

Mission Critical?

Modernising Human Resource Management in Higher Education

Higher Education Policy Institute

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Foreword

Now, more than ever, the sector's ability to attract, develop and retain the best people will determine its success. HE has been criticised by some for seeing human resources management in operational and not strategic terms.

HEPI's key function is to raise issues, stimulate discussion and disseminate research findings. It aims to build a bridge between policy makers and practitioners.

With this in mind this project was initiated to give institutional heads and their HR directors the opportunity to reflect on the pace and extent of change, to highlight areas of concern and to offer examples of progress in addressing human resource challenges across the HE sector.

The report that follows is intended to provide an insight into opinions on progress, together with some helpful pointers for policy makers and personnel professionals.

I am extremely grateful to human resource specialist Barkers Norman Broadbent for kindly sponsoring this research.

Bahram Bekhradnia

Director, Higher Education Policy Institute

Overview

1. This report provides a perspective on the pace and extent of change in the human resources function in universities, based on interviews with heads of institutions and their heads of HR and personnel at 44 UK universities. These interviews suggest that significant positive change has been achieved in HR departments across the sector in record time. The function that supports the human resource in universities is now generally accepted to be 'mission critical'.
2. Credit for this success appears to be due to institution heads that have prioritised the people dimension, national initiatives to encourage the development of HR in HEIs and of course the heads of HR and personnel who are making it happen.
3. More than 75 per cent of HR heads interviewed had been hired from outside the sector and over 60 per cent had been in post fewer than 3 years, indicating a significant recent influx of new thinking.
4. However, the report concludes from discussions that the modernisation of HR has made greatest impact with top teams and senior management. There is still a long way to go before many line managers consider personnel to be a part of their job.
5. This, we are told, impacts on a university's ability to align institutional ambition with individual performance. The report concludes that universities face a continuing and significant challenge to achieve this.
6. Finally, advances in succession planning, greater focus on retention issues and investment in professional external recruitment are each playing a part in making UK universities more competitive on the world stage, but all require continued investment and momentum for change.

Executive summary

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 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. Several interviewees reflected that the rich heritage of our universities of all ages sometimes translated into a robust resistance to change.
8. 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).
9. 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.

10. 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.
11. The responsibility for human resource management extends to governing bodies. Several HR heads reported the introduction of training for governors as an encouraging development.
12. 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.
13. 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.
14. 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.
15. 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.
16. 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.

17. 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?
18. 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.
19. 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.
20. 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.
21. 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*".
22. 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.
23. 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.
24. 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.
25. 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.

26. 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.
27. 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.
28. 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.
29. Investment in management development focuses substantially on training people already in post (rather than in advance of promotion); predominantly people in senior positions.
30. 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.
31. 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.
32. 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.

33. 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.
34. 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
35. 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".
36. 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.
37. 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.
38. 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.
39. 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.
40. 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.
41. 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.

42. 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.
43. 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.
44. 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.
45. 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.
46. 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.
47. 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.
48. 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.

1. Context

1. Universities are constantly looking for different and better ways of doing things. Driven by their own ambition, they are also pressed by customer-led demand, pressured by the need to ensure institutional sustainability and firmly guided by Government expectations.
2. In the course of this study university heads spoke of the tensions between the institutional realities of keeping the show on the road and Government aspirations in relation to research quality, widening participation, equal opportunities and value for money.
3. Heads of human resources frequently cited the tensions and pressures created between day-to-day operational imperatives (recruitment, payroll, reporting, induction, grievances, etc) and what one described as “*the conceptual heavy lifting of strategic HR*”.
4. The transformation of the HE sector throughout the 1990s placed enormous demands on the personnel function. Some forward-thinking institutions invested in people management. All invested in people. But the perception remained that the personnel function was largely administrative and reactive.
5. The 1990s saw an explosive growth in student numbers, achieved alongside a 35per cent cut in the unit of funding. Over a 16-year period the pay of academics did not go up in real terms¹. This was at a time when student: staff ratios were increasing rapidly and selective funding meant that many academics had less time for research. Across all of this was overlaid the imperative for universities to compete for staff and students, at home and abroad.
6. Universities have only ever been as good as the people they employ. Staff costs have always formed the greater part of running costs². Competition was not new, but the recognition of its importance and the imperative to compete was.
7. It has also been suggested that funding pressures meant universities had to squeeze ever-greater value out of their staff. As one vice chancellor put it “*we could no longer afford to let too many sleeping dogs sleep furiously*”.
8. For universities, the recruitment, development, reward and retention of the best people for the job at all levels had become a key issue. The personnel function became ‘mission critical’.

