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Hierarchical Challenges in Education: A Competitive Arena for Daring Principals—The Case of Tallinna Majanduskool

Triin Laasi

1 The Legal Regulation of Vocational Education and the Training System in Estonia

The vocational education system in Estonia is regulated by the Vocational Educational Institutions Act. Article 1 of the Act provides the basis for the right to provide instruction, management, organisation of studies, state-commissioned education and financing, the rights and obligations of members of schools, and state supervision over the activities of schools (Vocational Educational Institutions Act 2013).

The uniform requirements for vocational training are regulated by the Vocational Education Standard which sets out the requirements in § 1 for curricula and studies, the principles for amending the curricula and for the recognition of prior learning and professional experience, the learning outcomes of vocational training, key competences, and the

T. Laasi (✉)
Tallinna Majanduskool, Tallinn, Estonia
e-mail: triinl@tmk.edu.ee

link with the Estonian Qualification Framework (Vocational Education Standard 2013).

According to the Professions Act (2008) § 4, the qualification framework classifies professional and educational levels on the basis of criteria related to acquired knowledge, skills, responsibility and autonomy, and is divided into eight levels where level 1 is the lowest and level 8 is the highest.

Professional standards that serve as the benchmarks of vocational education are positioned between levels two and five in the qualification framework. Level 5, vocational training, also known as specialised vocational training, was established in Estonia during the 2013/2014 academic year. There was no equivalent level of vocational training available previously (Ministry of Education 2017).

Formal vocational training is provided based on the curricula, which are divided between national and school curricula. National curricula form the blueprints for providing upper-secondary vocational training and are drafted in cooperation with social partners based on professional standards and vocational education standards. School curricula are compiled for every individual vocation or profession that can be acquired at a vocational school and are compiled based on vocational education standards. If no vocational standards exist, the schools must apply for recognition of the curricula by social partners and prove it through a recommendation letter. School curricula also specify the form of studies. In Estonia, studies in a vocational school are conducted in the form of full-time study or distance learning (independent work by a student forms more than half of the study load) (*ibid.*).

Vocational education in Estonia is financed through the system of state-commissioned education. According to the Vocational Educational Institutions Act § 44, student training places are ensured for those who wish to pursue vocational training based on the needs of the labour market, on the strategic development plans of the state and the development plans for different fields, studies and forecasts, the capacity of schools, and the preferences of the persons who wish to study (Vocational Educational Institutions Act 2013).

The Ministry of Education and Research compiles annually the state-commissioned education request for formal vocational education,

which is to ensure that vacancies are available for students wishing to enrol in vocational educational institutions. The state-commissioned education request is compiled by factoring in the needs of the labour market, national strategic and subject-centric development plans, projections and studies pertaining to particular fields, as well as the schools' capacities and students' individual preferences. An analysis of social and economic needs is carried out prior to formulating the state-commissioned education request for vocational training (Republic of Estonia, Ministry of Education and Research 2017).

Vocational training is organised by vocational educational institutions. They are divided based on the ownership status into state, municipal and private institutions and professional higher education institutions, and serve the purpose of fostering knowledge, skills and attitudes, occupational know-how and the social readiness required for working, participating in social life and in the lifelong learning process (*ibid.*).

The responsibility for performing the tasks lies with the school administration, which consists of four units: the owner of the school, the head of the school/the principal, the council, and the advisory board. Chapter 4 of the Vocational Educational Institutions Act (2013) regulates the management of schools. According to the Act, the schools are managed by heads of school who bear liability within the limits of their competence for the general state, teaching and education, development activities, and for the legitimate and purposeful use of the financial resources of the school. The principal has the right to enter into contracts of employment with the employees of the school, approve the budget of the school and dispose of the budget funds of the school within the limits of authorisations granted by law and by the statutes of the school. The principal is responsible for reporting to the school council, the advisory body, and the owner of the school concerning overall administration and management (Vocational Educational Institutions Act 2013).

