining highly separatist structures. While the Nordic countries could be said to offer the highest form of policy direction (universal care) and unified conceptions of skill (pedagogy), US and Canada offer neither. As Friendly notes, in systems where there is neither regulation, nor direction, a proliferation of providers with fragmented focus will result (2004). The US⁴ and Canadian systems of child care have been described as operating on ‘fragmented perceptions of the child’ (Friendly 2004). Institutional child care in both nations is largely unregulated, particularly in the early years, yet both nations have committed significant funds to supporting child care services (Adamson 2008). Quality of care is difficult to measure (OECD 2006a; UNESCO 2002), and levels of regulation associated with many forms of care are low. The reliance on parent fees (in some cases with subsidies necessary to facilitate access) also mean that there are equity issues in access. In the US particularly, the weak welfare state means there is low level of regulation of services across the board, with some places defined as providing ‘care’ and others ‘education’. Researchers note a shortage of places for both care and education in the preschool years and it is well noted that ‘the process of establishing a coherent, sustained system of early childhood education and care has not even begun’ (Friendly 2004, p.121), and the network of programs have been described as a ‘hodgepodge’ (Friendly 2004, p.113). Historically, policy goals associated with child care activity in Canada have been asserted within the labour market policy frameworks, in particular, the need to lift labour market participation rates (Ontario Ministry of Children and Youth Services 2008), but the form and value of child care services themselves remain an underdeveloped area of policy. For this reason, these systems are pointing towards continued separatism (see figure 1), because research indicates that few steps are being taken to unite the systems around more amalgamated forms of care and education service (OECD 2006a).

As figure 1 shows, systems such as Australia and the United Kingdom are positioned towards the middle of the spectrum, and are described as ‘mixed’ models. The ‘mixed’ model operates in much of Europe (and up until very recently the UK) and separates the provision of child care broadly into two groups of children (0–3years) and (3–6 years). In these systems, there is much blurring between care and education services, but with less separatist tendencies than those exhibited in the US, for example. A few places (namely Denmark, Greece, Lithuania, Spain and Cyprus, and most recently the UK, with community family centres) operate on some form of a mixed model (OECD 2006a). In the UK, recent policy initiatives which have focused on merging care and education services and the campaign of the ‘early years’ movement by industry advocates have begun to eliminate the separation between education and care activities in the early childhood years (Miller 2008; OECD 2006a, 2006b). In Australia, historically at least, ‘care’ activity has been the concern of the 0–2 years age group, and with some presence among 3–5 years age groups. In the 3–6 years age group a shift occurs, with more services gearing towards school readiness and therefore focusing on ‘education’ activity. Australia can be separated from the experience of the US and Canada, however, as there are more formal supports in place to regulate the quality of activity occurring in both sectors, and the merging of education and care has been named as a primary goal of child care policy in recent federal government policy announcements. As an initial step, the policy context for child care has now changed. Early childhood education and care is now a ‘merged’ portfolio, maintained within a common ministry. In program terms, the government’s strategy is designed to shift the profile of the sector away from an exclusively child care focus, towards a mixed-skill profile, comprising both a child care and education focus, with a focus on a broad ‘lifting’ of the skill profile across the sector. More

⁴ The US operates on a highly decentralised operational model, with different states implementing a range of different measures pertaining to care and education in the early years. This analysis relies on the OECD analysis of the US approach, supplemented by other US research. The OECD research used the test cases of Ohio, Colorado to make observations about the US experience.

than \$60 million has been committed to support the existing child care workforce to lift their qualification level by removing TAFE fees associated with diplomas and advanced diplomas. Almost \$54 million has been dedicated to the creation of teaching places, with an exclusive early childhood focus.

In addition, the federal government is also seeking to establish a higher baseline qualification level for the sector. By 2014, every long day care centre and preschool will need to have a qualified early childhood teacher on staff. Further to this, the quality standards require that this staff member will be on duty during the day (either all or some of the time, depending on the numbers of children being serviced by the organisation). Within long day care and preschool settings, a minimum half of all staff will need to be at least diploma-level trained. The remaining staff will require certificate III level training, at a minimum.

The link between high-quality outcomes for children and degree of conceptual amalgamation

The OECD is forthright in its contention that amalgamated or ‘merged’ child care systems tend to produce better-quality outcomes for children (OECD 2001, 2006a). The OECD identifies a mix of input, program and process features as indicative of a ‘high quality’ system. High-quality systems have a number of core components, including substantial public investment; public funding to develop and revise quality standards; good working conditions for staff with opportunities for professional development; favourable child–adult ratios; and partnerships with community and parents. While diversity in cultural setting and care philosophy can also deeply impact on the quality of service and activity undertaken, nevertheless, researchers identify that amalgamated models offer greater potential for quality delivery (Centre for Excellence and Outcomes in Children and Young People’s Services 2008; Moss 2006; Penn et al. 2004; Sylva et al. 2004; Bertram et al. 2002).

Why does high conceptual amalgamation mean high quality?

‘Merged’ child care systems tend to produce better outcomes for children because these systems typically provide higher per capita funding levels and a high level of sovereignty and coordination in child care policy formation. As it stands there is currently no coordinated statistical approach to capturing the volume of dollars spent, nor the proportion spent by whom and for what services (OECD 2006; Moss 2006). Part of the comparative difficulty stems from the different subsidy systems in operation. Across nations, the greatest proportion of public investment in child care activity has been channelled into pre-school education, targeting children aged three years to school age. Child care which targets younger age groups generally falls within two main funding models. Across the English-speaking OECD nations (UK, US and Australia) demand-side mechanisms (for example, tax subsidies for users) are most common (Grun 2008). In the Nordic nations, supply-side mechanisms are the norm (Grun 2008; OECD 2006a). Although the challenges to understanding the movement, flow and magnitude of funding through the child care sector are well documented (Mooney et al. 2003), comparative research has managed to draw some conclusions. Firstly, where policy is based on fragmented notions of both the ‘child’ and ‘service to the child’, this usually results in a poorly coordinated and poorly funded system overall (Mooney et al. 2003). Secondly, where education and care are both emphasised as critical parts of the childhood experience in its entirety, policies and administrative systems tend to respond in a more coordinated and directed way (OECD 2006a). Thirdly, amalgamated child care systems tend to recognise deep links between a high-quality outcome and quality *of* service. Therefore the biggest child care spenders are the Nordic nations, which commit more funding per capita to both service delivery and development of the child care workforce.

The extensive body of literature that has emerged on child care systems points to the need for government investment to ensure that quality is sustained. Work by the United Nations Committee on the Rights of the Child (2004), the OECD agenda (2001, 2006a) and the European Union (Blackburn 2006) all note the need for high levels of (directed) public investment to sustain child care development. Most child care systems are described as operating in a 'depleted' environment (with the exception of some Nordic countries). Mooney et al. (2003) note that public expenditure on child care is highest in Nordic countries, with the bulk of the European countries in the mid range, and lowest in the UK, US and Australia. As part of its cross-country analysis, the OECD recommended that most countries need to double their annual investment per child in order to ensure that acceptable and safe child–staff ratios operate in the sector (OECD 2006a, p.17). Accepting difficulties with regard to comparison, the OECD singles out Australia as the lowest investor in child care across all of the OECD countries (OECD 2006a).

What are the implications of high conceptual amalgamation for workforce development?

Although funding is identified by the OECD as critical to quality provision in child care, other factors are clearly also important in shaping quality. Indeed the most highly resourced systems can be poorly designed (Grun 2008). In order to understand the form of service emerging from child care systems, analysis must address the policy 'space' in which the sector exists. As Rigby, Tarrant and Neuman (2007, p.100) note, when early childhood education and care sectors emerge from, and remain dominated by 'care' services, this inevitably remains a 'confined policy space'.

Highly amalgamated systems require, by design, more highly qualified workers. These design elements are both implicit and explicit. Highly amalgamated forms of child care implicitly require a higher level of training amongst staff because access to care and education services is predicated on the 'right' or entitlement of the child to access a high-quality and well-rounded institutional experience (OECD 2006a, p.17). However, it is also typical for these systems to explicitly require a higher level of qualification among workers as the basis for employment to the sector (OECD 2006b). The European experience shows that, in workforce development terms, a merged concept of 'care' and 'education' can expand the scope for skill development. There is a heightened expectation that 'carers' will engage with pedagogical aspects of child care work, but also that educationalists will embrace different ways of undertaking teaching. As one Swedish study described the impact of this approach on the professional identity of workers in the early childhood sector, it is about using 'a warm heart in combination with a cold brain' (Kuisma & Sandberg 2008, p.190). Overall, Nordic early child care workers are typically qualified to degree level, and have better salary and training arrangements compared with most other EU countries, where qualifications and training are, by the absence of statutory regulation, emphasised as less important aspects of delivery (OECD 2006a).

Introducing the concept of the skill ecosystem to the analysis

In order to understand the link between high conceptual amalgamation and high-quality outcomes, we introduce the notion of workforce development to the analysis. Historically, research approaches to workforce development have viewed the issue of labour supply and demand through the prism of occupational analysis. While this approach can track shifts in labour market change by identifying areas of shortage, it cannot identify the reasons underlying shifts in occupational composition and how training systems might respond to these shifts (Vujicec & Zurn 2006; Thursfield & Holden 2004). These deficiencies exist because broad-based

occupational data analysis is usually stripped of the workplace, labour market or economic context in which it has occurred. Similarly, the notion of workforce development has also been considered as the study of skill formation in the vocational education and training sector. This understanding also has no capacity to provide the contextual information necessary for understanding how and why workforces develop skills, nor why this development can occur in some areas of a sectoral labour market but not others. Rather than using a strictly 'VET' or 'occupation' focus, this report applies the notion of the skills ecosystem to bring meaning to the findings of our field work, and to better understand the interdependence of factors that work to nurture or neutralise pockets of skill within the child care sector.

The skill ecosystem is increasingly used as a reference point in studies of skill formation, yet the concept remains somewhat elusive, and can be prone to ambiguity. At this point in time, there is no universally accepted definition for the concept. The skill ecosystem is most commonly used as a descriptive tool, because it provides a way to demonstrate that skill formation is the product of a wide range of complex and interdependent factors. As a descriptive tool, the concept of a skill ecosystem is typically founded on a number of key precepts. Firstly, it acknowledges that a unique set of preconditions can contribute to the formation of a skill 'pocket' within a labour market. Finegold (1999), in his seminal study of the skill ecosystem identified four central factors important in the formation of the Silicon Valley skill ecosystem in California: a catalyst, fuel, a host and high interdependence between actors. Secondly, a skill ecosystem is used to justify broadening the analytical focus of skill formation. In other words, a 'sector' is actually an outcome, created by the actions of multiple actors (both institutional and individual) and multiple events (for example, changes in the number or profile of global competitors, increased migration, or changes in domestic social welfare policies). Therefore, skill formation cannot be understood by an analysis of skills alone (Watson 2008; Buchanan et al. 2001). In this context, the skill ecosystem can be used to demonstrate the need for training policy to incorporate a better level of integration between skills and employment structures (Buchanan et al. 2001). For instance, increased investment in skills will have little impact on a sector, unless workplace practice, government policy and the market environment are all taken into account by training policy and training supply design (Keep & Mayhew 1999). In addition to this, the skill ecosystem can be used to unpack the notion of a suspected 'skill shortage', by considering the way in which accumulated skills and qualifications are used or indeed overlooked by the workplace in their deployment of labour. A third way in which the skill ecosystem offers an important descriptive tool is by offering proscriptive insights on 'high functioning' and sustainable labour markets. The ongoing work of the cooperative federal and state VET skill ecosystem national project venture (commenced in 2003) is focused on mapping the variety and terrain of skill ecosystems. This mapping includes the identification of strategies and desirable features of skill ecosystems that might be modelled both within and between industries facing similar market conditions.