¹ This has improved in recent years

² Commonly 60-70 per cent

9. In November 2000 the Government announced funding to improve the management of HR in higher education. £330 million over three years would be made available as conditional grants, once institutions had submitted a strategy and specific objectives. The Government announced an additional £167 million over two years from 2004-5. This represented a significant investment in the sector.

10. It was in this context that the Higher Education Policy Institute decided to explore the modernisation of HR in higher education, seeking an insight into the changes that had taken place, from HR directors and their institutional heads.

2. Methodology

1. The study took the form of pre-scheduled face-to-face off-the-record interviews between February and June 2004 with 41 heads of HR/Personnel and 15 institutional heads in England, Scotland and Wales.
2. 75 per cent of the 41 HR heads interviewed had recent experience (within the past five years) of HR outside the HE sector. Almost 60 per cent had been in post fewer than three years and 43 per cent for less than two years.
3. The 15 institutional heads comprised nine vice chancellors, three principals, two pro vice chancellors and one registrar across England and Scotland. Of these, six were from teaching-led universities and nine from research-led universities.
4. Eleven Russell Group members took part in the study, eight members of the 1994 Group and nine members of the CMU. The overall split was 28 pre-92 and 16 post-92 institutions.
5. Despite much talk of 'form fatigue and review weariness' across the sector, only a handful of those invited were unable to take part. More institutions and individuals expressed an interest than it was possible to include. The level of enthusiasm and interest provides an indicator of the relevance of the study topic.
6. A confidentiality commitment was made to each participant, to encourage a frank and unguarded response. For this reason the quotations that follow in the report are not attributed.
7. To preserve confidentiality further in examples where the specific titular description might identify an individual or significantly narrow down the field (for example 'Principal, pre-92') the convention applied has been to describe institutional heads as vice chancellors and HR heads as either HR director or personnel director.
8. HR communications specialist Barkers Norman Broadbent provided the expertise for the project and covered all associated expenses.
9. Themes for the discussions that took place were identified by a steering committee comprising Bahram Bekhradnia: Director, HEPI, David Eastwood: Vice Chancellor, University of East Anglia, Steve Egan: Director, HEFCE, Imogen Wilde: Norman Broadbent and Bernard Kellett: former Personnel Director, University of Manchester.

10. Six themes were suggested, providing a broad basis for discussions. Given the limited time available, not all themes were covered in all interviews. Instead we encouraged participants to focus on the areas of greatest interest or concern to them.

The discussion themes were:

- To what extent has the HR function been modernised in HEIs?
- Aligning personal performance to institutional ambition
- Career management and personal development
- Succession planning & retention
- Recruitment
- Sector-wide role analysis

11. In the pages that follow we summarise opinions expressed by institutional and HR heads on these broad issues and review opinions on individual themes.

12. The modernisation of HR is addressed in three sections, exploring first the specific challenges facing HR in higher education, second where the function sits in HEIs and third the extent to which the modernisation of HR has permeated through institutions.

13. The paper then reports opinions expressed on institutional alignment and specifically, the challenge of connecting individual performance with institutional ambition.

14. Attention then turns to the development of the individual and whether career management is an individual or institutional responsibility.

15. The other face of career development is succession planning - ensuring that the institution has the intellectual and managerial firepower for the future. We also report opinions expressed on retention before turning to external recruitment.

16. The last theme of the interviews – role analysis and job evaluation – is not addressed in this report. When discussed, responses were frank and outspoken but few. A major nation-wide initiative to introduce job evaluation into HE is in process and the debate is covered more comprehensively elsewhere.

Limitations

17. The sample of 44 institutions was reasonably representative, including a broad mix of research-led and teaching-led universities and a wide spread of metropolitan and campus locations.

18. However, in considering the general conclusions extrapolated from the survey it is important to recognise the high individuality of organisations across the sector.

