

# Evaluation of Digital Skills Organisation

## Summary of Findings

2 June 2023

# Introduction

## Background

The Digital Skills Organisation (DSO) was established in 2020 by the then Department of Education, Skills and Employment ('the Department')\* as one of three Industry-led Skills Organisation Pilots. DSO was established in recognition of the evidence of a 'digital skills gap' in the Australian economy. DSO was established with an initial funding period of three years. From June 2023, DSO will transform into a Jobs and Skills Council (JSC) for Finance, Technology and Business. The learnings from the Skills Organisation Pilots informed the introduction of JSCs as the new mechanism for the Department to engage with industry.

DSO engaged dandolopartners (dandolo) as its Evaluation Partner. This role involved:

- Assisting and supporting DSO in shaping its approach to evaluation of its trials and activities
- Undertaking an independent evaluation of DSO's achievements overall; and individual DSO activities
- Providing evidence and examples to influence DSO's 'Growing Australia's Digital Workforce Report' and strategy moving forward

dandolo has taken the following into account in delivering its evaluation:

- While dandolo's role as DSO's Evaluation Partner involved working closely with DSO on its approach to monitoring evaluation and learning, DSO requested that dandolo bring an independent evaluation perspective to the production of its Evaluation Report.
- Many of DSO's activities were ongoing at the time of writing, meaning it was too soon to assess the extent to which DSO activities had achieved outcomes for these activities. Where it was not possible to comment on outcomes, dandolo has made this clear in the body of the report.
- dandolo has drafted its Evaluation Report taking into account DSO's upcoming transition into a JSC, as outlined above. It has been drafted with a focus on DSO's achievements to date, though it also considers implications for the future.
- Interviewees hold diverse views on DSO and trials it has undertaken. The dandolo team has sought to take a pragmatic approach to synthesising diverse perspectives and data, preferencing views that could be triangulated. Because of this, dandolo's certainty with regard to the overall findings of this Evaluation Report is high; but certainty with regard to individual cited examples is lower.

## This report

This report presents a summary of dandolo's findings from its Evaluation of the Digital Skills Organisation and is an extract from this broader evaluation. It presents findings on the extent to which DSO has met its goals in relation to:

- Reimagining digital skills
- Consulting and collaborating with industry
- Supporting Registered Training Organisations (RTOs)
- Conducting trials

\* Now the Department of Employment and Workplace Relations

# Methodology

dandolo's fieldwork for this evaluation sought to understand the success of individual DSO trials; stakeholder perspectives on DSO and its activities; and the potential for DSO products to deliver value.



### Evaluations of two DSO trials

dandolo completed evaluations of two major DSO trials (the Cremorne Project and ACT Cyber Hub).

Our methodology was tailored for each evaluation based on developed evaluation frameworks, but fieldwork involved secondary data analysis, interviews with external stakeholders and DSO staff.



### Light touch evaluations of seven DSO trials

dandolo completed light touch evaluations of seven DSO trials (typically projects that were smaller, less progressed, or with a smaller role for DSO).

Our methodology was more limited in scope than full evaluations, but typically included secondary data analysis and stakeholder interviews.



### Stakeholder Review

dandolo undertook a Stakeholder Review to assess the extent to which DSO's key stakeholders understand and value the DSO and its activities.

The Stakeholder Review consisted of a Stakeholder Survey; and a series of interviews with diverse DSO stakeholders.



### Return on investment analysis

dandolo developed a model to assess the return on investment of various DSO products (such as the Digital Skills Standards).

The model compares the costs of developing these products with estimates on the value they are likely to create.



### Supplementary fieldwork

dandolo's evaluation activities were supplemented through additional fieldwork. This included secondary document analysis; interviews with DSO staff; and a series of internal 'Keep, Start, Stop' workshops with DSO to discuss the future implications of findings.

