

Mission Critical?
Modernising Human Resource Management in Higher Education
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Introduction

1. During 2004 Human Resources (HR) and university heads were interviewed in 44 research-led and teaching-led UK universities in a wide spread of metropolitan and campus locations. Although the views reported are not necessarily representative of opinion across the sector, these interviews provide an illuminating insight to the HR issues and challenges facing universities. This report offers a perspective on the issues raised.
2. The research has been generously sponsored by HR communications specialist Barkers Norman Broadbent.

Why is HR in higher education so special?

3. The HR challenge in higher education is particularly complex, juggling the interests of a highly diverse body of stakeholders, internal and external, and delivering a highly complex and disparate range of services. The challenge for HR is to ensure that all service areas have the right human resource to run effectively, and the right communication, management and support to do the job.
4. From gardener to governor, each university is home to a very diverse group of people. Interviewees described how, in the past, people joined a university as a conscious alternative to the world outside. Today's universities are client-focused, customer-centric, outward-facing.
5. Most described the role and influence of the unions in the modernisation of HR as highly significant. Many saw unions as vital partners in facilitating change. Some valued their role in communicating change. Others saw them as a brake on progress.
6. All universities are major – sometimes dominant - local employers. HR professionals need to operate and deliver in a high-profile regional context, while acknowledging local stakeholders and interest groups. On the other hand, the education market is now unmistakably global. HR teams must hire internationally and fight off recruitment raids from overseas institutions.
7. Universities are held to account both by an increasingly litigious student body and by media. The new era of customer empowerment means that HR heads must now also play a part in compliance management.
8. Several interviewees reflected that the rich heritage of our universities of all ages sometimes translated into a robust resistance to change.

Where does the HR function fit in?

9. There are wide variations between institutions in terms of the operational and strategic dimensions of HR (breadth), whether HR responsibilities are shared with other support services (scope) and where HR stops and managerial line responsibility starts (reach).

10. In terms of breadth, all HR departments have a strategic dimension and all HR heads described their role in strategic terms. While some described difficulties in stepping back, and the dominance of day-to-day operational priorities, most spoke confidently of combining the administrative and strategic roles: making the payrolls run on time and at the same time developing and driving a future vision.

11. There were wide variations in scope. Staff development and internal communications are sometimes not the responsibility of HR departments, yet both are considered a key to achieving culture change. Whether or not they form part of the official scope of HR, they are core to its purpose. Concerning reach, many stressed that people management was a part of every manager's job, not simply something that the HR department does. The extent to which line managers have accepted this appears to vary widely between and within institutions.

12. The responsibility for human resource management extends to governing bodies. Several HR heads reported the introduction of training for governors as an encouraging development.

13. Some indicated difficulties in getting HR onto the agenda at the top table. However, in most cases HR was given the strategic recognition it deserved, and the head of HR either reported directly to the vice chancellor/principal or had a dotted line relationship. This is frequently a relatively new development, commonly coinciding with the most recent change in incumbent. Most described a practical positive working relationship between the HR director and others on the top team. Where this was evident, it was always accompanied by a sense of momentum of change. However, several HR heads indicated the need to be able to see beyond the 'comfort and confines' of their profession in order to add real value to the top table.

To what extent has the modernisation of HR permeated HEIs?

14. There are four phases of people management – from the responsive/reactive (establishment services) to responsive/proactive (client-facing personnel), to strategic reactive (delivering HR strategy) to strategic proactive (informing strategy). Most departments appear to progress along this route.

15. HR heads described a transformation from centralised administrative silos to client-facing advisory services and trusted partners. Their new clients were faculties, schools, departments and all line managers. Frequently this meant joining or attending departmental or faculty boards.

16. Today's HR team is expected to hold its own at all managerial levels within the university. Several directors highlighted challenges in retraining HR staff from administrators to advisers. They indicated a different skill-set that had necessitated considerable external recruitment, resulting in a

significant perceived shortage of HR professionals. However, this is no longer the main HR issue that institutions face. The biggest challenge is to persuade managers at all levels to accept their role in human resource management. Many HR heads gave examples of managers failing to seek advice or simply ignoring people problems.

17. It is hard to think of another sector where managers would need to be reminded that people management is a part of their responsibility. But the feedback from interviews is that this is a major issue in higher education today: many staff either fail to see HR issues as their responsibility, or are inadequately trained to handle them.

Aligning personal performance with institutional ambition

18. The fundamental debate for some interviewees centred on the character of a university and the characters within it. Is it possible to align individuals or should we simply nurture and support them?

19. Many spoke of how the people academics saw as ‘colleagues’ (those who shared their professional interests) were spread around the world at other institutions. The philosophical debate for a handful of interviewees was whether it is right to attempt to direct their activities.