19. This paper is intended to provide an illuminating insight to the issues and challenges, but the views reported do not represent opinion across the sector. We offer a perspective on the issues raised.

3. To what extent has the HR function been modernised in HEIs?

1. This first section of the research reviews the opinions of HR heads and vice chancellors on the pace and extent of change in the HR function. It first acknowledges the particular complexity of HR in HE, then reviews its prominence and reports perceptions of its reach.
2. Of the HR directors consulted in the course of the study, over 70 per cent had been appointed to their positions from outside the sector. Most had been in post for less than three years.

Why is HR in HE so special?

3. What attracts HR professionals from outside? And what keeps the best practitioners from leaving the sector? From discussions held it seems to be the particular complexity of the HR challenge in higher education. In discussions with new and recent entrants, the following specific characteristics emerged:
 - diversity of services
 - diversity of people
 - relationship to Government
 - importance of unions
 - local/regional significance
 - international dimension
 - customer empowerment
 - resistance to change

4. Diversity of services

Most universities deliver a highly complex and disparate range of services. Beyond the obvious research and teaching, there is more:

As a university head I am also in the business of restaurants, hotels, social engineering and property development. Vice chancellor, Russell Group

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.

5. Diversity of people

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 we are told are client-focused, customer-centric, outward-facing. Everybody matters.

Near seventy per cent of our annual spend is staff costs. Our product is people. People management, in the fullest sense, is a major challenge for us.
HR director, post-92 university

Difficult people? In my job I have to spar with architects, wrestle with engineers, debate with mathematicians – and make things happen. I love it.

HR director, Russell Group

6. Relationship to Government

It was clear from interviews that HR heads think they have been helped greatly by the Government's very significant conditional investment in HR. But several spoke of the additional accompanying challenges of preparation, monitoring and reporting. Interviewees were clear that in an ideal world HR heads would prefer to be left alone. Having said that, there was general acknowledgement that accountability and accounts were "part of the deal".

7. Importance of Unions

Most described the role and influence of the unions in higher education as highly significant, and with this the role of the employers' association UCEA. In this area many challenges were highlighted. Amongst this sample of universities some favoured local relations in place of national negotiations. Others spoke of the importance of cohesion at a national level:

UCEA's role is to hold a really diverse alliance of institutions together. Can we afford to be part of this 'one size fits all' framework?

HR director, post-92

The breakdown of collective bargaining would lead to increased labour competition which would lead to spiralling wage costs and the risk that we would pay less, leading to 'great escapes' from departments.

HR director, pre-92

Decentralised bargaining is the only way to run a business.

HR director, post-92

Almost all interviewees acknowledged the importance of the unions in individual case work and voiced support for their work in this area.

8. Local/Regional Significance

All universities are major local employers. Some almost define the locale and drive the local economy. Whether recruiting, developing or downsizing, HR professionals need to operate and deliver in a high-profile regional context, acknowledging local stakeholders and interest groups. The head of one university described his frustration at the low level of recognition his institution received from the commercial sector:

I have to remind corporate visitors that we are the largest local employer – and bigger than many FTSE 250 companies.

Vice chancellor, pre-92

9. **The International Dimension**

The education market - for both students and staff - is now unmistakably global. For HR teams this means hiring internationally and fighting off recruitment raids from overseas institutions. One product of the new world war for talent is an emerging super-league of high performing highly mobile individuals. The identification, attraction and seduction of these stars requires an HR skill-set more common in international sport and investment banks.

We're talking football stars – they can more or less name their price. Today I agreed to pay £1m. Mainly for equipment, but that's the nature of the game.

Vice chancellor, Russell Group

10. **Customer empowerment**

The universities are held to account not only by an increasingly litigious student body but also by media. The new era of customer empowerment means that HR heads must now also play a part in compliance management. On the subject of media attention, reflecting the extent to which the sector is held to account, one vice chancellor noted:

There are few sectors that boast a weekly whistle-blowing column in a national newspaper.

Vice Chancellor, pre-92

11. **Resistance to change**

Generally HR outreach initiatives have been well received. But several interviewees reflected that the rich heritage of our universities of all ages sometimes translates into a robust resistance to change. This is a feature of all organisations, but perhaps more so in higher education:

Some people just keep their heads down and hope it will go away. Others expect the committee structure to stifle any bold initiatives.