The school council as the highest collegial decision-making body of the school consists of the principal and his/her deputies, heads of structural units, representatives of students, and representatives of employees. By law, the council discusses issues related to teaching and

the organisation of the economic activities of the school, make proposals to the owner of the school for amending the statutes of the school, and coordinates the draft development plan of the school. The council approves the strategic and organisational documents of the school, including the annual report of the school, the budget and procurement plan and the internal assessment report. The council also approves the curricula of the school and the rules and the schedule for the organisation of studies for each academic year (ibid.).

The advisory board is a body of advisors connecting the school and the community and whose function is to advise the school and the owner of the school on planning the development and organisation of teaching and economic activities. By law, the advisory body makes proposals to the principal and the council on issues related to the directions of development, activities, assets, budget, management, and amendments to the statutes of the school. It also provides an assessment of the cooperation of the school with state authorities, local governments and enterprises upon the achievement of the objectives established in the school's development programme (ibid.).

Although the school administration consists of several units and the process of decision making is collegial on many issues, the main responsibility for school management still lies personally with principals, whose preparedness for management tasks and professional competences are crucial for the successful functioning of a school.

2 Qualification Requirements for Principals in the Vocational Education System

Article 39 of the Vocational Educational Institutions Act (2013) prescribes that the qualification requirements for a principal are a Master's level degree or a qualification corresponding thereto, management competence/experience, and educational competence.

Compared to the previous legal regulation, there are no longer requirements for a certain length of management and pedagogical experience in the current law. Considering the complexity of functions of modern vocational schools in Estonia, the managerial competence of

principals is highly valued. Pedagogical competence is also required and necessary for the principal to assess the compliance of the teaching and education staff with the qualification requirements.

According to the Education Policy Outlook within the framework set by the central government, the administration of Estonian schools is highly decentralised and schools in Estonia have a level of autonomy above the OECD average. Principals are in charge of administrative and pedagogical leadership activities, manage their school's financial activities, sign staff employment contracts, establish teachers' salaries, and organise job interviews for vacant teaching posts. Compared to their peers in other OECD countries, Estonian school leaders engage less in pedagogical leadership (OECD 2016).

Compared to general education institutions, vocational schools' principals tend to engage even less directly in pedagogical leadership, because vocational schools are more multifunctional and, besides providing education and training activities, provide different services and sell products. They also take care of the practice infrastructure.

Considering that in the Estonian education system schools are very autonomous, principals also have great autonomy concerning school administration. Principals used to be personally fully responsible for management decisions, but considering the complexity of the functions of modern vocational education centres and the high expectations of schools from social partners, the degree of personal responsibility of principals in decision-making processes has decreased since 2013 and is balanced with more collegial management through the work of the school council. It can be said that, on one hand, principals are still personally responsible for the management of the school, but there is more collegial and shared decision making now which, on the other hand, demands from school leaders good cooperation and team-leading skills.

Since the expectations of school principals, both in terms of leadership and pedagogical skills, are increasing, discussions on the competence model for Estonian school leaders was initiated by the Ministry of Education in 2012. In 2015, the initial competence model was renewed, bearing in mind the perspective of 2025. The ideology behind the concept of a modern school leader is that the principal mainly serves as a school innovator who understands the developments in society,

foresees the future expectations of schools, and knows how to support each learner in maximising their potential. The competence model focuses on five key competences, which are seen as the most relevant for the successful professional activity of modern school leaders. These five future competences are innovation management, team management, capacity to support each learner's development, result-oriented performance, and excellence in presenting success stories (Foundation Innove 2016).

The ideology behind the competence model is closely related to development guidelines for the vocational education system and the strategic goals set for the system by different policies.

3 Strategic Goals and Development Guidelines for the Vocational Education System and Connections with Other Policy Guidelines, Including the Recent Policy Initiatives Targeting the Popularisation of Vocational Education in the Context of the Concept of Lifelong Learning

The vocational education system in Estonia has been the subject of fundamental reforms for more than two decades. Organising vocational education and training in line with the rapid changes in the labour market and responding to the needs and expectations of all relevant social partners, including learners, have been and still are challenges at all levels of governance of education (state, region, school).