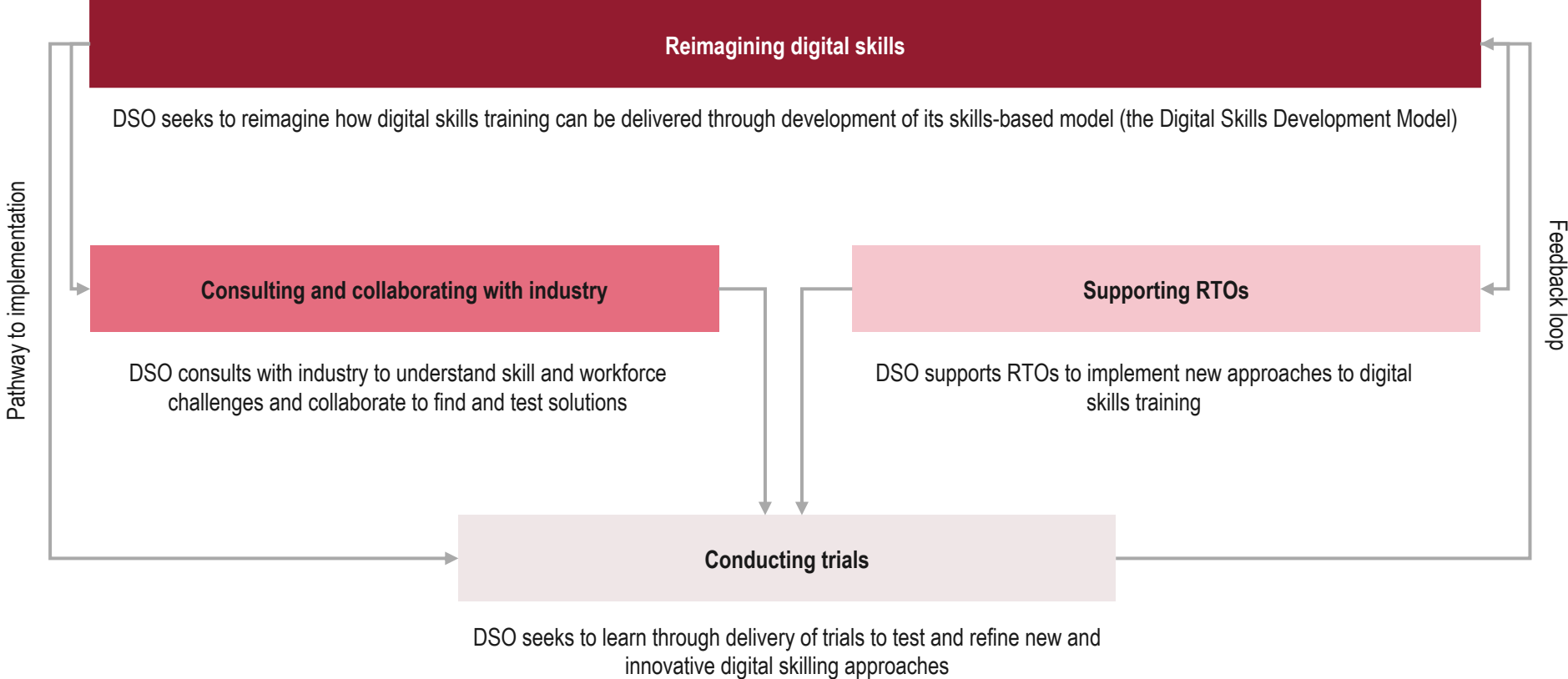


### Note on fieldwork timing:

- Fieldwork for this Evaluation Report took place between June 2022 and May 2023:
  - Stakeholder Review interviews took place between June 2022 and January 2023
  - The Stakeholder Survey was live between late October and early November 2022
  - Fieldwork on evaluations of certain trials (ACT Cyber Hub; Microsoft; and Services Australia) continued until mid-May 2023
- As a result, the findings in the report represent the most recent possible 'point in time' but may not always reflect DSO's most recent progress.

# Evaluation Report outline

Our Evaluation Report will explore DSO's achievements and the extent to which it has delivered on its goals.



# Evaluation focus

This evaluation explores how effectively DSO has developed and deployed the DSDM to steward stakeholders towards a skills-based approach, and supported RTOs to deliver that approach, which it has tested and refined through trials.

## Reimagining digital skills

The evaluation explores how DSO has re-imagined digital skills through the development of its Digital Skills Development Model (DSDM).