HR Director, pre-92

Where does the HR function fit in?

12. Personnel has always been a centrally-located function. But in the course of our interviews it became clear that there are wide variations between institutions in terms of the breadth, scope and reach of HR:

- between the operational and the strategic dimensions of HR (breadth)
- whether HR responsibilities are shared with other support services (scope)

- between where HR stops and managerial line responsibility starts (reach)

13. HR heads also described – as would be expected - a wide variety of reporting relationships with the head and the executive board of the institution. The distance between the extremes is also explored below.

Breadth

14. This first dimension was commonly evident in the self-image of the function. All HR departments have a strategic dimension and all HR heads described their role in strategic terms. A few described how difficult it was to step back, and how the function is necessarily dominated by day-to-day operational priorities:

On a good day, we fight fires. On a bad day we're raking through the ashes to see what we can recover.

HR director, post-92

15. Others comfortably set their work in the context of a long-term vision. And for some, it is a vision that they have played a significant part in shaping.

Transactional issues require much time from central personnel. The centre should be high-level consultancy, policy making and best practice.

HR director, pre-92 university

16. Operational priorities described by interviewees encompassed the essential functions of records and information, employee relations, payroll, appointment processing, equal opportunities, safety, training and development. The strategic dimension included change management, reward strategies, internal consulting, organisational development, employer branding and strategic recruitment.

17. The focus is possibly reflected in the atmosphere of some offices. Some HR departments appear dominated by operational challenges; their offices buzzing like a busy doctor's surgery. In others the atmosphere is closer to the dry calm of a barrister's chambers.

18. Whatever the aura of their surroundings, most interviewees spoke confidently of combining the administrative and strategic roles: making the payrolls run on time and at the same time developing and driving a vision for the future.

Scope

20. It would appear to be wrong to assume any sort of norm across the sector with regard to the scope of responsibility of the personnel or HR function. In many universities pay and pensions comes under finance. In most, internal communications are not the

responsibility of HR. For some, staff development is a separate department. In others, health and safety is separate too.

21. In one institution the HR director was responsible only for support staff, implying that HR professionals could not be expected to understand the HR needs of professional academics. A senior professor instead filled this role.
22. Not surprisingly, a number of HR heads indicated that an integrated human resources strategy, aligned to institutional ambition, was more difficult to achieve if part of the HR responsibility was allocated to other functions.

For HR strategy to be effective, it must apply to all elements of the HR equation. In this university personnel is not responsible for equal opportunities, training, occupational health, health & safety or pensions.
Personnel director, Russell Group

Reach

23. Many heads of HR highlighted the fact that HRM (human resource management) is a part of every manager's job. It is not simply something that the HR department does. Several institution heads agreed and stressed that people management was a responsibility of all managers of people. The extent to which line managers have accepted this appears to vary widely between and within institutions.
24. There are many personnel matters that require a personnel department. But one interviewee highlighted the traditional view of personnel:

"We are seen as the department of people problems. Most line managers still do not see HR as their responsibility".
Personnel director, pre-92

25. HR heads in several other universities echoed these views:

We need to move managers through three separate phases, from 'ignore it' to 'HR's problem' to 'my problem'.
HR director, pre-92

If meetings were recorded honestly, what we'd see on the minutes would be "People issues: too difficult. HR to action."
HR head, post-92

There's still a tendency to duck a particular issue or kick it up to a committee - or throw it to personnel.
HR head, pre-92

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

27. Some indicated difficulties in getting a place on the agenda:

Our work should be about leadership and governance. But the prophet has no honour in his own land.

HR director, pre-92

28. Others were critical, but appeared to have found a way through:

The drive doesn't come from the top table. HR has to make people listen. HR gets five minutes of attention then the eyes glaze over. Buildings are sexy. HR is not on their radar screen. Fifth column tactics work best.

HR director, Russell Group

Relationships

29. In the great majority of universities visited, the head of human resources either reported directly to the vice chancellor/principal or had a dotted line relationship. Several university heads stressed in interviews that they saw the HR Director as a core member of the top team. In many cases this seems to be a relatively new development, commonly coinciding with the most recent change in incumbent.