The Lifelong Learning Strategy is the most important strategic document in Estonia in the field of education based on which the government makes its decisions for the funding and development of education programmes. Since the educational system of the country should be viewed as a whole in the context of lifelong learning, the strategy also has a holistic approach that covers all levels and types of education. The general goal of the strategy is to provide all people in Estonia with learning opportunities that are tailored to their needs and capabilities

throughout their whole lifespan, in order to maximise their opportunities for dignified self-actualisation within society and in their work. In order to achieve the general goal, five aims have been defined in the strategy to respond to the most critical development needs and challenges of the Estonian education system. The first and the most fundamental challenge for the whole system is a change in the approach to learning to support each learner's individual and social development, the acquisition of learning skills, creativity and entrepreneurship. The strategy also aims to focus on competent and motivated teachers and school leadership; matching lifelong learning opportunities with the needs of the labour market; using modern digital technologies for learning and teaching effectively and efficiently; and finally creating equal opportunities for increasing participation in lifelong learning (Republic of Estonia, Ministry of Education and Research 2014).

The goals set in the strategy match largely the challenges for the Estonian education system defined in the OECD review, which also emphasises that although school leaders in Estonia play a crucial role for schools, there is limited professional development to support them for their new responsibilities. The review also points out that Estonia has one of the highest upper-secondary education attainment rates among OECD countries and, at the same time, Estonia's enrolment rates in vocational education and training are low and below the OECD average, both at secondary and upper-secondary education levels (OECD 2016).

The Lifelong Learning Strategy also highlights the need to increase the share of learners continuing their studies in the vocational system, to raise the quality of vocational studies, to involve more widely social partners in school management and in the organisation of practical learning, to improve the financing of vocational schools, and to review the principles of distributing state-commissioned education among schools. The goal set for 2020 for the division of students between vocational and general secondary education is 35/65, but based on the last five years' trend only 26–28% of basic school graduates prefer vocational education, and others continue their studies in general secondary education (Republic of Estonia, Ministry of Education and Research 2014).

Besides educational policy, other policies consider vocational education as an important measure to relieve socio-economic problems, and view vocational schools as strategic cooperation partners.

The National Reform Programme 'Estonia 2020' (2017) considers increasing the participation rate in lifelong learning activities among adults, reducing the share of adults without any professional education or vocational training, improving the quality of the educational system and adapting it to demographic changes as state-level priorities that need to be addressed by policy makers.

The Estonia's Regional Development Strategy for 2014–2020 (2014), whose vision is to ensure the essential benefits of a good quality of life (employment, services, various activity opportunities) in all regions, considers regional vocational schools as important actors in promoting a region-specific economy and creating the necessary preconditions through the provision of education and training programmes in the fields most relevant for regional development and economic growth.

In addition, the Welfare Development Plan 2016–2023 (2016) prioritises high employment, a high-quality working life, and greater social inclusion. According to the strategy, the shortage of a qualified workforce is considered a factor that hinders economic growth the most. Employees' knowledge, skills, and experiences are not in line with the needs of employers and, too often, the acquired qualifications are outdated.

Considering all the expectations of social partners and the policy guidelines related to the qualifications of the labour force and the need to raise and update the skill profile of people of all ages at state, regional and local levels, vocational schools have clearly a very important role to play in making the Estonian economy competitive and in improving the quality of life and cohesion in society.

In order to understand the changes in the legal and policy level regulations taking place in the Estonian vocational education system during the last 5 years (2013–2018) from the perspective of a school administration, the case of Tallinn School of Economics has been chosen to illustrate how external changes can serve as an opportunity for daring principals to initiate innovation activities and implement developments necessary for competitiveness in the education market.

4 The Case of Tallinn School of Economics

There are several reasons for choosing Tallinn School of Economics as an example for understanding the challenges and opportunities deriving from the changes in the legal regulation and policy guidelines from the perspective of management decisions. The school has undergone both institutional changes in terms of legal status and administration, and changes in management culture and operational strategy.