Key questions:

- Has DSO articulated an agreed problem and solution?
- Is the DSDM underpinned by a clear evidence base and thorough research, and iterated through consultation?
- Is the DSDM valued and understood by key stakeholders?
- Is the DSDM a useful product for DSO to continue updating and proliferating moving forward?

## Consulting and collaborating with industry

The evaluation explores how DSO consults with industry to understand skill and workforce challenges and collaborates to find and test solutions.

Key questions:

- What do stakeholders see as the value that DSO has to offer?
- To what extent has DSO built and managed relationships with key stakeholders?
- What has DSO achieved through events and engagements?
- To what extent has DSO delivered system-level change / will DSO deliver system-level change in the future?

## Supporting RTOs

The evaluation explores how DSO supports RTOs to implement new approaches to digital skills training.

Key questions:

- To what extent have new approaches succeeded and why?
- To what extent has the DSDM been a useful tool for supporting RTOs to adopt new approaches?
- Which of the new approaches DSO has developed have the most potential to be scalable and sustainable?

## Conducting trials

The evaluation explores how DSO has conducted trials to test and refine new and innovative digital skilling approaches.

Key questions:

- Has DSO chosen the right trials to undertake?
- Has DSO designed and implemented the trials well?
- Has DSO successfully applied and communicated what it has learned through its trials?

# Summary of findings

# Reimagining digital skills

DSO has successfully reimagined what digital skilling could look like through its Digital Skills Development Model (DSDM). The language of the DSDM has served its purpose; DSO should now focus on component parts: Pathways, Standards and NoDEs.

**Has DSO articulated an agreed problem and solution?**

DSO has refined and articulated the problem it is trying to address – the growing digital skills gap in the Australian economy – and how to solve it: through an industry-led, skills-based approach.

It has codified this approach through its skilling model: the Digital Skills Development Model (DSDM). The DSDM is a set of interrelated tools and products that stakeholders can use.

Most of DSO's key stakeholders recognise the problems in the existing system and have bought into the skills-based, industry-led approach to training that DSO is advocating for.

**Is the DSDM underpinned by a clear evidence base, thorough research and consultation?**

The DSDM is based on solid foundations, having been developed through research and with industry input; and tested and refined in real-world scenarios (e.g. through trials) with employers and training providers. But this process of development hasn't always been clear to stakeholders, who say they are not clear on the extent of the underpinning research / input.

**Is the DSDM valued and understood by stakeholders?**

Stakeholders generally agree with the fundamentals of the DSDM and see the value and benefit of it as a new approach that provides a relevant framework for training providers, employers, learners and government.

Stakeholders value that the Digital Skills Standards (a component of the DSDM) provide a shared language between different system actors, allowing them engage and reach agreement on skill needs. For example, one use case is employers and providers working together to define what a training program needs to deliver. Assuming sufficient uptake, the Standards have the potential to deliver significant return on investment.

While stakeholders understand and value the purpose of the DSDM in principle, they give a less positive Net Promoter Score (a market research metric that measures how likely stakeholders are to recommend a product) at this stage of its development.

There has been some confusion among stakeholders about how the DSDM relates to other frameworks, the extent to which it has been endorsed by industry, and how it will be used in the future, including its interaction with the VET reform agenda.

**Is the DSDM a useful product for DSO to continue updating and proliferating moving forward?**

The language of the DSDM has served its purpose. DSO should now move away from using the language of the 'DSDM' and focus instead on proliferating the component parts – Pathways, Standards and NoDEs – given their greater ability to be successfully productised.

The DSDM was resource-intensive for DSO to develop, but it has the potential to offer significant return on this investment. There is an open question about the best way to keep the components of the DSDM updated and encourage their proliferation.

# Consulting and collaborating with industry

DSO has made significant headway in establishing credibility and building relationships with industry stakeholders, and in advocating a skills-based, industry-led approach. It is still early days, but there is scope for system influence to develop.

**What do stakeholders see as the value that DSO has to offer?**

Stakeholders see DSO as focused, collaborative and innovative (and see this personified in DSO's CEO Patrick Kidd). These characteristics give it credentials to fulfil an industry stewardship role.