30. In a small number of institutions interviewees explained how the physical proximity of the HR department to the vice chancellor's office 'masked an ideological distance'. But most HR heads and their bosses described a practical positive working relationship between the HR director, the institutional head and others on the top team. Where this was evident, it was always accompanied by a sense of momentum of change.

31. 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. They described the need to be able to tackle complex business issues and contribute to what was described as "*heavy lifting in the executive suite*":

Twenty-five years ago personnel was about how to lift heavy objects. Today, in a very different way, we are still trying to find the point of least resistance.

Personnel director, pre-92.

We're trying to do much more of the 'yes and...' and less of the 'no, but...'

HR director, post-92

32. Several interviewees described dramatically the extent of recent changes in the relationship between HR heads and executive boards:

When I arrived, one vice principal described personnel as 'a knitting circle'. Things have changed now.

HR director, pre-92

Personnel used to be the administrative management of persons. Today, HR is central to the university's strategic plan and the HR strategy supports the wider strategy of the institution. HRD & VC are in contact almost every day. Heads of Schools see their Personnel Manager as a close ally.

Vice chancellor, 1994 Group

When I arrived, in HR terms I felt I had gone back in time 15 years. Now, we employ people with the right skills - who can get out and influence. HR advisers in faculties sit on the leadership team, reporting to the HRD, with the confidence to influence.

HR director, pre-92

To what extent has the modernisation of HR permeated HEIs?

33. In the course of interviews, HR heads described how they had transformed their image from centralised administrative silos to client-facing advisory services. Several spoke of significant implications in the transition to consulting and advisory client-facing HR teams and the challenges of driving the new HR agenda through the institution:

We have a portfolio of schools as clients. My staff act as advisers and consultants.

HR director, pre-92

34. The new 'clients' of HR teams are the faculties, schools, departments and all line managers within institutions. Many heads spoke of how their HR staff now had responsibility for specific schools or departments. Frequently this meant joining or sitting in on departmental or faculty boards.

We have moved from policemen of employment law to enablers.

Vice chancellor, pre-92

35. Several directors highlighted challenges in retraining HR staff, to convert 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 in HEIs.

You need to be able to hold your own with some pretty tough intellectuals.

HR director, post 92

36. Initial indications are that line managers have generally welcomed and accepted the roles of their HR advisers. None of the HR heads interviewed indicated any resistance to these HR outreach initiatives. The biggest challenge to the HR modernisation agenda appears to be persuading managers at all levels within HEIs to accept the part that they themselves play in the management of human resources.

37. Many HR heads gave examples of how things went wrong when managers either failed to seek advice or simply ignored people problems.

We spend a lot of time digging people out of holes. We would prefer not to give people the spades in the future.

HR director, pre-92

Anyone you want to shift will have a clear record and positive appraisals.

HR director, Russell Group

38. There was unanimous recognition of the need for more training and development of staff with managerial responsibility, throughout the organisation.

39. But from principal investigators to sub-board directors, the view from HR - and a number of vice chancellors too - was that many staff either fail to see HR issues as their responsibility, or are inadequately trained to handle them.

40. As indicated earlier, some also flagged a need for increased awareness of HR issues and recognition of responsibility amongst governors.

41. Many institutions felt that there was less of a problem at the most senior executive level, possibly reinforcing this statement:

Some people see leadership as a separate island from HR. I say any part of our agenda is a part of yours.

Ewart Wooldridge, Chief Executive of the Leadership Foundation for Higher Education³

Comment

42. None of the characteristics of HR in HE is exclusive to higher education, but together they create possibly the most challenging environment for anyone involved in human resource management.