This report employs the skill ecosystem concept as a descriptive tool, and contends that these three descriptive applications are instructive in this research. This research seeks to identify preconditions to skill development, as these exist within the child care sector. Further to this, this research also notes the need for skill formation analysis to incorporate a wider range of factors and actors and which extend beyond VET, competency frameworks and skill development. In addition, this report also suggests that aspects of functional skill ecosystems can be identified and used to inform and bring meaning to the findings of this research.

The parallel of an ecosystem provides a useful protocol, which is instructive in the analysis of the skill profile of a sector. For example, in undertaking analysis of a natural ecosystem, researchers typically develop a set of ecological indicators to assess the 'health' of the ecosystem. We broadly mirror this technique by identifying the key factors in an environment which serve to either frustrate or accelerate the emergence of skill. Through identification of these factors, we might better understand the force and direction of the skill trajectory present within a sector and identify options for both productivity and workforce participation. In this regard, we build on prior work undertaken in the community services and health sector. In 2008, the Workplace Research Centre developed a model to identify the generic pre-conditions for either skill growth

or skill atrophy within the community services sector. This model allows us to consider the lessons of overseas practice and research on child care in a systematic way and identify the trajectory of skill development within the local child care skill ecosystem. The identification of these indicators for change or stagnation gives insight to the context in which training and skills emerge, and might be nurtured.

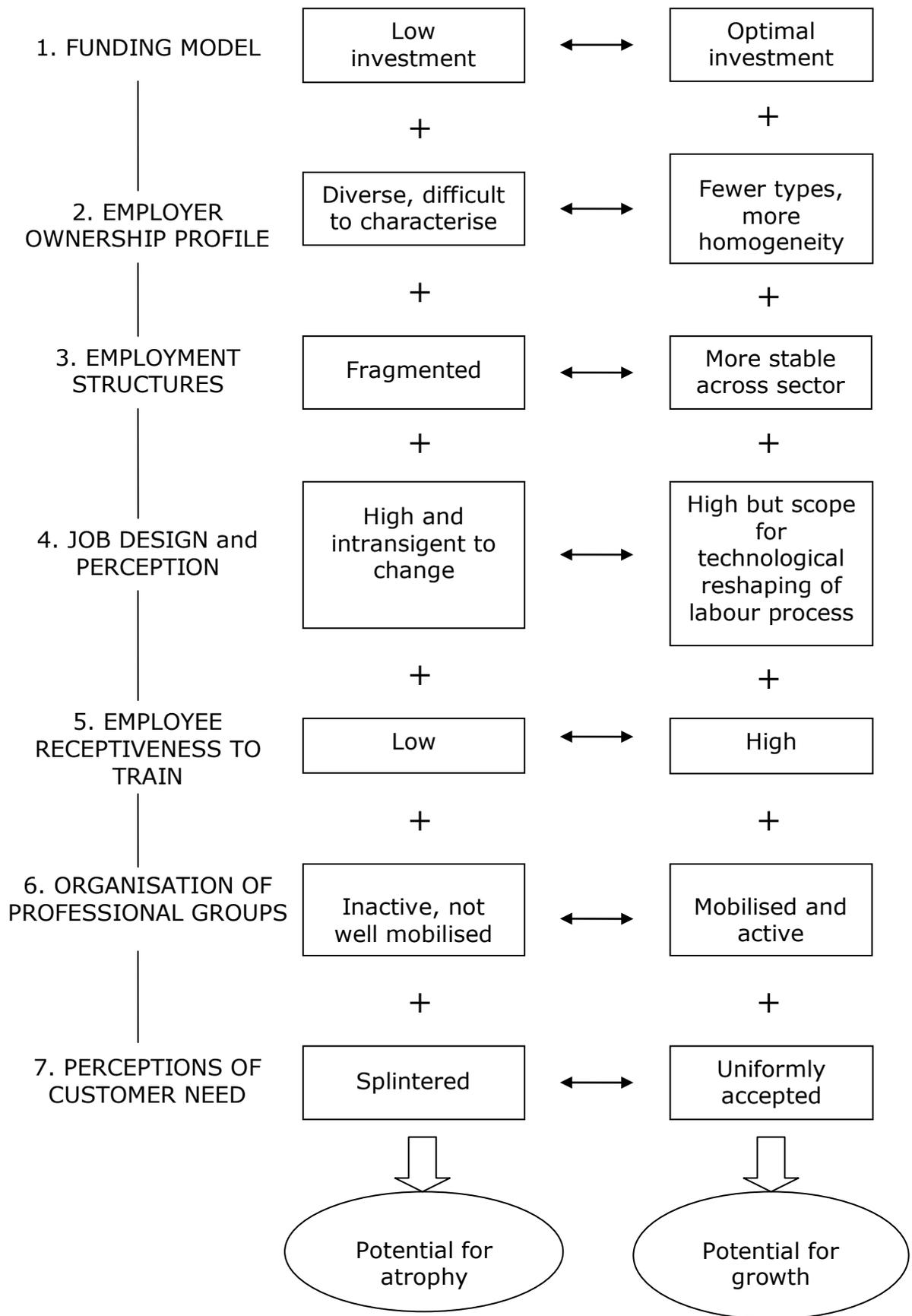
The skill ecosystem model identifies seven factors or pre-conditions for skill formation (see figure 2) and provides a framework to better understand employer decisions surrounding workforce deployment, training and VET. It is important to note that prior research indicates that the model is not 'absolute'. All systems typically represent a mix of strengths and weaknesses; however, where multiple preconditions for atrophy are present, the system is on a path to skill atrophy or stasis (Workplace Research Centre 2008). In each case, the conditions associated with a specific factor may create a favourable environment for training, or serve to frustrate the growth of training. To illustrate, we use this skill ecosystem model to compare the child care experience in the US, Australia and NZ.

A case study in skill atrophy: Child care in the United States

The link between high conceptual separatism in child care and poor workforce development strategy is illustrated best by the United States. The child care sector in this country could be described as being in a state of deep skill atrophy, or as the OECD describes it 'in disarray' and in a state of 'skills crisis' (OECD 2006a). United States programs that have attempted to provide some form of institutional education in the early years do not conform to quality standards of child care and education activity. The child care programs currently in place have placed strongest emphasis on accelerated learning through the development of literacy and numeracy skills in the early years, with a specific focus on targeting 'at risk' children (Gammage 2006; Melhuish 2004, p.38). However, even against the 'school readiness' indicators used to assess the success of these programs, there have been mixed results in terms of delivering outcomes for poorer children (Gammage 2006; Kafer 2004; Melhuish 2004; Brandl 2007; Evers, Lewis & Riedel 2005). In broad terms, the programs are generally viewed as social welfare and labour market initiatives, rather than early childhood care and/or education activity.

Using the ecosystem model as a guide (figure 2), the US has every precondition for atrophy present within its system. Funding levels are poor. Although the United States Government has provided significant funding support to the two major early childhood education programs (Head Start and High Scope have received over \$100 billion in 40 years), researchers note that the system is drastically underfunded by comparison with demand (Brandl 2007) and relies heavily on unpaid parental involvement to continue. The lack of regulation and heavy reliance on informal settings for care mean that customer need is poorly defined, and fragmentation in service results (Barnet, Brown & Shore 2004). Some researchers have noted the 'irony' of the position held by the US in child care debates. In many respects, the US is a world leader in the academic field of early childhood and developmental (brain) analysis, yet the structures of policy-making have not typically been informed by this research (Kafer 2004). In addition, job design and the supporting structures for employment in US child care remain poorly formed. This has significant implications for skill development. Ackerman (2004) notes that only 18 states in the US actually require any pre-service training in private child care settings, and this has meant that qualification levels industry-wide have remained extremely low. In terms of building skills in the early childhood sector, the US has also been noted as an under-performer. Receptiveness to train, among both employees and employers, remains low (Buysse & Hollingsworth 2009, p.2). In an effort to lift the quality of the labour users and practitioners in the key early childhood stages, programs have informally pursued a practice of sourcing labour from parents and families of children using the programs. While this has led to improved labour market outcomes (for example, unemployed parents finding employment through the Headstart program), this has not enhanced the status of child care. Researchers note there is no negotiation between agencies,

Figure 2 Model of skill growth and skill atrophy in community services and health



no leadership from the top, and the lessons provided by these innovations have no way to filter out for further testing other parts of the child care system (OECD 2006b).

Creating paths out of atrophy: New Zealand takes the child care skills ‘high road’

Conceptual reshaping of child care activities requires a reshaping of child care labour. This creates new conceptual and therefore occupational space for skill to be explored and grown. In 2002, the New Zealand Government launched a long-term strategic plan to improve the quality of child care provision. In this plan, the New Zealand Government has embraced amalgamated forms of child care as the way forward for the sector (Smith et al. 2000). As Gibbons (2007) notes ‘it is not about making a declaration that teaching is a form of care, but that care is a form of education’. The system has also modelled a number of key design elements on the Nordic approach. Researcher and policy architect May states, ‘In New Zealand, there have long been notions of the rights of the school-aged citizen child, but extending this thinking to the preschool-aged child is more recent’ (May 2002, 2006). Implicit within this approach are strategies to directly address multiple preconditions for atrophy, consistent with the skill ecosystem model present in figure 2. The NZ Government has redefined notions of ‘customer need’ by asserting the child-as-citizen ‘rights model’ as a central platform of policy. Job redesign and employment structures, which are underpinned by training, are also now identified as critical to workforce development. Historically, the system has operated with minimal regulations relating to the composition of the child care labour force. Under the new strategy, the government has sought to lift the profile of the sector by asserting that child care provision must be based on the appointment of qualified staff by the provider. In the case of NZ, teacher roles have been nominated as keystone positions for the sector. Researchers liken the current policy position of NZ to those models adopted by the Nordic nations, but with structures and infrastructure which still exist from the operation of the previous system. The government has nestled the initiatives within a ten-year strategic plan which includes an entitlement to free early childhood education at any teacher-led early childhood service and, with the exception of parent-led services (for example, playgroups), that all staff working in early childhood centres will hold a teaching qualification. This high-level change in policy focus has driven a powerful rethinking of the definitions surrounding customer need and has elevated the importance of the sector’s activity by tethering this focus to a notion of ‘public good’. These redefinitions are then buttressed by regulating the types of workers who can be engaged to perform these tasks (Tarr 2006). By 2012 child care services must be specifically early childhood education (completed and registered) teacher-qualified. Interventions to stimulate employee receptiveness to train also form part of the policy approach, with incentive grants to assist centres to pay trained teachers, and significant expansion of the scholarships and mentoring programs available to the sector. Pay parity with the school sector has also been part of the package of measures (Tarr 2006; May 2002, 2006). The NZ system continues to represent a mix of the systems found in the UK and the Nordic nations, and Australia. The government has not stepped in to be the provider of these services, although is taking a firm hand in the direction and composition of the workforce that will be required to deliver the service. This is similar to the approach taken in both Spain and Denmark. In Spain, core early childhood workers require three years of higher education training before they can hold early childhood (child care) roles. In Nordic nations, in particular Denmark, core workers must also hold specialised higher education early childhood training and there has been evidence that this has helped to reduce the recruitment and retention problems typical of the child care sector (Mooney et al. 2003).

Australia: Merging two halves of the child care whole—paving the road out of atrophy?