Tallinn School of Economics is a state-owned vocational education institution that has the right to provide education and training in the specialisation field of business, administration and law. From 1999 to 2013, the school provided both applied higher education and level 4 vocational education programmes, and the proportions between applied higher and vocational education were 60/40. In 2013 the Minister of Education and Research signed a decree which obliged the school to close all higher education curricula by 2015 and re-profile all existing curricula into the qualification level 5 study programmes during the period 2013–2015. The school was faced with several challenges during this period of active curricula development: motivating teachers to re-profile themselves from the position of lecturers into teachers and to collaborate in reorganising all study programmes; testing and developing the methodology provided by the state to compile level 5 school curricula and to popularise level 5 vocational education for potential learners who needed to be identified.

In order to deal with the challenges mentioned, the school administration established a bonus system for teachers actively involved in curricula development and maintained the terms of the work contract, including working hours for teachers and salaries, which in the context of vocational education were rather generous. In terms of piloting the methodology for curricula development, the school chose the role of constructive partner of the ministry in order to modify the regulation/methodology for curricula development based on actual experience and to improve it for future needs. In popularising level 5 studies for potential learners, the school defined a clear target group for level 5 education. Since the entrance level for level 5 studies is the same as for higher

education—completed secondary education—it was difficult to promote the benefits of specialised vocational training for secondary education graduates because they no longer raised their educational level after graduation. Instead of competing with universities for traditional students, Tallinn School of Economics decided to target learners who wished to obtain new vocational skills or to re-skill themselves and for whom raising the education level was not a priority. The school administration decided to focus on adult learners and designed the majority of the school curricula to fit the needs of working adults who combine learning with work and family life.

As a result of the management decisions made by the school administration, the school managed to reorganise all curricula on time, and also to develop new curricula and maintain the number of state-commissioned education places. In this way, the school administration proved to the owner of the school its capacity to adopt changes, manage innovation and position itself as a constructively minded proactive partner of the Ministry of Education and Research. At the system level, it can be said that the school played an important role in rooting level 5 studies into the Estonian vocational education system.

Besides the institutional changes derived from external factors, internal changes also took place in this period at Tallinn School of Economics. After a 26-year period of stable administration, the principal changed and a new school leader started in 2016. The personal and professional profile and understanding of modern school leadership of the new school principal was different from the management style of the previous decades, so many changes in the management structure and work administration took place.

The first decision of the new principal was to change the administration by establishing a new management structure, hiring new people for key positions and changing the management principles. The selection and recruitment of new administration members is the responsibility of the principal, which gives the school leader the freedom to build a team based on his/her management principles and preferences. Hiring competent people and building a strong team of professionals for school management is one of the biggest challenges for principals that will influence their further professional performance. In Tallinn

School of Economics, the new administration was composed of specialists with a background in both the public and private sectors who were selected with a focus on their previous management skills. Another important consideration for the new principal was building a team willing to innovate and go along with the new ideas and non-traditional approaches which was one of the main reasons for making the changes in the administration in the first place.

In order to improve the quality of studies, students, as the main stakeholders, were more widely involved in the feedback, evaluation and improvement processes. Students are now obliged to evaluate every single subject/teacher based on the criteria most relevant in the context of quality assurance and the guidelines defined for teaching. Their feedback is carefully considered and its importance for school improvement is reflected.

The role of each employee in the organisation's development was revised and re-defined. The school principal established a work planning and monitoring system, where the work assignments and working hours of each employee are agreed and, on a monthly basis, are reviewed by the administration members. Since the school as an organisation is a sum of its members and their contributions, the school administration decided to involve employees in different strategic development activities which were first mapped and then introduced to employees for them to choose at least three activities based on their professional profile to which they could make contributions.

In order to respond to the changes in society and in the economy and act in line with the changes in the education paradigm, the school annually reviews, updates and renews all the curricula. The school administration has decided to follow the changes in the labour market and if the demand for some study programme changes, it is replaced with a new curriculum. Since there are no national curricula available for level 5 studies, all new curricula are compiled in the school based on occupational standards or, in their absence, based on the training needs which have to be proven in close cooperation with employers. In the case of Tallinn School of Economics, only half of the curricula has an occupational standard as a regulated basis for curricula development, and all others are developed in very close cooperation with employers and other relevant social partners.