DSO exercises convening power by bringing stakeholders together formally through its facilitation of formal working groups and roundtables, and by bringing stakeholders together informally around common interests, including through trials.

While the concept of a skills-based, industry-led approach is not new, DSO has succeeded in galvanising stakeholders around it.

**To what extent has DSO built and managed relationships with key stakeholders?**

DSO has been, and is seen to be, highly responsive to stakeholders. But in being responsive, it has been more focused towards certain stakeholder segments than others (e.g. the big end of town; tech companies; and those that already believe in a skills-based approach).

DSO's partnership with the Tech Council of Australia (TCA) and establishment of the Digital Employment Forum (DEF) have been successful and added to DSO's credibility in the training sector.

**What has DSO achieved through events and engagements?**

DSO has used various platforms to deliver its message to large audiences. These efforts have had varying levels of success. For example, DSO showcases have had high levels of engagement (>10,000 engagements), while DSO's podcast has had fewer listeners.

**To what extent has DSO contributed to system-level change / will DSO contribute to system-level change in future?**

When it comes to contributing to system-level impact, DSO has faced significant headwinds, including a relatively short period of operation (coinciding with the COVID-19 pandemic); institutional constraints; and the need to work with diverse stakeholders.

Most stakeholders believe that the DSO and the DSDM have had an impact on the digital skills space. But stakeholders largely describe this impact as raising awareness and developing the foundations for future problem solving – rather than system-level impact.

While DSO did not necessarily have a remit around system-level policy change, stakeholders are positive about DSO's potential to achieve system-level impact in future. They think it has the fundamentals right but needs more time to achieve its potential.



# Supporting RTOs

DSO's efforts to support RTOs to design and deliver new approaches to digital skills training are showing some signs of success, though there is more DSO can do to maximise the scalability and sustainability of these approaches.

**To what extent have new approaches succeeded and why?**

Success in delivering new approaches to digital skills training has varied. In approaches that have worked better, partners demonstrated:

- Authentic commitment to innovation (rather than a desire to participate for other reasons, such as funding)
- A consideration of learner perspectives
- Senior leadership buy-in
- Solid understanding of the DSDM

**To what extent has the DSDM been a useful tool for supporting RTOs to adopt new approaches?**

Training providers have found the DSDM – particularly the Standards – useful to move towards a skills-based, industry-led approach, because of their ability to get them on the same page with industry about skilling needs.

RTOs generally require DSO's support to understand and apply the components of the DSDM (e.g. understanding how to use the Standards to identify skill needs). This limits its impact and scalability. Organic uptake has so far been limited.

Facilitating engagement between RTOs and employers can be challenging due to a mismatch of expectations / interests (e.g. RTOs may work on slower timeframes due to regulatory constraints; employers are often driven by short-term skilling needs and can disengage if a trial loses momentum).

The Networks of Digital Excellence (NoDE) approach has been a useful mechanism for collaboration between training providers and employers to create a shared understanding of skill needs. But any successful application of the NoDE approach is likely to need a central driving force to facilitate and maintain momentum.

**Which of the new approaches DSO has developed have the most potential to be scalable and sustainable?**

The DSO approach is proven as useful for new approaches that involve non-accredited training and / or have a single employer. A good example is DSO's work with Batchelor Institute.