In Australia, the child care system historically has suffered from the impact of multiple preconditions for atrophy. This includes: poor funding; fragmented ownership profile (OECD

2006c); disempowered professional bodies (Fenech, Sumsion & Goodfellow 2008); poorly defined or fragmented notions of customer need (Cahir 2007); low-level job design (OECD 2006c); limited scope for conceptual reshaping of labour and skill; and fragmented employment structures (high levels of casualisation).

Poor funding levels and poorly directed funding in Australia have meant that low pay, poor working conditions and limited training have characterised the industry (OECD 2006c; Mooney et al. 2003). Australia is not peculiar in this regard, as the OECD notes that child care systems in many nations have the trappings of a 'low skill trap'. This has resulted in a culture of '*reluctance to train*' in the sector, which impacts on both employer and employee. As one early childhood TAFE teacher notes of the sector, 'Many see the gaining of a qualification as the end of an early childhood worker's training' (Orange TAFE 2008). The risk of losing staff to better-paid sectors is a significant disincentive to offering training and opportunities for upskilling (Workplace Research Centre 2008; Watson 2003). Employees are unwilling to participate in training, as it will yield little return in terms of elevating their status or their income (Workplace Research Centre 2008).

In addition, the ability to respond to challenges associated with limited economic flow and low receptiveness to training are compounded in child care by unique sectoral challenges. The devaluation of care labour has been described as a significant legacy for the child care sector to overcome (Noble 2003), and this impacts on both *employment structure and job perception*. As Mooney et al. (2003) note, approaches to staff training need to be understood in terms of the wider societal structure, purposes, and the value of services to children. In this regard, child care faces a significant challenge. Child care bears the 'weight of history' (May 2006), in which 'maternalist discourses' have been vocal in the politics and policy of early childhood education and care (Ailwood 2008, p.157). Upskilling through job design is traditionally easier to achieve in a sector where technology is central. For example, major efficiencies and changes to job design come about due to the upgrading of manufacturing plants, reducing the proportion of low-skill jobs required. This type of technical transformation is not often available in the services sector, where work is fundamentally labour-intensive, especially in 'care' jobs. Underlying the intensity of caring work is the persistent cultural under valuing of caring work, because it has traditionally been perceived as being outside the productive economy (Junor 1993; Waring 1989).

In child care there has historically been a lack of synergy between the employment hierarchy and the training structure in the industry. The problems associated with sourcing and retaining labour have meant that staff with only a basic level of training, or no formal training, are appointed to positions of high responsibility and a high duty of care. Room leaders, for example, may be required to manage multiple tasks including: managing and coordinating staff; planning; making judgments on potentially difficult social and behavioural issues with the children; and parent negotiations and liaison. The appointment of certificate III-trained staff to room leader positions is a common practice, yet it is widely accepted that this level of basic training is woefully insufficient for the demands of the job (Orange College TAFE 2008)

At the macro level, the ecosystem model (figure 2) notes that a fragmented '*ownership profile*' may also present a significant obstacle for skill development within a sector. It is recognised by research that the size and make-up of an organisation can influence the likelihood of their staff to undertake training (Thursfield & Holden 2004). Smaller workplaces, for example, face training challenges because they are less able to backfill while staff are attending training, either off or on site. Child care is overwhelmingly small business in form (Ibis World 2008), and therefore low levels of training have ensued (Jameson 2000).

In addition, the recent history of the child care sector in Australia has further polarised the ownership profile across the sector. A high level of fragmentation among smaller operators has remained, particularly within the community sector, but this has been accompanied by a growth in larger operators, and market dominance by these operators. Between 2000 and 2008, the

sector has been described as 'in a state of monopoly' (Brennan 2008). This is unique, even among countries which have a high proportion of commercial operators (in particular the US and NZ). In Australia, private business provides around 70 per cent of long day care services (Rush 2006). It is estimated that this long day care market was held exclusively by one provider—ABC Learning—during the period of its market domination (Brennan 2008).

On the surface, the establishment of a large, well-networked operator would appear to offer greater scope for training and development through: better and more stable cash flow; the opportunities presented through creation of economies of scale; and the opportunity for a larger workforce that can backfill during staff absence. However, researchers note that the unique policy environment in Australia at the time actively discouraged large providers from maintaining quality through development and training of the workforce. The high degree of government support for business expansion in the private sector in child care is well noted. Leading commentator and academic in the field of early childhood Deb Brennan (2008) describes the environment in the following way '... we have private operators and businessmen saying they've never been in such a business, a business where there was rapid growth, where it was underwritten by government, and where government was exhorting parents to go out and actually make sure that they spent their money in private services' (cited in Phillips 2009). Further to this, it has been argued that the way in which child care policy was constructed actually facilitated the ability of ABC Learning to lever market advantage (through mergers and acquisitions), and not through a comprehensive workforce development strategy. ABC Learning subsumed major competitors, with the two largest operators being Peppercorn and Kids Campus. As a result, service and choice did not expand as was predicted. Rather, bigger operators were in a strong financial position to subsume smaller providers. This further compounded the economic problems facing the industry, because centres which were easiest to 'acquire' were typically the ones seeking a solution to significant financial problems (*Early Childhood News* 2008). This created a 'domino effect' in the industry. For example, a major provider of child care collapsed because their ability to continue operations was specifically dependent on the sale of part of their business to ABC Learning. When the already negotiated \$8.5 million sale to ABC Learning could not continue (because of ABC's own collapse), the wholly owned CFK ChildCare centres became financially unviable (*Early Childhood News* 2008).

The highly market-focused behaviour of these operators is argued to be counter-productive to the core goals of community service work, particularly child care. Researchers note that market-focused operating environments shape workplace culture. It is well noted by researchers and commentators that this competitive culture in child care did not assist quality enhancement. 'Although an accreditation system did guarantee certain minimum standards of staff qualifications and ratios, an open market in child care did not drive up quality' (Phillips 2009). As Woodrow and Press note, the core goals of enterprise culture are not consistent with learning and development environments, either for children, or workers as 'standardization and efficiencies are the name of the game not autonomy and knowledge building', and this further impacts on workforce development as 'a large workforce builds structures and relationships which validate and promote its own brand of corporate professionalism' (2007, p.315). Moss and others develop this argument further by observing that competition in these environments undermines quality standards because the benefits of collaboration are not valued, but seen as a competitive threat (Moss 2006, p.9; Turnsek & Pekkarinen 2009). In addition, measurement of growth occurs not through genuine productivity improvement, but through comprehensive horizontal and vertical integration. In the case of ABC Learning, the company maintained preferred/singular supplier arrangements with its own toy and education companies (Judius Pty Ltd and Funtastic) and its own training provider, the National Institute of Early Childhood Education (Rush & Downie 2006). The cumulative impact of this model resulted in declining standards of care. A survey of staff perceptions of care indicate that, on almost every indicator, corporate chain centres provide poorer-quality care when compared with community-based centres (Rush & Downie 2006, p.7). This includes almost every quality indicator, from

interpersonal relationships, food, quality of equipment, qualification levels of staff, to the all-important quality of relationships between parents and staff. Skill atrophy occurs because any profit is used to reinvest and expand business, not develop staff, nor respond to local or community concerns.

Research on the ecosystem in community service indicates that fragmented notions of *customer need*, and a lack of clear direction can fragment the skill base of workers delivering service and imparting care (Workplace Research Centre 2008). In the case of Australia, this fragmentation in customer need is evident in policy design. At the macro level, Australian child care services have inherited a conflicted sense of policy goals. In a comparative study Urban (2008) notes that child care provision can be driven by multiple social and economic motives—the goal of lifting women’s economic independence, reducing labour market inefficiencies, social welfare containment and/or enhancing children’s development (OECD 2006a, p.12). It has been argued that Australia has, at different times, reflected all of these motives (Cahir 2007). Child care policies which have the strongest attachment to wider labour market and economic (productivity) imperatives are typically those that pose the greatest risk to skill development and options for the assertion of professional dominion. At the local workplace level, this fragmentation in customer need also impacts on the type of labour sourced, and the ability and willingness to develop this labour. The most influential or dominant workforce development priority, although rarely asserted, becomes about sourcing labour to meet child care demand, since the aggregate number of places becomes the first-order issue. This has impacted on the skill profile of the sector because it has not been a demand for skill which has driven demand, but rather, a demand for ‘place’. Pocock and Hill note that, throughout the changing vagaries of child care policy, the need to maintain a productive labour market, by maintaining high levels of labour market participation, has been a mainstay (2007).

An over-emphasis on education can also undermine the ability of child care systems to flourish, as education assumes a privileged or higher-tier position in skill terms within the sector. This approach can elevate existing points of tension between the education and care parts of the early childhood education and care ‘whole’, because care remains in a devalued tier within these activities. Child care activities in this system are also placed as a second order of importance issue and are seen as less valued than the school curriculum agenda. This is a very different approach to early childhood systems in which the ‘end goal’ is development of children as ‘citizens’ or to be ‘lifelong learners’. In this scenario, greater emphasis is placed on sourcing and developing labour with skills capable of delivering an early childhood curriculum (comprising a composite set of care, education tasks) with an emphasis on pedagogy.

Australia has taken significant first steps towards an amalgamated model of child care activity, although the system continues to manage the legacy of ambiguous policy goals. Firstly, Australian practitioners, researchers and policy-makers have been influenced by the worldwide shift in perception of child care and education in the early years. As Siraj-Blatchford notes, when considering services targeted at young children, care and education must be considered inseparable tasks (1999). At the policy level the child care system is also facing great change. Since the federal election of Labor in 2007, child care has been identified as a priority national reform issue. The national quality agenda has undergone significant review, with a national senate inquiry, of which the full implications for the industry are not yet known. States are now undertaking their own platform of reforms to ensure delivery is in line with federal government initiatives. Many of these re-designed elements appear to offer scope for upskilling within the sector. In particular, employers will be required to engage teachers trained specifically in the early childhood area in order to fulfil accreditation requirements (Council of Australian Governments 2006). Although these initiatives have received a high level of support from those in the early childhood education and care sector, the industry still faces residual and long-standing barriers to skill improvement.

Methodology

This research uses a best practice workplace case study approach to inform its analysis. Best practice focus is a well-tested method which is useful in eliciting innovative approach (Whitfield & Strauss 1998), particularly in environments where residual and significant barriers appear resistant to change or policy intervention. In this instance, workplace case studies are used to determine the impact of both macro (policy) forces and micro processes (workplace decision-making) on the nature of skill deployment.

Four case study sites were chosen, representing a cross-section of key child care sector characteristics. Previous studies help to profile the sector and its key descriptive characteristics, and were used to inform this study. A typology commonly used to define the sector comprises three provider types—-independent, corporate chain and community-based (Rush & Downie 2006)—and makes a further geographic distinction between urban and rural-remote settings. We extend this taxonomy to include a fourth basic provider type—community umbrella.⁵ While some community-based centres are born entirely from the local communities in which they emerge, other community based-centres are part of a wider umbrella organisation, therefore their operating structures and funding profiles are different from stand-alone community organisations.⁶ In addition, the four case study sites represent a cross-section of urban (metropolitan), outer-suburban and rural sites in New South Wales, Tasmania and Victoria.