Changing the approach to learning is a great challenge for the whole Estonian education system. At Tallinn School of Economics, the changed ideology for teaching and learning is a necessity because of the new profile of learners and the form of studies. Instead of teacher-centred teaching, adult learners expect student-centred learning with dialogue, bringing the learners' prior knowledge and experience into the discussions, with an appreciation of their limited time for studying. The concept of reverse teaching/flipped classroom allows teachers to share responsibility with learners by providing structures for independent learning and to use contact hours for seminars and other active learning methods. In the 2017/2018 academic year, teachers were asked to compile individual learning assignments using digital technologies for the purpose of making learning more efficient, and the campaign of making new learning materials was paid extra by the school. Now there is a virtual assignments' shelf with tasks for independent learning, which can be used in different contexts. A working group of teachers was also established to develop and pilot new methods (audio and video lectures, e-books, educational games, etc.) that suit the organisation of studies and the profile of learners, and help to enrich studies by making learning more efficient.

Having competent and motivated teachers is another goal for the education system. The employment model of Tallinn School of Economics is unique in the Estonian school system—there are fewer than 20 permanent contract based teachers and approximately 200 part-time contract based teaching specialists employed. This guarantees that the teaching is always up-to-date, since there are both real cases from the field and strong academic bases covered in the pedagogical process. There is a strict policy about student feedback for teachers, which is compulsory and provides the school administration with information about the quality of studies and the possible need for improvement. Tallinn School of Economics is also one of the few schools in Estonia with a complex performance-related pay system, which takes into consideration feedback from students and the development activities that the teachers have participated in.

Having annual collaboration with more than 1,000 internship companies, maximising the potential and resources of the advisory board

members and involving real practitioners from the field into teaching serves the goal of keeping the studies up-to-date with the real needs of the labour market and involving social partners more widely in school administration and in the organisation of practical tuition. It also provides the school with the necessary input to match lifelong learning opportunities with the needs of the labour market. The curricula are modified annually, and feedback is collected from internship companies, which serves as an input for developments. The fact that more than 80% of the alumni are occupied in the field of their studies is remarkable feedback for the school.

The whole concept of Tallinn School of Economics supports the idea of increasing participation in lifelong learning. Understanding the profile of an adult learner, respecting their limitations for learning, trusting their motivation and involving them as demanding partners who are willing to contribute to the improvement process of the school are strategic choices of Tallinn School of Economics. The school has gradually changed the form and organisation of studies to meet the learners' needs and is open six days a week from 8.30 am to 8.30 pm. This shift is not so much to the benefit of the teaching staff, and it is sometimes a challenge to find teaching staff, but understanding the concept of the school helps to rationalise these non-traditional working hours. On the other hand, for the practitioners from the field, this kind of organisation of studies suits them.

In order to communicate all the improvements and the renewed content of the school to potential learners, relevant stakeholders and the wider community, the new principal initiated the development of a new visual identity for the school. This sensitive process was developed and coordinated with all the members of the school, including the alumni and social partners and a national media campaign was organised. Video clips about the school and the fields of competence were shown on TV and on social media for the purpose not only of promoting learning opportunities, but also sending a message to the community (students, alumni, teachers and partners) about the school—Tallinn School of Economics is a well-known and highly recognised school in Estonia and being part of it is a matter of pride.

5 Conclusion

Changes in education regulation both in legislation and/or at the policy level can be very challenging to adopt and implement, because they may require rather fundamental changes in the attitudes of school employees and in the traditional/habitual ways of organising studies and the administration of work. Understanding the need for change and the capacity to introduce innovation and implement it with the involvement of the whole organisation are certainly challenges for school leaders.

In order to prepare today's and tomorrow's school principals for these tasks, the professionalism of school leaders is very important and needs to be focused on by the school owner. Besides the qualification requirements set by law, the skills and competences described in the Competence Model for Estonian School Leaders should also be carefully considered in the recruitment process, but also used while supporting the professional development of the current school leaders. Considering the autonomy and professional freedom of principals in Estonia, it can be said that the position of school leader includes great opportunities for the self-actualisation of modern leaders, but should also be given more priority in society, considering the strategic role of vocational education and the performance of schools for achieving goals defined by different policies.

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