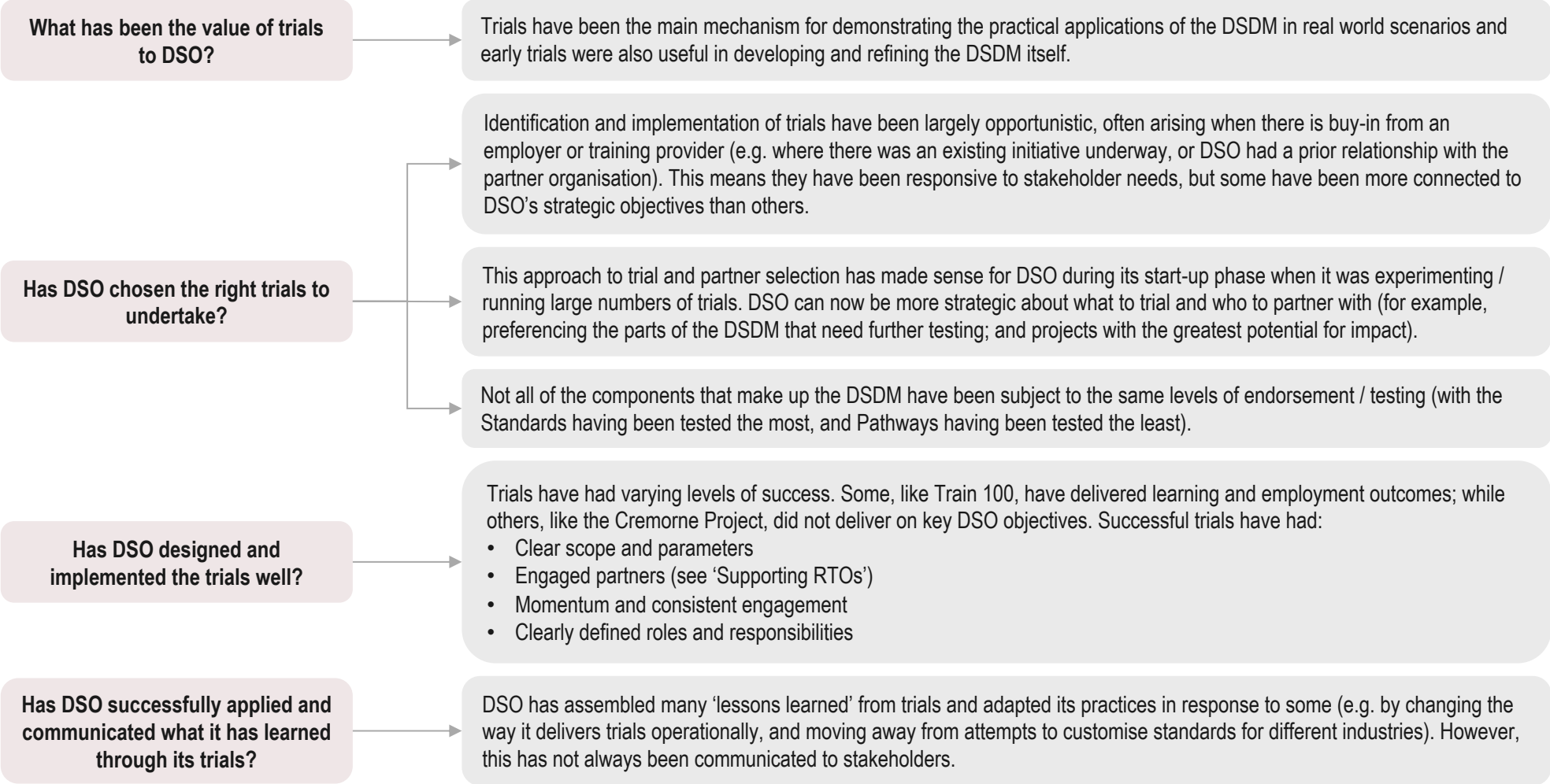
New approaches that involve multiple employers are more challenging, because they involve agreeing learning objectives across multiple organisations.

The constraints of the current accreditation system (e.g. with regard to funding, regulation) make it harder for training providers to implement new approaches to skilling through accredited training.

Even though it is more difficult to do so, it's important to continue trialling new approaches in the accredited space and / or involving multiple employers as they have the highest potential for sustainability and scalability. This can be done by using an 'accredited plus' approach, mapping to training packages, or working toward system-level change.

# Conducting trials

DSO's trials have added value by demonstrating the applicability of the DSDM in real-world scenarios. DSO can now be more strategic about what to trial, who to partner with, how to deliver trials and how to share lessons learned.



# Thank you

dandolopartners

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Level 1, 155 Queen Street, Melbourne 3000 Victoria

T: +61 3 9211 0015 F: +61 3 9949 9768 E: [enquiries@dandolo.com.au](mailto:enquiries@dandolo.com.au)

[www.dandolo.com.au](http://www.dandolo.com.au)

ABN 48 757 017 061