Workplace case studies were conducted using an exclusively qualitative method.⁷ Extended (semi-structured) interviews were conducted with all consenting staff (room leaders or managers, child care workers and assistants, and directors).⁸ In the case of centres which operated under the

⁵ It is important to acknowledge that the current environment is typified by an additional and fifth provider type—private (corporate/conglomerate). During the course of research and scoping for field work sites, the taxonomy applied for the purposes of this study was reduced to four types. There are a number of reasons for this. In screening the profile of activity among private corporate providers for best practice criteria, we experienced significant difficulty in locating sites that could match all criteria consistently. The collapse of ABC Learning has created a degree of crisis in the industry, particularly among corporate chain providers, as its presence among corporate chain providers was so dominant. In addition, it was particularly difficult to discern the chain of ownership in some cases, as not all providers were willing to disclose the network of owners. For this reason, the broader and more generic category of 'privately owned' has been adopted.

⁶ As our previous discussion on ABC learning indicates, ownership profile can deeply shape business and service behaviour.

⁷ Qualitative interviews elicited contextual and personal information from participants on a wide range of issues about the workplace, their role within it, their own training histories and career goals, and their perspectives on labour and skill deployment.

⁸ Although all staff at a workplace were invited to participate, and were reassured that any comments provided during the course of interviews would remain confidential, not all employees wished to participate. On one hand, it could be argued that this may 'skew' the direction of qualitative comment, as the views of all employees were not obtained. However, in keeping with the precepts of ethical research design, because employees were not compelled nor persuaded to participate, this ultimately means that the quality of data obtained is preserved, as all qualitative testimony is freely given and untainted by duress. Fewer casual employees than permanent employees volunteered to participate overall. However, all management, supervisors, and directors were interviewed. This means that, although the perspective offered could be argued to be 'managerialist', this is central to the core issues of concern for this research, in particular, the management decisions and rationale governing the deployment of skilled and unskilled labour.

auspices of a central or networked administration, senior levels of management and administrators were also interviewed.

Selection of best practice sites for workforce development and productivity

Options for workforce development are usually advanced in the context of wider debates about productivity. Yet, productivity in the context of community service remains a conflicted concept. Much industrial disputation in this industry has centred on the negotiation of time management at the workplace level and what proportion of time should be devoted to 'functional' versus 'emotional' tasks in the undertaking of human service roles. In aged care, nursing and disability services, employees contend that management structures are unsympathetic to the imparting of services narrowly defined as 'care' tasks (Meagher & Healy 2006), yet these tasks remain critical to quality service. This raises a number of contentious issues when measuring productivity and role definition in the context of children's services.

In the child care context, for example, a 'high productivity' centre might prima facie be one in which the number of children attending the service increases, while labour and other operational costs remain contained. Superficially, this would suggest that centres should maintain the lowest possible teacher to child ratio and invest little capital in equipment or resources, in order to lever productivity improvements. In child care, there is deep recognition among industry stakeholders and the community that the sector represents an 'exceptional' case (Cahir 2007). It is well noted by research that productivity in the field of child care is firmly embedded in discussions of the quality and content of interactions between the worker and child (Goodfellow 2008). In child care therefore, a high-productivity workplace is one in which high-quality outcomes for children are always preserved and improved.

Although stakeholders are vocal in the need for 'clear quality benchmarks', there remains intense debate over how these should be defined in the Australian context (Australian Services Union 2008). At the time of release of this report, there is a common acceptance that quality benchmarks require redefinition, indicated by the national senate inquiry on quality standards (ongoing) and the Council of Australian Governments' commitment to alter quality standards in light of the inquiry's findings. The submissions and transcripts of public consultations to the senate inquiry on quality provide important insights on quality. For the purposes of this report, we have analysed these submissions to distill key quality criteria on which there is a high degree of consensus among operators, stakeholders, employees, researchers and advocates. This is corroborated by an extensive body of work and key criteria as outlined by major advocacy groups (UNESCO 2006; National Institute of Child Health and Development 2000; Wong 2007; Staples New & Cochran 2007; Farrell, Tayler & Tennant 2004). While there may be debate over the 'degree' of enforcement that should surround each issue, the following core factors are defined as foundation elements for quality delivery.

Continuity of employment

Long-term employment relationships which are stable (permanent) and offer opportunities for incremental wage improvement offer greater scope for quality care (OECD 2006a, p.17). There appear to be two reasons for this. Firstly, the need for consistency in care of children can be maintained because labour turnover is kept to a minimum. Secondly, staff are more likely to develop more advanced skills over time because of accumulated experience and training. There is strong alignment between quality of service and 'quality employment structures' for those delivering service (Gammage 2006, p.240). As Cahir notes, 'staff stability and continuity matter, they underwrite the development of relationships' (Cahir 2008).

A commitment to offer lower child–staff ratios than required by the statutory minimum

Ratios are generally accepted as critical to the delivery of quality service (Independent Education Union submission 2008; Mooney et al. 2003). Although there is considerable pedagogical and policy debate over which ratios should apply, and to what age groups, the acceptance of ratios on principle, is largely uncontested. The commitment to ratios is founded on the need to develop, as Dahlberg and Moss (2005, p.29) describe them, ‘affective relationships’. In this regard, the engagements between worker and child are critical, and further to this are unique in the context of the relationships that are defined as exclusively ‘care’ or exclusively ‘education’. The way these engagements occur, the interpretation and meaning brought to them, and the content of the interactions all matter (Samuelsson & Johansson 2009; Jensen 2009). Ratios deeply impact on the degree of connection between the worker and child, and the physical and emotional availability of the worker to the child.

An assertion of philosophy that incorporates both care and education elements

Consistent with the findings of the OECD’s evaluations on good-quality child care, all of the workplaces featured in this study embrace a merged care and education philosophy. In workforce development terms, this philosophy offers a mobilising and uniting force so that the efforts and planning of a centre’s activities become more directed.

The staff imparting child care service are qualified, and have employer-supported options to develop skills

The OECD and the Senate inquiry consultations both assert the need for appropriately qualified staff in order to maintain high standards of care. Qualifications build the knowledge and practice base of staff and mean that employees can make better informed judgments, and can extrapolate from this knowledge base in order to improvise in the resolution of day-to-day child care challenges.

The four workplaces selected all conformed to these ‘best practice’ criteria for delivering high-quality child care. Key informant interviews and analysis of publicly available material on high-quality centre environments identified a list of approximately 40 potential work sites. A further analysis of the approach, pedagogy, underlying employment infrastructure and associated accreditation criteria (for example, conformity to ratios) was conducted on these centres in order to identify a short list of eight ‘innovative’ providers that might be approached for participation in this project. These short-listed organisations were identified as targets because they represented the ‘best performers’ in all areas of the best practice criteria identified above. All of these eight organisations were approached and invited to participate and four workplaces indicated a willingness to be involved.

The four workplace case studies at the heart of this analysis are:

- ✧ Hobsons Bay City Council education and care centres (outer suburban, Victoria).
- ✧ Dorothy Waide Centre for Early Learning (Griffith, Western NSW).
- ✧ Lady Gowrie (Tasmania).
- ✧ Norwest Child Care (major metropolitan, NSW).

Developing innovative responses in an atrophied environment

Given the inherent challenges associated with child care work and the underlying operational dilemmas created by low-cost environments, how then have these best practice operators managed to achieve what many others cannot? Most employers recognise that high turnover is problematic, due to the high cost of recruitment processes and the associated impact on productivity (Blau & Robins 1991). What sets innovative employers apart, however, is their ability to identify turnover as a core precondition for skill atrophy, and which is therefore symptomatic of much deeper sector challenges. All of the employers interviewed had actively engaged long-term strategies to both minimise turnover and develop the skills of the workforce.

Understanding the ‘fight’ or ‘flight’ reflex in workers

Turnover is well recognised to be a key workforce and sector-wide challenge (Pocock & Hill 2008, p.32; Fenech & Sumsion 2007; Fenech, Sumsion & Goodfellow 2005). Historically, employees have exhibited what might be described as a strong ‘flight’ reflex to the stress and low pay associated with child care work. In other words, employees have taken ‘flight’ from the sector, as higher-paid jobs have become available elsewhere. Dissatisfied workers tend to leave, rather than participate in industrial action or find other ways to reshape or improve their experiences in the sector (Noble & Macfarlane 2007; Fenech & Sumsion 2007; Independent Education Union of Australia 2008).

Historically, there has been a level of ‘acceptance’ of turnover among employers in child care (Pocock & Hill 2008). In other words, employers have maintained a belief that, if the work itself cannot be changed and is innately undesirable, casual labour at least offers an optimal low-labour cost strategy, and therefore represents a good business approach. This strategy, however, has had serious implications for the ability to sustain skill growth across the sector. The low status and low-pay profile of the sector becomes self-perpetuating, or as research overseas describes it, a low pay–low skill nexus (Watson 2003). Employees become less likely to commit to a career path in the industry. In turn, employers are burdened with higher recruitment costs as a consequence of high turnover and labour churn. The negative impacts of turnover were keenly observed by all of the employers interviewed. ‘I thought for a while that we had a turnstile at the front door at one our centres, the staff seemed to come and go that quickly.’ As one child care employer stated, ‘Once we’ve lost them, we never get them back’.

In contrast to the flight reflex, the child care sector also provokes the ‘fight’ reflex in other workers. It is well recognised within the sector that the child care industry has survived and maintained quality improvements through the efforts of a highly committed ‘hub’ of workers. These workers remain, despite the low pay, poor working conditions and low status associated with the work, and display a well-honed ‘fight’ reflex to the workplace conditions likely to undermine quality in child care work. As Simms (2006) notes, the industry survives on an ‘exploitation of vocational passion’. The notion of this fight reflex was reinforced continually by the employers, and employees interviewed. ‘The passion and commitment of the team, that’s what keeps people here’ (Director, suburban child care centre). Among these workers, the interests of the child remained paramount, with employees often enduring some or all of the following to ensure care of children is not compromised: long hours (unpaid); stress; cleaning

and maintenance activities in the centre; processing or administrative work at home; or using their own money to buy equipment or supplies. As one employer stated, ‘Let’s face it when people stay, it’s not for the money, the hours or the stress’ (Director, metropolitan early childhood centre). A room leader concurred, ‘You can’t go into child care because it’s an easy job. You can’t go into child care because of the pay’ (suburban early childhood centre). One room leader described her personal experience in the following way, ‘I remember getting my acceptance from the uni ... As soon as I saw I got into that course [early childhood degree], which was the course I really wanted, I remember thinking I don’t even need to open my results, I’ve got to where I want to be’ (Room leader, metropolitan early childhood centre). Staff are very aware that their experience is echoed throughout the sector, as one room leader described it, ‘It’s a very value driven job. You hear people say there are touch points—the 2 big ones are politics and religion. I think kids are the third one’ (Room leader, suburban early childhood centre). Or as another child care assistant stated, in the most definitive terms, ‘I am entrenched and proud of early childhood’ (Room assistant, metropolitan early childhood centre).

Shaping the fight or flight reflex—strategies to develop appropriately skilled labour, from within the workplace

In the case of the innovative employers interviewed, all had sought to better understand and comprehensively address the reasons for turnover, because this was perceived as the core workplace-level impediment to maintaining quality. These strategies revolved around two principles—support workers with the ‘fight reflex’ and understand the triggers for the ‘flight reflex’. Using the skill ecosystem can help to provide important insights because it reveals that employers are actively targeting multiple preconditions for atrophy in their approach to workforce development. The following strategies synthesise the approach taken by the innovative employers interviewed. It is important to note that multiple preconditions for atrophy have been addressed implicitly across these approaches.

Strategy 1: Grapple with the low-status perception of child care work, and seek to re-design low skill–low pay nexus points of job roles

At every opportunity, the best practice employers sought to lift the economic and social value of work. The compressed pay scale contained in the child care award offers a poor incentive for employees to train (Independent Education Union of Australia 2008). In the case of teachers, for example, it is not until director level is reached that pay begins to match even the lowest levels of pay in the education sector (Independent Education Union of Australia 2008). Yet, teachers in child care settings often juggle high levels of management stress and planning workload in addition to teaching responsibilities (Warrilow & Fisher 2008).