20. Some suggested that managing creative people - highly successful in their field with abundant markers of external esteem, and bringing in grants - may mean that such people were being harnessed effectively even when they were not being managed in orthodox ways. However, this sits uncomfortably alongside the view that more active management of the human resource is necessary.

21. Most universities old and new described how they were beyond the days of departmental fiefdoms and spoke confidently of how top management teams were generally aligned with the direction and ambition of the institution.

22. Looking beyond the top team, the story changed. Heads of institutions and HR alike spoke of the challenges of getting managers throughout the organisation to manage. However clear the vision from the top management team, the frustration voiced by HR heads was of what one described as “*a thick layer of cloud below*”.

23. The recurring description of middle management was of staff in positions of leadership who did not find it easy to lead and whose loyalties often lie primarily with their subject or their teams; and of a highly resilient anti-management culture – even amongst managers.

24. Universities rely on their managerial infrastructure to achieve and maintain alignment throughout the organisation. But if in some institutions managerial levels are seen as ‘layers of cloud’, the concern is not only what lies beneath, but for the vast majority of employees, what sits above. Development, training and support for managers are critically important, and many institutions are looking to increase this.

25. There was a clear split between the majority who described a need for more effective appraisal and accountability, and a few who saw management of academic staff in particular as more of an art than a process. Some suggested that a sector that did not ask for accountability would risk credibility. Others said that performance management was important, but they contracted with staff to self-manage.

26. If universities are unable to recognise and reward high-achievers, the best may leave. Those remaining may become demotivated, seeing sub-optimal performance in others apparently rewarded. The goal of aligning personal performance with institutional ambition remains the key.

27. Many universities expressed an interest in connecting formal appraisal processes with reward. But in some institutions even appraisal remained optional at this stage. A few had high-profile processes with nominations and published rewards. More saw discretionary awards as confidential. Most saw incremental salary progression as the principal means of recognising and rewarding performance. Several highlighted this as a problem, producing leaders with underdeveloped leadership skills and people who were out of their depth.

28. Moving beyond the tradition of promotion as reward should help to enhance the managerial capability of organisations, and the motivation of the people who work for them. In the top-team there is now a close and increasingly explicit connection between performance and reward. But fewer than one in ten HR heads claimed that this worked effectively throughout the organisation.

29. Pay is contentious, but recognition less so. Many interviewees said that they recognised and acknowledged good performance – in the form of increased resources, improved academic facilities, accolades or even a room with a view. Poor performance was felt to be rare. Of far wider concern was the management of sub-optimal performance – how to tackle staff who impact negatively on performance or morale. The consensus was around a model that connected performance, reputation, change and ambition; and that also connected people strategy, line communication and leadership, staff engagement and loyalty.

Career management and personal development

30. Investment in management development focuses substantially on training people already in post (rather than in advance of promotion); predominantly people in senior positions.

31. Some interviewees spoke passionately of the importance of identifying and nurturing talent – and the positive influence of younger staff on the modernisation agenda. Others acknowledged that there was still a long way to go. A few suggested that HE was not a career but a vocation, and therefore did not require career management in the same way.

32. At the leading edge, some universities have competency-based leadership development, with psychometric selection and assessment. Selected staff in these institutions are ‘hot-housed’: grouped as cross-functional cohorts and integrated with the top team. In other cases, the contrast with their

experience elsewhere was dramatic. One HR director described how, proportionately, his training and development budget in local government was 80 times larger than at the university. Others saw the training provision as paternalistic (“*things we think might be helpful*”), without delivering a programme that was a specific output from appraisal.

33. Several universities have instigated coaching and mentoring schemes. One research-led university described such a programme for seventy academic heads, providing tailored help in developing strategy and adapting behaviour. Organisations where this is applied through all levels can expect to see an impact on personal development, on culture change and on institutional alignment.

34. Such management or leadership development programmes differ from career management or career development programmes, which fewer than 10 per cent of participating universities have. And cultural awareness programmes for international staff where English is their second language are rare, as are the use of cultural awareness programmes for native English-speakers who work with other nationalities.

35. One attraction of HEIs as employers - particularly to support staff - is that they make their staff more employable, for example by providing free study and tuition. This new 'psychological contract' is different from the previous one of job security and a career.

Succession planning and retention

36. Several participants spoke of the challenges presented by the strong tradition of elected posts. Some suggested this as a form of succession planning. But, as several explained “most of the time it is just Buggin’s turn”.

37. For some universities retention is high on their risk register. High staff turnover has many potentially negative effects: cost of recruitment, loss of experience and potentially the impact on the institution’s reputation. On the other hand, some reported a problem retaining people they did not want to retain, which sent out two messages: positively, that the institution was happy; negatively that death or retirement was the only way up. Some therefore had structured programmes to encourage selected staff to move.