³ Speaking to HR heads at the Universities Personnel Association Conference, 2004

43. With further questioning – perhaps through some of the current benchmarking and best-practice initiatives – it may be possible to chart the position and progression of the HR function against the axes of responsive/strategic and reactive/proactive.
44. This is explored in Appendix 1, suggesting four phases of HR management moving from responsive-reactive to strategic-proactive.
45. It is hard to think of another sector where managers would need to be reminded that people management is a part of their managerial responsibility. But the feedback from interviews is that this is a major issue in higher education today.
46. It is clear that when the two roles of HR head and institutional head are in tune, much happens. The extent to which HR departments in the vast majority of universities visited now play a part in the development of institutional strategy is the clearest evidence that the human resources function has been transformed in just a few years; from a predominantly administrative support function to a strategic partner.
47. Many of the reported concerns centre on the prevailing cultures and attitudes in institutions. When aligned with top management and enlightened, HR plays a central role in effecting culture change; from agenda setting to implementation and advising and supporting managers throughout the organisation.
48. The 21st century HR team is expected to have the capacity to represent the function and to hold its own at all managerial levels within the university. Interviews provided encouraging indications that this is being achieved, not only at the top of the university, but increasingly within faculties, schools and departments as HR teams become trusted partners.
49. The arrival of the LFHE was considered timely and welcomed across the board. Its adoption of a wide definition of 'distributed' leadership, in particular encompassing those preparing for leadership, should in turn help to drive the HR modernisation agenda.
50. The working relationship established between the Universities Personnel Association (UPA) and the LFHE is another positive indicator. So too is the joint self-assessment tool for personnel that the UPA and SCOP personnel network have developed.⁴
51. Initiatives to encourage training for governors are another positive development.

⁴ The People Management Self-Assessment Tool is intended to help institutions better understand their developmental priorities, recognising that different HEIs have different needs and start from different places.

4. Aligning personal performance with institutional ambition

1. The question set at the start of this research was deceptively simple: how do you get people to go where the institution is going, and to do what we want them to do? At first sight this might not appear an unreasonable question. On further investigation it reveals itself to be one of the most significant challenges facing higher education today.
2. The question was interpreted in three different ways by interviewees. A few debated the wisdom and feasibility of alignment in an academic context. Others focused on managerial roles and how to empower or encourage managers to align and motivate their teams. Other discussions centred on the individual and how best to motivate him or her.
3. In this section we explore each of these three points, also reporting opinions on the parts played by reward systems, the management of poor performance, absenteeism and communication.

Feasibility of alignment

4. 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?

5. Some universities were unequivocal:

Our purpose is clear, our staff understand it and we all know why we're here.
HR director, post-92

6. Interviewees in other universities did not question the feasibility, but did admit to a continuing challenge to achieve it:

Are we a business? No, but we do have customers. It is still a challenge to get the institution to understand that. There's a culture of averageness, encouraged by the reward structure. Outsiders just don't understand how we get things done.
Personnel director, post-92

7. The story was very different in research-led institutions. There was a general consensus on the over-arching loyalty of academic staff – a consensus that the loyalty was not to the university:

The natural loyalty of academic staff is first to their field of research, second to a wider discipline or function and third to an institution – the institution that happens to employ them.

HR director, pre-92

8. Many also spoke of how the people academics see as ‘colleagues’ are spread around the world at other institutions. Their colleagues are those who share their professional interests. So the philosophical debate for a handful of interviewees was whether it is right to corral academics and to attempt to direct their activities:

Our job is to be a basket of facilitation. An office. With colleagues. A stable environment.

Vice chancellor, Russell Group

9. This theme captures many of the central dilemmas well: how do you modernise and drive out value from your people resources, while recognising that you are working with creative people, some of whom resent being managed:

Some of our most successful researchers, who bring in millions in research grants, conform least well to the stereotype of the well-managed human resource. That’s not to say that we indulge them, but we do recognize that, for much of what we do, we are in the business of creativity.

Vice chancellor, 1994 Group

10. Some suggested that managing creative people - highly successful in their field with abundant markers of external esteem, and bringing in the grants - may mean that such people are being harnessed effectively even when they are not being managed in orthodox ways. However, this sits uncomfortably alongside the view that more active management of the human resource is necessary.
11. Perhaps the answer is in part to rely on outputs to determine effectiveness, which gives objective measures, and enables managerial resources to be targeted where value might be added (see ‘Aligning the Individual’, below).

Managerial alignment

12. A larger group of interviewees focused on the importance of managerial alignment in order to improve and align personal performance.
13. Describing the challenge of persuading senior managers to go where he wanted them to go, one vice chancellor described departments as “*a flotilla of boats, each heading for their own favourite island*”.