In the case of the four innovative workplaces, all paid above the award and considered this important in helping to prevent *intra*-sector flight. As one employer stated, ‘it gives us a small advantage, compared to others in the sector’ (Director, metropolitan centre). Another stated, ‘We pay child care workers 10k more than the award in all cases, across the board’ (Director, suburban early childhood centre). However, the limits on this strategy were also well noted. One director stated, ‘pay is a poor lever, but it’s one of the few we have, so we use it’ (outer suburban early childhood centre). While paying above the award may help prevent staff from leaving to work for a competitor, it was generally noted to be ineffective if employees were willing to leave the sector entirely in search of higher pay. Poor wage parity (in the order of 20 per cent) compared with the education sector is widely acknowledged to be a deep retention challenge for the child care sector (Independent Education Union of Australia 2008; Australian Services Union 2008). ‘We need pay parity with the degree qualified. Doing early childhood is considered a back door to primary schools’ (Room leader, metropolitan early childhood centre). The inequity between teachers in early childhood and teachers in school settings extends beyond pay to all of the structural underpinnings of working life, including annual leave, rostering, workload

management, planning and programming entitlements. In school settings, teachers typically work 41 weeks a year, whereas many centres operate on a 48- or 50-week calendar. This inconsistency is reflected in the different planning times associated with teaching roles in child care. One workplace we interviewed calculated that, if they conformed to the baseline industrial instruments, child care teachers were only entitled to two minutes planning time, per child, per roster rotation. For this reason, employers also sought to supplement pay levels, with other measures that would ensure that the workplace remained a desirable place to work (and this will be discussed next).

Strategy 2: Use stable employment structure as part of a wider strategy to reduce staff flight

All of the best practice workplaces interviewed for this study conducted workforce planning from a foundation of permanent staff. This stands in stark contrast to the industry norm of casual employment arrangements (Australian Services Union 2008). Among the innovative operators, fixed employment was used to ease the operational burden associated with rostering and workload management. As one director states, 'Permanency gives you set hours, and in reality, it's easier to plan that way' (Director, metropolitan early childhood centre). This meant that, from a director's point of view, more time could be devoted to other activities which would build and develop the team, rather than manage the urgency of meeting ratios from day to day with a less certain supply of labour.

Most importantly, workplaces argued that permanency offered the greatest scope for 'continuity of care'. This sentiment was reinforced strongly by all of the operators: 'Retention is vital in child care' (Room leader, suburban early childhood centre). Or as another director stated: 'retention, in child care, is absolutely essential'. One director noted the industry significance of this strategy, 'Having certainty about your staff, and knowing how you will plan, and who is best able to do what, is so important in this industry'. Children and their families became familiar with permanent staff. This stands in direct contrast to the experience of children who may see casual or agency labour come and go.

Permanency was also seen as an important step 'symbolically' and formed the basis of trust between employer and employee. The comments by employers attest to this: 'When you go permanent, you're showing you want to put some time and effort into them' or 'It's important because of the relationship it builds between manager and staff member'. In all cases, the permanent arrangements were valued because of the additional benefits associated with having ongoing status. The provision of rostered days offs, sick leave, time off in lieu and study leave were all used as important tools for ensuring that employees remained committed to the workplace, and to minimise the impact of burnout. Employers also sought to offer commonality in entitlements wherever possible, for example, one workplace offered planning time to assistants as well as teachers—all of whom were employed under permanent arrangements. Across the workplaces interviewed, all indicated turnover of less than five per cent. In one case, a centre had no turnover for six years. This runs at drastically well below the estimated 40 per cent turnover believed to characterise the industry (Australian Council of Trade Unions 2002).

In all cases, the employers still relied on flexible labour to meet ratios, but again, these workers were managed in a distinctly different way from what is considered typical for the industry. The long shift arrangements that can be associated with child care services (7.30 am opening and 6.30 pm closing) means that split shifts are common. Among the innovative operators, part-time permanent staff and/or a stable pool of casual workers were used to ensure that long shifts could remain fully staffed, while not 'burning out' staff. For example, permanent part-time workers would provide relief care to staff (working lunch and tea breaks, or to cover staff if away on a training course). This delivers productivity benefits because all staff become proficient in the procedures, philosophy and programming in place at the centre. 'Everything is structured to provide consistency for the children. We have permanent part time that work to relieve staff on

tea breaks, and do lunch breaks, and they work set shifts' (Director, outer suburban early childhood centre). In addition, the use of permanent part-time staff helped to alleviate job stress. A pool of permanent 'relief' staff means that workers can be rotated on and off 'the floor' (the period of direct care between worker and child). This rotation offers job variety, and helps staff 'just have a break' from the more stressful and intense aspects of the job.

The employers interviewed for this study had also implemented additional measures to help alleviate job stress and reduce turnover from the sector. One director asserted, as a first principle of workload management, 'We don't let burnout happen' (Director, metropolitan early childhood centre). The measures used to reduce stress were diverse, and were customised to reflect the specific areas of need for the centre. For example, one employer offered the opportunity for additional time off for a 'mental health day', if this time was used to 're-tool' (undertake further training). 'We provide additional study leave and other entitlements, to help support staff through difficult periods, so they can come back refreshed' (Director, outer suburban early childhood centre). In another case, mental health issues, in particular depression, had affected a number of staff. After 12 months of planning and training, the employer implemented a mental health support strategy for staff, which included counselling, additional leave, and behavioural training. The strategy had proved to be so successful that the centre intended to roll out the training components of the program to families in the wider community in the form of outreach programs. In another case, an employer had a high proportion of women employees of child-bearing age and had 'lost' several members of valued staff who had decided not to return after maternity leave. 'We find people who are the right fit, and we fight to keep them, and manage their transitions through life including having children, studying etc.' (Director, suburban early childhood centre). These employers explored with the employees how they might improve or broaden the opportunity for their return. In this case, the employer had identified and negotiated the key issues with staff and modified the collective agreement to include a prolonged 'backfill' clause. 'We maintain options to keep positions open for the staff that we want, and we can backfill for up to five years' (Director, suburban early childhood centre).

Strategy 3: Clarify customer need, and use this to rally staff development

Both junior and senior-level employees shared their dissatisfaction with the status associated with their work, and felt they were managing the consequences of conflicted misunderstandings of child care as a paid work activity. Teachers in early childhood want more recognition and value placed on the 'care' tasks they undertake. Child care sector teachers object to the 'schoolification' of the child care agenda and the misinformation associated with the early stages of child development. As one teacher stated, 'there are parent expectations that their children should know their abcs, can they count to 10. We try to explain to parents that what we are doing is so much more than that' (Room leader, metropolitan early childhood centre). Practitioners argued that the emotional and behavioural knowledge that they required to undertake the role fully, was very poorly understood by parents. As another child care worker stated, 'parents think child care is just about wiping bums and noses' (Child care assistant, metropolitan early childhood centre). This type of sentiment was echoed at the director level, 'There is a good deal of explaining this to parents, who have expectations that we are just babysitting ...' (Director, suburban early childhood centre).

Both teachers and child care assistants both felt this misconception impacted on the very industrial instruments underpinning the sector, and this in turn, impacted upon their working life directly. In other words, the ability to preserve standards of quality in child care is maintained through the 'higher level' reasoning and judgment that workers bring to the job. This can include designing programming activities and curriculum development, and making sophisticated judgments about behaviour, care and development in a way that enhances the experience for each child. All of this is 'hidden', which feeds parent misconceptions about what the delivery of quality care requires of staff. As it stands, only one industrial instrument—in New South

Wales— includes a provision for programming time (Independent Education Union of Australia 2008). In the wider child care sector, it is typical for teachers and directors to negotiate time away from the floor, in order to try to undertake administrative and programming tasks. This invariably means this work must be undertaken in their own time. The magnitude of this task, as reported by interviewees, was staggering. For example, a centre providing services to 55 children per day, across three different age groups, would require the rostering and management of approximately 15 staff, 55 children, and liaising and managing communications with as many as 100 family members. While there has been no comprehensive study undertaken, estimates suggest that early childhood teachers in all settings regularly work between four and 20 unpaid hours per week in order to meet the requirements for programming, evaluation, planning and paperwork (Independent Education Union of Australia 2008). This could include anything from enrolment processing, regulatory documentation, personnel management, OH&S, and in most cases ‘setting up the room’. It is typical for staff to set up the indoor and outdoor environments for up to 40 minutes (without pay) before their eight-to-ten-hour shift commences for the day. This set-up is critical, as most philosophies begin with ‘room set up’ as the spatial launching point for activities of the day. In terms of care practitioners, workload management conventions in the industry are even more constrained. There is no provision for programming currently in any award, and the ability for individual workplaces to offer additional paid hours to these workers is very limited due to cost constraints. Indeed, this all cuts to the core of the dilemma of the child care sector, and the definition of customer need. In the conventional sense, parents are the ‘customers’ in that they are choosing between different products and paying for the service provided. However, children are the consumers of the service and indeed it is their needs as ‘customers’ which high-quality operators are most focused on.

Although employers noted the substantial limitations on their ability to address these structural issues, they used the notion of a philosophy to unite the workforce around a common set of goals and principles (Hayden 2000). Philosophy is an important foundation for service, because it elevates the skill frameworks which workers are required to engage with. As one director described it, ‘It gives a coherence to our work, so when we do reflect on our activities and direction, this can be changed in a consistent and meaningful way’ (Director, regional early childhood centre). Philosophy also assists workplaces to clarify the principles underpinning recruitment, workload management and skill composition in the labour force. This requires a higher level of autonomy, knowledge, reflection and a higher level of theoretical knowledge from staff overall. The philosophy also equipped staff with the foundation principles and codes of conduct in a form that could be used to circulate to or communicate with parents, and therefore ease the burden on workers in managing the misconceptions surrounding child care work. A philosophy provided staff with a dialogue through which they could commence and structure these negotiations with parents. ‘The way some parents talk to staff, you can tell, we are just viewed as baby sitting and they don’t see us as equals’ (Room leader, metropolitan early childhood centre).

This philosophy also helps to define which staff represent the ‘right fit’ for the centre in terms of approach and workplace culture. Rather than fighting to keep ‘any and all staff’, instead, employers emphasised the need for the ‘right’ employee to be located and retained. ‘We have certainly let staff go. If they are not right for the job, or they don’t grasp the philosophy, we don’t have any other choice. We are talking about working with children here’ (Director, metropolitan early childhood centre). Or as another director stated, ‘we want people who are passionate about philosophy’ (Director, suburban early childhood centre). A director of an outer-suburban centre, which had faced significant difficulties in recruiting, also declared a similar strategy ‘good intentions and “wanting to work with children” is not enough’. While the need to retain staff was considered a high priority among the innovative operators, it was weighed against the need to retain staff who were willing to fully commit and engage with the work. For those staff who stay, and who indicate a willingness to commit to the philosophy, the workplace tried to reflect their recognition of this, through practical interventions to try and alleviate workload, while

emphasising the importance of philosophy. For example, some providers provided non-contact time for curriculum development for *all* contact staff, regardless of qualification route (either practitioner or teacher). In another case, the centre shut its doors for half or full days and conducted in-house training for staff, or paid for staff to attend seminars and training sessions in the particular philosophy of the centre.

Strategy 4: Create opportunities for professionals to mobilise, in order to lay the foundation for reconstruction of core skill categories in the sector.