38. Very high levels of retention are likely to act as a deterrent for ambitious academics and increase the risk of stagnation or of ‘in-thinking’. Those who saw lack of movement as a problem recommended regular review and effective appraisal, documenting performance issues, signposting suboptimal performance, implementation of personnel policies by managerial staff, severance and compromise agreements and early retirement schemes.

Recruitment

39. Most interviewees saw recruitment as a strategic (not operational) activity, particularly where it concerned academic recruitment. The consensus was that the ability to attract and recruit the right people was now “*the basis for future competitive advantage*”, and so core to the university’s success.

40. A small number of interviewees spoke about university-wide employer branding, positioning and marketing the institution as an employer. More focused on initiatives taken to attract academic staff. Several indicated they were either sceptical about branding or unfamiliar with the concept. On the other hand, a number reported using ‘statement advertising’ – large advertisements promoting a number of opportunities. Typical annual recruitment advertising expenditure ranged from £200,000 to £1,000,000. These are large sums, but given the concerns over the failure to fill posts, there would be value in reviewing the cost of not recruiting.

41. An increasing number of private sector organisations now outsource recruitment to reduce costs or free up HR resource. Amongst participating universities, there were no indications of moves in this direction.

42. Online recruitment is now used extensively and job boards are seen as a highly effective low-cost medium. All those who spoke about print advertising indicated they were still significant users of the national press for academic and senior support staff positions. Regional press came in for criticism in terms of cost, but its effectiveness in terms of delivering candidates was widely acknowledged.

43. Over 80 per cent of participating universities reported the use of executive search consultants. This was commonly limited to the most senior positions, but several spoke of extending their use to other hard-to-fill roles. Such is the demand that one research-led university had appointed an in-house head-hunter, hired from an external firm. This is rare even in the largest private sector organisations.

44. A handful of universities spoke keenly of e-enabling recruitment processes, but this was commonly limited to receiving applications by email. Response management, selection and assessment processes generally lag behind the private sector. Given the drive towards e-enablement and cost reduction, these can be expected to receive further attention in the near future.

45. To make recruitment more than a game of numbers, there exists a need for greater understanding of career motivators and mobility in higher education. What makes academic staff join, stay and leave a university is still unclear and warrants further exploration.

46. A number of institutional heads spoke of the importance and the challenge of attracting young academic staff, citing poor pay and house prices (some of the biggest recent price increases have been in areas of traditionally low-cost housing). Many pay market supplements, some hiring on higher grades and offering accelerated promotion. The comparative attractiveness and professionalism of commercial sector recruiters is an issue, and there may be scope for universities to learn from the graduate recruiters

who visit their campuses each year. The alumni network presents the opportunity to track young graduates, and to bring some of the best back. This concept could apply equally to tracking staff leavers. Coupled with an in-depth understanding of the place they left and frequently some form of continuing emotional attachment, some will have much to offer.

47. Some universities spoke of combined teaching/research degree positions - effectively, academic apprenticeships - intended to address several problems with one solution. These provide additional teaching resources, training for future academic staff, an extended job interview and income for the individual.

48. Almost all universities used referrals and recommendations from staff for senior level appointments, though voiced concerns over equal opportunities issues, and raised questions over authenticity and objectivity.

49. The mix of recent high-profile international appointments to UK universities, plus ever-increasing targets for international student numbers suggests that international recruitment will increase. The new global rankings of universities do more than prompt further comparison; they illuminate the battlefields in a new world war for talent.

Conclusion

50. The modernisation of the HR function in higher education in recent years has been remarkable. In the space of a few years, HR has shifted from an administrative support function to a valued strategic activity.

51. Some universities already had a modernisation agenda before the HEFCE Rewarding and Developing Staff initiative kicked in. But for the majority of English institutions there is no doubt that the programme enabled change at a scale and a pace not seen before.

52. Institutions in Scotland already had higher overall financing, but without a comparable initiative the challenge for HR heads was significant. In Wales the challenge was even greater. With no extra funding, support was limited to professional networks and outputs from the HR modernisation process in England.

53. For all the positive developments, there is much more to do. Most significantly, HR is still regarded widely by managers as a remote function rather than an integral part of their job. This highlights a significant general training need – but particularly for managers below the top team, currently seen by some as ‘cloud cover’ preventing communication and change.

54. Aligning individual performance with institutional ambition is a challenge that in most cases seems to be a distance away. Without effective performance appraisal and connection between performance and reward, poor performers will stay comfortable and the best will be seduced away.

55. There is a worldwide war for talent. Some university heads are there already. Others are forming committees to consider possible implications. Most are rethinking recruitment and seeking to apply the HR agenda through all levels of the organisation. At the same time, the best are back-filling HR teams with appropriate expertise.

56. HR in higher education is ahead of other sectors in terms of the pace of modernisation of the function. Where it lags behind is in driving the HR agenda through the organisation. This is understandable - you cannot change everything at once, but this does not diminish the importance of the agenda and the urgency of change.