All of the employers interviewed were actively engaged in mentoring, although the models in each case varied, depending on the needs of the workplace. Mentoring forms an important part of extending and embedding the accredited training that workers had received off site, and which was subsequently adapted to the unique workplace culture of the centre. Mentoring was also considered important as a building block for what both employers and employees defined as a burgeoning ‘profession’ for the sector. Mentoring provides the opportunity to establish and build collaborative relationships in a formal way. One operator had built mentoring into the weekly roster structure to ensure that it occurred: ‘We have a half day for handover, mentoring and support. We needed to create a system that lent itself to mentoring and support for staff, because we know this is so important’ (Director, metropolitan early childhood centre). Another centre used the job structure within the sector to create the ‘space’ for mentoring to occur. In this case, diploma-level staff were appointed as room leaders, with teachers appointed at a level above this in order to provide additional pedagogical support for the diploma-qualified. In another case, mentoring opportunities were provided by shutting the two rooms of the centre, for regular sessions (three to four times per year). For these days, the children were cared for in a single room, and part-time staff were used to meet ratios. This allowed staff to attend events off site (conferences, training) or hold collaborative sessions with staff (including staff from other centres) on site. This afforded staff more opportunity to network and share experience with other professionals. Both employees and employers shared the view that collegial support and building a professional dialogue (comprising both technical and practical components) is an important and empowering strategy for child care workers. ‘All over, we need a lot more mentoring, a lot more relationship building across the sector’ (Room leader, suburban early childhood centre). ‘You need to take time out, to find out “how did other people solve the same problem I have?” ... that’s how a profession grows’ (Room leader, metropolitan early childhood centre).

All of the operators were committed to ‘flat structures’. In each case, this was manifested slightly differently; however, all interviewees affirmed their commitment to building a strong sense of collegial support, and extending the professional knowledge base. Employers sought to lift the value and appreciation of the work in any way possible. ‘We use the label of teacher for everyone. It is important to acknowledge that all of the work that is undertaken here is of value’ (Room leader, outer suburban early childhood centre). Or in another example, ‘We use flat structures as a way to give empowerment to junior members of staff. This allows them to take more supervision tasks and be paid at a higher level, but always with a more qualified staff member providing support’ (Director, regional early childhood centre). One director asserted the value of this flat structure in reinforcing the status of all workers in the centre when in contact with the wider public, ‘We value the flat structure. When a parent walks into this centre, we believe it should not be relevant whether they are talking to a junior or senior member of staff. All staff deserve to be treated with respect, and feel valued’ (Director, suburban early childhood centre).

Strategy 5 Expand options for funding, but with a view to lifting quality in service and quality of employment

All of the interviewees argued that the sector needed more funding in order to maintain and improve standards of quality. In the case of these innovative employers, all had implemented

some form of funding innovation in order to steady the operation financially. ‘Consolidation’ of operating costs formed the basis of the business model, in all cases, even within those organisations that were independent operators. Both Lady Gowrie and Hobsons Bay Council used centralised administration systems to ease both cost and workload at the centre level. For example, human resources (HR) functions, administration and processing tasks were in some cases wholly undertaken by the overarching body, or individual centres were offered significant assistance and guidance in undertaking these tasks. In terms of accreditation, recruitment, retention, and people management, this was immensely helpful to directors, who typically have to manage these functions alone. Centralising the functions of HR, pay roll, and administrative support provided economies of scale for the organisation (which therefore reduced the cost of undertaking these tasks overall) and helped to ease workload pressure at the centre level. For the local government operator, the financial support in terms of operational funding and the centralised processing functions provided by the council gave the centre what it described as ‘options’.

In the case of Norwest, the privately owned operator, the business had also developed a unique funding model which attempted to confront a core challenge for all operators in the sector. All centres face ‘family churn’, which means that children inevitably grow and ‘move on’. For Norwest, it is important to maintain a high profile as a high-quality provider to ensure that new families are aware of the centre. For this reason it was important to ‘brand’ the centre, by embedding all marketing with the philosophy of care and making it synonymous with the centre’s name. In addition, Norwest extended its operations to offer support services to families and children who had already moved on to school (by offering after school care services for siblings and ‘alumni’ families of the centre). This has helped the centre minimise fluctuations in the ‘customer base’ (families using the sector) and therefore stabilise funding flow.

Strategy 6: Harness the enthusiasm of workers to engage in training (lifting receptiveness to train)

Best practice employers did not leave the issue of training to the responsibility of the employee. Rather, these employers recognised the depth and complexity of issues impacting on reluctance to train among workers in the sector. All operators negotiated training or professional development plans with every staff member, from entry level to those qualified at higher levels. In many cases, ongoing employment was made conditional on achievement of these plans. Indeed as one operator argued, despite the costs associated with training, and the risks in a tight labour market, quality was seen as being preserved primarily through training, ‘People say, why train people if they only leave? I say, what happens if you don’t train them, and they stay?’ (Director, suburban early childhood centre). ‘Quality is people. It comes down to that ... when it comes to working with children, people are *the* factor that matters above anything else’ (Director, regional early childhood centre).

In most cases, although level of training and knowledge was considered critical to the quality of care imparted and education delivered, operators argued that appropriately ‘trained’ staff appearing to interview was an unrealistic expectation. ‘If we get trained teachers, great, we can build on this. If not, we work with staff to get them to where they need to be’ (Director, metropolitan early childhood centre). In the case of Lady Gowrie, which is also a registered training organisation, it was resourced to provide this training. For this reason, their training strategies had been shaped by the expectation that the training market in most cases was not able to deliver a quality set of skills, and it is to this issue that we will turn next.

Relationships with the training system/s: Structural impediments to quality

In the current environment, employers are faced with a choice between two qualification streams when considering the foundation of a workforce development strategy. One career stream exists for carers or ‘practitioners’ (who are typically technical college or VET-trained). The other career stream comprises teachers (who are higher education-trained). Historically, the sector has relied heavily on VET-qualified labour, based on the assumption that this is an expedient way to fill vacancies. Most direct care roles have been held by the entry-level trained (certificate III) as this allows employers to conform to mandated qualification requirements while sourcing labour more cheaply. In practical terms, the prerequisites for entry to certificate III are less stringent and the qualification can be completed more quickly. These employees can also typically be employed at lower cost. As this report indicates, this approach has proved to be an ineffective and unsustainable workforce strategy, both for local employers and sector-wide because it generates and reinforces a low pay–low skill cycle of atrophy.

All of the employers interviewed experienced what might be described as disconnected relationships with the VET system. This disconnection was felt in a number of ways. Employers expressed significant difficulties in their interactions with the training system. They argued that the future of the sector and the maintenance of quality relied on ‘lifting’ the skill profile of the industry. In the view of the best practice employers we interviewed, the current training infrastructure is ill equipped to support the sector in making these transitions. The employers indicated strong support for the federal government’s initiatives to engage more teachers in child care sector activity, but they argued that this approach must be embedded in early childhood pedagogy. In addition, more theoretical training would need to be provided to child care workers, who have received training in the practical ‘mechanics’ of care but not in the supporting ideologies and philosophies of care and education.

Moving away from generalism, towards greater specialisation

Employers voiced a number of concerns with the training currently available to them, both in terms of content and quality. For innovative employers, a viable training strategy for the sector must be one grounded in high quality. For these strategies to emerge, they argued, workers in the sector must develop skills in both care and education concepts.

The current career streams are no longer appropriate

The two career paths, at this point in time, are explicitly and implicitly shaped by a separation of core conceptual categories of skill. Carers have been historically drawn from the practitioner stream. The certificate III, certificate IV and diploma in child care (children’s services in some states) all represent entry-point qualifications, as none requires any form of prerequisite⁹ for entry.¹⁰ Although workers in the child care career stream will often treat the diploma as a form of progression (undertaking it after completion of a certificate III), this typically occurs for expedient reasons. A certificate III can be completed in a shorter period of time (as little as two weeks, or in some cases a few hours, if undertaken completely online). The diploma in child care

⁹ Higher School Certificate may be a preferred prerequisite in some cases, but is not required.

¹⁰ The cert. III focuses on ‘practical’ skills needed to give care, including hygiene practice, nutrition, care (codes of conduct with children) and health and safety. The cert. IV includes care units focused on ‘enhancing’ development, but with an emphasis on developing the management skills required to run a centre (including parent liaison and managing a service organization). The cert. IV is typically setting-focused, for example, family day care, occupational health and safety, nannying, and has a broader ‘child’ focus, away from the early childhood years (as it focuses on care for children aged 0–12 years).

is still grounded in ‘care’ concepts, with a strong emphasis on extending the additional skills required to work in a child care setting, including management and parent liaison. Alternatively, employers may seek to elicit labour from the ‘teacher’ career pool, which offers skills grounded in education, but often with a limited early childhood focus and limited understanding of the unique workplace environments that are typical of early childhood services. Historically, mismatches in skill levels have been left for employers to resolve, either through: innovative rostering (using ratios to build teams which offer a mix of care and education skills) or workplace-grown skill transfer strategies (mentoring or in-house knowledge sharing). Employers acknowledge that disincentives to train are prevalent in the sector, and this has created challenges in locating appropriately skilled staff. However, employers also argue that significant adaptation of VET training is required in order to serve the needs of the sector in the future.

Both streams of training need an altered focus

Employers at the heart of this study contend that, in order to maintain and lift quality, greater coordination of the skill profile across the sector is required. The recent federal government initiatives to anchor centre activity around the appointment of teachers was considered by all of the employers interviewed to be an important first step. Further to this, however, the employers argued that the industry required a shift towards greater ‘specialisation’ away from ‘generalism’. This reflects wider international thinking and findings about the future reformation of skill categories that underpin early childhood work (OECD 2006b; Urban 2008). A higher level of specialisation and professionalism among staff would permit greater workforce autonomy and the ability to exercise professional judgment and therefore produce higher-quality care environments. In all cases, the employers were gearing recruitment and retention of workers to hiring workers in both streams who were specifically ‘early childhood’ specialised. This means that teachers, even those who had experience in teaching the early years of primary school were considered ‘generalists’. Early childhood teachers were considered to have more sector-appropriate skills and were considered to have better developed ‘care’ and ‘emotive’ skills appropriate to the early years than had other teachers. For workers, those who could exhibit an ‘education’ focus became preferred candidates. This mirrors the approach taken overseas, in particular the UK and NZ (Adams 2008). Among these workers, employers placed greater emphasis on developing the pedagogical knowledge base among these workers so that the theoretical underpinnings of attachment, bonding and behavioural management could be both understood and applied in child care settings.

Both employers and employees contend that child care work requires more specialisation than might have been required previously. The complexity of the work has become more intense (Urban 2008). A number of factors have contributed to this complexity, including the increasing number of children defined as having special needs (in particular, autism), the diversity of families, increased multiculturalism and the more challenging workplace environments (Urban 2008). These demands suggest that workers need the ability to improvise in their responses to these challenges. This improvisation must, if quality is to be preserved, stem from professional knowledge and autonomy (Mooney et al. 2003). As one teacher noted during the course of interviews, ‘A degree is a lot more reflective in approach, and I think teachers can i.d. kids with additional needs a lot more quickly—that’s a huge benefit in the current environment’. As another worker, also a teacher, noted, ‘We don’t all need to be degree trained, but we do all need to be aware’ (Room leader, metropolitan early childhood centre). One worker offered a particularly descriptive narrative of their experience and the impact of the changing demands on child care workers, ‘I’ve been working for eight years, and I was fine, until last year. Then I began having the feeling that I’m missing something. I had autistic kids in every room ... I needed to know more about what was going on ...’ (Teacher, metropolitan early childhood centre). This prompted the worker to seek additional training, in the form of a master’s degree in education.

In the higher education stream, both employers and employees noted the need for ‘specialist’ early childhood-trained teachers having a better grasp of the challenges inherent to early childhood work. In other words, the shortage of staff will not be solved by hiring more ‘teachers’ alone. Because of the unique workplace conditions in early childhood environments and the specialised behavioural and developmental knowledge, ‘teachers’ were considered generalists, and not necessarily a good fit for early childhood work. Historically, teachers who have entered the child care sector have had to access ‘top-up’ training, in the form of on-the-job training or short courses in people management, financial planning and management. However, both the employers and the employees interviewed indicated that this was no longer enough. Even among those specifically trained for early childhood work, workplaces and employees alike argued that financial and management literacy were not sufficiently covered in the context of the degree, yet this operational knowledge is critical to working in a child care environment. ‘Some of the fundamentals are missing. There is not enough management and administrative training. The sector is crying out for that’ (Director, regional early childhood centre).

In the practitioner stream, a number of problems were similarly identified with the generalist nature of the training provided. This was created by the additional complexities of work (for example, special needs children), but also because employees felt that the composition and content of the very work was changing. As a diploma-trained coordinator (manager) noted, ‘I now have staff who are teachers, and I need to do more theory in order to mentor them properly, and to supervise those girls’ (suburban early childhood centre).

Is there scope to merge the two existing streams?

Both employers and employees expressed doubt that the two career streams (practitioner and teacher) could be merged to provide a consolidated career progression for workers in the sector. One possible strategy might be for workers to begin with a certificate III, and then sequentially progress to higher education study as a way to provide an amalgamated set of child care (education and care) skills for the industry. Historically, management or supervisor roles have represented important unofficial crossroad points for these kinds of training transitions. In New South Wales, for example, appointment to a director position is diploma-dependent, but this is the only state that mandates in this manner. While some workers had achieved the transition from VET to higher education, in reality they appear to represent a very small minority of workers in the industry. Alternatively, teachers could be encouraged to undertake ‘child care’ qualifications upon entry to the sector in order to gain an early childhood focus. However, no employers or employees interviewed appeared supportive of this strategy. Firstly, the commitment to completing a teaching degree is already a significant training commitment for workers to undertake. Secondly, it is argued that the current certificates in child care themselves also require some revision to maintain relevance in the changing environment.

There are few national data available to understand the typical pattern of skill development that occurs within and between these streams. However, evaluative research on these programs suggests the two streams remain ‘contained’, with little opportunities for workers to jump or move between. Watson notes that, despite attempts to encourage workers to change streams from practitioner to academic models of training, these have been unsuccessful, with a very low take-up rate among workers (2006a). The reasons appear to be linked to institutional unwillingness to facilitate these transitions, due to static mores about care and professional labour. A survey conducted by Warrilow and Fisher (2008) found a 30 per cent drop rate among TAFE-qualified students who then enrol in university courses. In the experience of the best practice workplaces interviewed, it is only the top-tier workers (higher level management workers) who have indicated a strong willingness to transition to more pedagogical or theoretical forms of study.

Dissatisfaction with the standard of training: Consequences

Employers raised significant doubts about the quality of much VET training available to the sector. Due to the small size of child care centres, however, there were limited opportunities for these organisations to step into this gap as training providers themselves (as some larger operators have done in other sectors, for example, manufacturing and processing).

The criticisms of VET training were broad based and included all manner of concerns, including: competency assessment; the quality of content imparted to students; how content is imparted; the degree of support provided to students while studying and post-exit; and in some cases the lack of practical experience associated with some certificate III completions. One operator described it in the following way, 'We need to raise the bar in terms of training. There are too many private RTOs offering associate diploma and certificate IIIs by correspondence. This is not OK' (Director, metropolitan early childhood centre). In another case, the employer stated, 'Due to the shortage of Diploma trained teachers, colleges seem to be pushing through people who really do not have the skills or interest to work with children. There seems to be a lot of "mickey mouse" courses available where people can complete their training in a very short space of time doing it by correspondence' (Director, suburban early childhood centre). The point was confirmed repeatedly, across all of the operators interviewed. 'There is either no hands on training or this is done in their own centre which may or may not be of high quality' (Room leader, metropolitan early childhood centre). This has been noted in other qualitative studies of child care courses. Rush and Downie note in their study that employers were highly critical of the failure of institutions to appropriately observe students at the conclusion of child care courses, and that this was a particular problem among correspondence courses (2008, p.44). In particular, there was a low level of confidence expressed in training provided by registered training organisations. Directors noted the following, 'RTOs generally do a very poor job', or 'they are receiving money for jam'. Employees also noted their concerns about the quality of some training, 'we call them weeties qualifications' (child care assistant, suburban early childhood centre). Or as one staff member appealed, 'How are these RTOs being monitored?' (child care assistant, metropolitan early childhood centre). While there was a good deal of criticism about 'flexible delivery' among all of the operators, on closer examination, the criticism stemmed not from flexible delivery itself but from the failure of providers to provide adequate assessment procedures of students on the conclusion of training.

This level of doubt about the quality of training available impacts on employer behaviour in multiple ways. In the case of two employers, less-qualified staff were appointed so that the employer could exercise some degree of quality control over the training sourced. For these employers, the need to have a certificate III completed before starting had become less important, but appointment was conditional on training completion. One employer described their strategy in the following way. 'We recruit staff with a view to behavioural and personality profiling. We're legally required to have a certain level of qualification and this comes into it, but it's not essential. A cert III can be done in a short time and that's why we have turned our focus to recruiting people who are less skilled, and get them into those courses, because the cert III teaches them about our industry, so they understand what is involved' (Director, metropolitan early childhood centre). In this case, as the employer explains, 'after appointment, we commit to a training and career plan with them. Otherwise we would never find who we are looking for.'

Secondly, relationships with training providers are used as a way of screening potential applicants. In other words, the agreement to accept placements and work experience students was considered an extension of the recruitment process. A director of a metropolitan child care centre described the approach in the following way: 'This gives us a chance to test who comes through. How will these staff fit in? If they do fit in, what can we do to keep them? We have to know that a person has an interest and real commitment to the early childhood field before we

will bring them on board. We do advertise as well, but we find this approach allows us to know staff really well, before we hire them.’

Finally, the perception of poor standing in VET training had led to a broad-based employer distrust of unknown providers. The graduating institution had become, by default, an ‘invisible’ criterion in screening potential applicants. ‘When we see certain colleges [on a resume], we know the standard of the training is going to be very good.’ In many cases, employees had been appointed after undertaking job placement with the employer. ‘A reputable college is important’ (Room leader, suburban early childhood centre). In another case, ‘You can generally tell which institution a person got their qualification from in this industry. The quality in some cases is so far below what is needed that you can tell there will be problems’ (Director, metropolitan early childhood centre). For employees, this environment makes it difficult for employees to execute a well-informed choice between seemingly very similar VET courses. In a tight labour market, in which assessment of applicants was difficult, employers found themselves effectively assessing the ‘institution’ not the ‘individual’.

While much research on workforce development revolves around the access and appropriateness of training supply, the insights provided by these employers suggest that, where training quality is perceived to be compromised, these discussions represent somewhat of a ‘moot’ point within the debate. If employers are unlikely to trust providers outside the realm of their experience, then training supply could be expanded exponentially and yield no improved labour market outcome. Graduates who are viewed as less favourable because of stigma associated with their graduating institution will remain jobless.

The consequence of not undertaking a specialised ‘high skill’ road: The link between ‘regulatory compliance’ and skill stasis

In Australia regulatory instruments have been critical to ensuring quality standards in service and in preserving a safe and secure environment for children in child care. In the absence of a formally high-skilled workforce (which has historically been the case in Australia), the presence of quality controls takes on even greater significance. Woodrow and Press (2007) note that highly uniform ‘standards’ of regulation are typical of systems in which the quality of labour is poor, because the ability to exercise critical judgments amongst staff at the centre level cannot be assumed. Emphasis on regulatory compliance creates a skill paradox for the sector. Intense emphasis on narrowly defined criteria for accreditation and licensing can serve to compound skill stasis in the sector. As the findings of the OECD note, child care systems work most effectively (with high worker retention and better skill levels) when the issue of regulation is embedded deeply in professional doctrine and when regulation offers scope for the exercise of professional *discretionary* judgment. Autonomy in the exercise of professional work is critical in child care (Miller 2008; Osgood 2006; Cable, Goodliff & Miller 2007). Some researchers have asserted that regulation prevents the exercise of professional judgment and poses a direct challenge to ‘professionalism’ within a sector (Osgood 2004). This occurs because regulation discourages workers from considering the implications of a practice in a deeper way and therefore creates ‘docile, yet productive’ workers (Osgood 2004). A study by the Independent Education Union of Australia notes that the regulatory systems used to validate and license operators in both Queensland and New South Wales are not enforced in a way that enhances professionalism nor helps centres to make better ‘quality’ focused judgments in the future (Independent Education Union of Australia 2008). This was corroborated by all of the employers and employees interviewed in the context of this study. ‘Children aren’t machines, you can’t actually defer to an operational manual, or go to a set standard of operations to find an answer, you have to have people prepared and able to function at a higher level of understanding of what they are doing to make professional judgments’ (Director, suburban centre). One room leader noted that the regulatory instruments bring a single-minded focus to the industry. ‘Procedures have become what the industry is focused on.’ This, in the words of one director, had led to a ‘dumbing down’

across the sector. 'It seems like how to change a nappy, how to wash your hands has become the focus of the entire thing. It's frustrating as it's the personal skills that don't get touched, and they're the skills that are gold from a management point of view' (Director, metropolitan early childhood centre).

The use of regulatory controls has had the unintended effect of perpetuating skill stasis in a number of ways. Firstly, an intense level of regulatory compliance can profoundly impact on workload at the workplace level. Researchers note that, in the child care sector particularly, employees feel the 'brunt' of regulation (Griesharber 2002; Duncan 2004; Fenech & Sumsion 2007, p.114) because the additional workload created by conforming to regulation (that is, paperwork) is burdensome. This in turn, further undermines the ability of the workforce to train, as work intensification prevents any additional training from occurring during working hours. Secondly, a highly 'compliant' culture can steer the emphasis of training away from innovation toward the static categories of skill that surround conformity to regulatory standards alone. This is corroborated by the interviews with best practice operators. One director noted, 'there is too much time spent on teaching qualifieds [qualified workers] how to read a procedures manual ... The focus becomes conforming to the standard, and the meaning of why you are doing what you are doing is lost' (Director, metropolitan early childhood centre). The ironic disconnect between high regulatory compliance and poor quality is illustrated by international evidence as well. In Denmark, for example, which is ranked by the OECD to be one of the highest-quality child care environments worldwide, child care centres are required to complete very little documentation and paperwork at the workplace level. Thirdly, the emphasis on regulatory compliance can also undermine the potential for quality improvements to occur through professional mentoring. Employers argued that these agencies could potentially have a powerful and instrumental role in shaping quality. Accreditation agencies could actively broker or mediate quality improvement through supporting research, sharing evidence-based good practice and considering examples of alternative monitoring and assessment practices (Lady Gowrie 2008). It was revealed during the course of interviews that the regulatory agencies were viewed as narrow in focus and in some respects, punitive, rather than supportive of the service operator. Employers and employees perceived this as an opportunity lost. As one director noted, 'The National Standard for quality [the QINE] has been designed by accountants. From a practitioner's point of view, it is useless' (Director, regional early childhood centre). Or, as another operator noted, 'We need the "intention" to change. Knowledge and practice need to be in a common language' (Director, metropolitan early childhood centre). Much of this was perceived by the best practice operators as a system that undermined the ability of a profession in the sector to grow and flourish, thereby reinforcing the skill atrophy that already existed.

The recent moves to revise the quality framework within the sector reflect a widespread recognition of these issues. In particular, this is noted by leadership of the National Child Care Accreditation Council: 'NCAC is delighted to implement changes that recognise the need for professional dialogue' (2009). What form these measures will take, and the impact of these measures at the state, and ultimately workplace level, will not be known for some time.

The consequence of the 'specialist' worker strategy

The decision to gear this recruitment and retention strategy around the appointment of early childhood education and care specialists has deep consequences for the wider labour market, if this strategy is embraced on a large scale. In one sense, the strategy could be described as the next phase in the skill 'evolution' of the sector. As Gammage notes, 'Child care is at a position politically in our modern societies not unlike that which elementary/primary education found itself in the nineteenth century' (Gammage 2006, p.240). Since the 1980s, the growing demand for 'education' and school readiness programs to form part of the child care experience prompted the initial steps by long day care centres to embrace a greater education focus

(Nuponnen 2005; Rodd 2001; Jorde-Bloom & Sheerer 1992). A further merging of these systems may represent the next gradual step in the evolution of child care service.

The alternative theory posits a much more radical view of recent events. The decision by employers to target specialists could represent a high-risk strategy, because the sector already experiences significant difficulty sourcing labour for current vacancies. Yet, among the best practice operators, however, their resolve seems unshaken. 'What is happening in the VET system is not OK. People who are doing cert IIs who are under eighteen, is not OK. These people are supervising children' (Director, suburban centre). 'In other industries, VET has a strong role, we support that, but in those industries we are not talking about children. VET in child care is a very introductory thing at the most basic levels, and it shouldn't be made into more than that' (Designer and administrator of early childhood programs, not-for-profit operator). All of the workplaces interviewed argued that they had experienced the consequences of people who represented a poor fit for the sector. As a director of a metropolitan early childhood centre notes, 'The problem is, that the shortage of staff is such that you don't have to have done much to get into child care'. While these employers are obviously highly motivated to seek better suited 'higher status' workers, turning towards workers for whom institutional supports are not yet in place and away from workers who are trained may represent a high-risk strategy. In the absence of further state controls, or further state support to fund the higher wages needed to attract and retain more skilled workers, the decision to exclusively seek highly specialised workers may inevitably end in failure.

The strategy to target high-end labour poses a further challenge for the sector. The strategy to engage those with a specialised early childhood focus would see the entry points to the sector narrowing, rather than widening, as the following comments by employers illustrate:

It's fine to encourage unemployed people to move into an industry, but many go into it because they have not been given much option. This is just not ok when there are children involved.

We've had people on placement when they don't want to be here, when it hasn't been their option of first choice and the results are disastrous. They display little interest in interacting with the children, or in doing the related assignments.

VET is also important as a short term thing, to fix things, to get people into work, it is *not* the solution in child care.

All of the brain research and attachment research shows that, tells us, how important and seriously we should be taking this.

Firstly, without significant government support to elevate the training standard, and without accompanying measures to support pay increases in the sector, there is a genuine fear that the sector will not be viable. Alternatively, employers may face a highly compromised choice—remain viable but at the price of quality. Secondly, the sector faces a risk in alienating the existing and committed workers who have 'kept the sector going'. It is feared that committed workers with high levels of experience but low levels of formal qualifications will be displaced. This displacement may occur culturally, as greater numbers of teachers move into the industry and create a professional 'clique' by treating less-qualified staff as 'assistants' or aides. (This would parallel the culture in some school settings.) This displacement would also occur because of federal government initiatives to engage early childhood trained teachers to meet mandated ratios. As one director of a suburban centre noted, 'I am also concerned with the implementation of a Degree qualified person into the centres. This has the possibility of creating inequality due to different awards, pay, planning time, holidays etc. as well as the problems of employing and retaining Degree qualified teachers.' There were also concerns raised over the difference in wages and conditions associated with the different streams of employment, and how these would be resolved in the new environment. 'Not everyone needs a degree to work in this industry, but we do need staff to be operating at a higher level than the sector has in the past' (Room leader,

suburban early childhood centre). This poses an additional challenge by narrowing, even further, the entry points to child care. It is generally accepted that child care services need to source labour locally, because of the low-pay nature of work in the sector. Until the challenge of low pay is resolved, which could only be achieved by state intervention and additional support, this challenge of narrow entry point is unlikely to be resolved.

Conclusions and future work

The child care sector is currently in a state of skill flux. The industry continues to bear the weight of a legacy of skills atrophy. By world standards, Australia's child care system is drastically underfunded relative to demand, and labour is socially devalued and of low status. The synopsis of international policy finds that conceptually amalgamated forms of child care are much more likely to deliver high-quality outcomes, as comprehensive skills sets are required by the workforce delivering service. The supporting policy frameworks that bring this model to fruition, however, are both complex and costly to deliver.

Introducing the skill ecosystem concept to the analysis provides important insights. The ecosystem permits the identification of preconditions for either atrophy or growth within a system. The framework also provides a way to anticipate the impacts of employer and employee choice in shaping skill development. The employers interviewed during the course of this study were selected because they offered innovative approaches to workforce development. All had sought to address core preconditions for skill atrophy in their approach to developing and deploying labour. The employers at the heart of this study have embraced a 'high road' skill strategy, which reflects many elements of the models employing high conceptual amalgamation adopted overseas. This raises a number of crossroad questions for the sector to address and wider questions for training system more generally.

Firstly, a high road skills strategy embraced by employers in the sector more widely has profound impacts for the wider labour market. The innovative employers interviewed for this study advocate narrowing the entry points to the industry in order to address the long-standing issue of turnover and lift quality in service outcomes in the long-term.

Secondly, the desire for reconstructions of skill in the industry also has implications for training delivery. In the current environment, structured forms of training represent only part of the workforce development story. The innovative employers featured in this study indicate that, in order to maintain quality standards in the long-term, quality outcomes in the industry must be predicated on skills specialising in the area of early childhood. However, the two traditional training paths remain distinct, with little opportunity for merging the current streams in a manner that would suit industry need. In addition, the high level of dissatisfaction with the quality of much VET training has also impacted on employer behaviour with regard to training. Rather than seeing an open and competitive training market as offering a full suite of choice and delivery options, bad prior experience has meant that employers tend to trust only certain providers, rather than risk engagement of workers who have been either poorly trained or who are ill suited to the sector.

Finally, although current policy conditions (at the federal level) appear to favour this merged model of early childhood education and care delivery, this is by no means assured. The need for additional funding and pay parity represents important approaches to lifting quality. Although the government has provided a unifying conceptual framework on which these measures might be based, it has made no specific commitment to fund implementation. If employers seek to pursue a high-quality labour strategy, in the absence of additional funding support this is likely to create

significant equity concerns. Significant re-training, the provision of extension training, and elevating pay levels across the board will increase the costs of delivery, which without an alternative funding model, would be passed on to parents as consumers of service. This is likely to create a range of equity challenges, as access to high-quality child care would then be predicated on a user 'ability to pay' principle.

In 2010, this stream of research turns its attention to labour supply. The case of child care presents some important insights on employer strategies in the deployment and development of labour. Child care has faced deep challenges with regard to turnover. As part of an innovative strategy to address this challenge, employers are narrowing, rather than widening the catchment for workers. Demand for skill is highly diverse, because skill is not viewed in isolation, but as part of a matrix of criteria used to inform employer judgments on the selection and potential development of labour. If the approach used by innovative employers is anticipating the direction of sector-wide activity, this will see the number of entry-level positions shrink rather than grow within the child care sector. Among the innovative employers we interviewed, this shift had already begun. This suggests that VET and associated intermediary agent responses to perceived skill need must remain timely and highly responsive to subtle shifts in employer demand. This poses some important questions for consideration in the coming year of research.

- ✧ How might the VET system understand, mediate and anticipate shifts (and divergent shifts) in employer demand?
- ✧ What role do intermediaries play as conduits in this process of defining and mediating skill need?
- ✧ What do we know about new or underutilised pools of labour, and how might this information help inform job and sector readiness strategies?
- ✧ How might innovative practice be used to unite the quite disparate and distinct realms of policy pertaining to labour supply and labour demand and to enhance labour market outcomes among disaffected and disenfranchised job seekers?

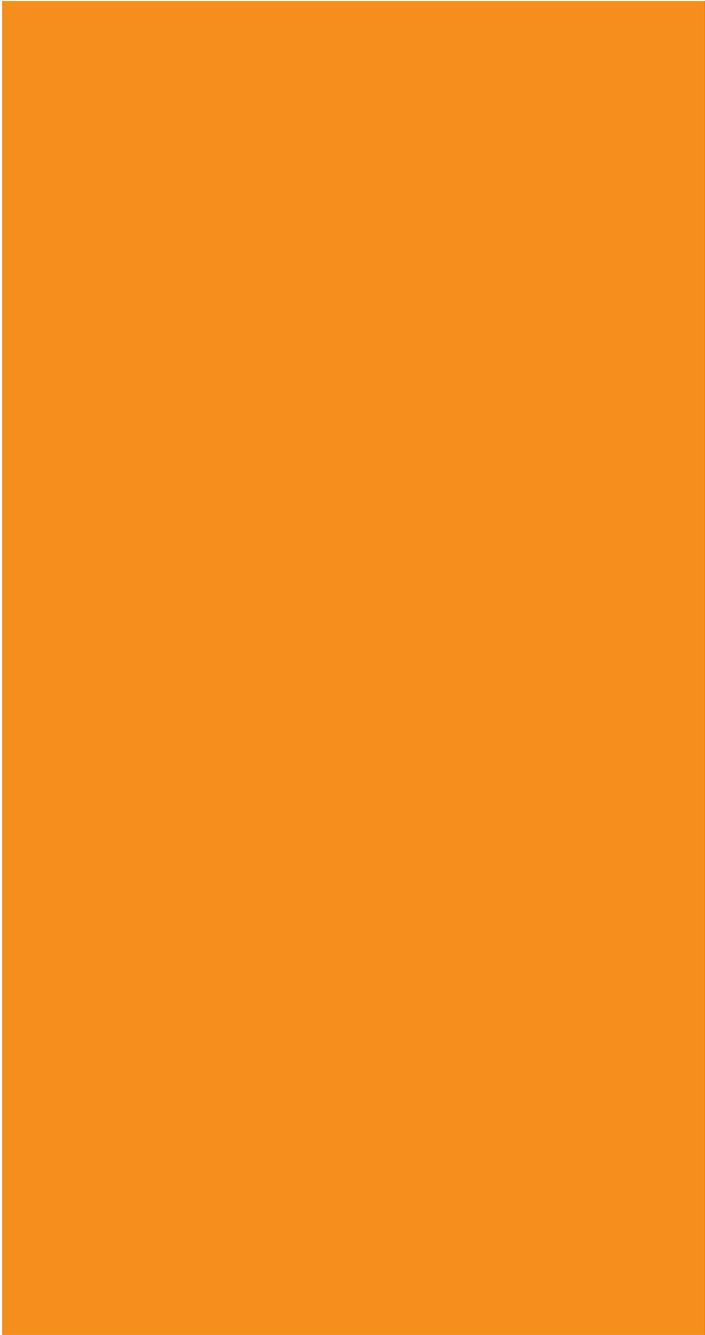
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