14. However, this was the exception. 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.
15. Several heads spoke of soft drivers that helped to improve alignment, describing the allocation of budgets and other forms of recognition as favoured tools for guiding departments or schools:

You can't tell people what to do. Instead, we let them see how others benefit from doing the right thing.

Vice chancellor, pre-92

I am the magic beneath the page, invisibly aligning the iron filings.

Vice chancellor, pre-92

Here's the new deal - if you're supporting the goals, we'll support you.

Vice chancellor, pre-92

Yes, the flotilla effect is huge - but you can determine the wind direction with promotion, recognition, profiles in staff magazines, explicit criteria for success and internal bidding for finance.

Vice chancellor, post-92

16. Looking beyond the top team, the story changed. As indicated earlier, heads of institutions and HR alike spoke of the challenges of getting managers throughout the organisation to manage.
17. In this context, 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”. 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 lay primarily with their subject or their teams.
18. Several interviewees stressed the importance of communication:

It's not good enough having a clear vision and a strong ambition if you fail to get the message across.

HR director, post 92

19. There was almost universal agreement that this was where and why institutional alignment failed. Many spoke of a top team in tune with their leader – or at least

aware what he or she wanted. But below senior level management, in many universities there were indications of confusion and uncertainty.

20. Many interviewees spoke of an over-reliance on committees, describing them as an outdated communication tool. Others spoke of the need to get out and “walk the job”:

We're marvellous at writing things down. Senior managers need to be more visible. Surely vision shouldn't be written down - it's about seeing.
Personnel director, pre-92

21. More than an absence of management skills, some interviewees spoke of a highly resilient anti-management culture – even amongst managers. To address this, many were looking to increase investment in management development across their organisations.

22. Several examples given by HR heads cited problems associated with the implementation of appraisal schemes:

Resistance to appraisal comes not from the staff to be appraised but from their managers, who fail to appraise.
HR director, Russell Group

The current biennial appraisal system is dreadful. We have a revamp planned, to ensure a direct line from organisation goals to departments to individuals.
HR director, pre-92

Aligning the individual

23. At the level of the individual, views on achieving alignment with organisational ambition were mixed.

24. 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:

A sector that doesn't ask people to account for what they're doing is risking credibility.
Vice chancellor, pre-92

Management of performance is OK up to a point. But we contract with staff to self-manage.
Vice chancellor, pre-92

25. The simple solution, some heads said, is to set clear targets and to reward individuals for outstanding performance.

We have SMART targets⁵, quantified targets, soft targets and personal targets - something for everybody.

Vice chancellor, post 92

26. Amongst universities interviewed, many expressed at least an interest in connecting formal appraisal processes with reward. But in some institutions even appraisal remains optional at this stage.

27. 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 tool:

It's a myth that pay is not performance-related. From lecturer A to senior lecturer there's a £25,000 range. Professoriat is £40,000 to six figures. The institution decides.

Personnel Director, 1994 Group

28. Some expressed strong resistance to any form of performance-related pay:

We've had Individual Performance Reviews since we became a university. What we don't like is performance-related pay. One, they're very high maintenance. Two, it is bloody hard to avoid favouritism & discrimination. Three, improved performance is not reflected in increased profit, so where does the money come from? Finally, it demoralises everyone who doesn't get it.

Vice chancellor, post 92.

Personally, I still think there's a place for patronage.

Vice chancellor, Russell Group

29. But more interviewees were in favour. One university described an incentive scheme that rewarded academic staff directly with a proportion of the research income they secure.

30. Another outlined the system introduced in their business school, offering up to £8,000 to lecturers as performance-related pay, with criteria that were published, and specific (such as publication in named journals). There were specified trigger points, specified amounts and even a 'zero multiplier' that wiped out any award if, for example, there was negative feedback on teaching.

31. But many of these changes were still seen as coming from the world of commerce and encountering resistance – not only from the older academic staff:

⁵ Specific, Measurable, Agreed, Realistic, Time-limited

The language of commerce goes down very badly. I thought it was the Robbins mob - a generational issue. But do the young think differently? I think it's a cultural thing. They don't all come in thinking old. But some wrap the culture round themselves like a duvet. It won't work post 2006. Students paying £3,000 will expect something different.

HR director, Russell Group

We have to work with what we've got – and translate from the language of organisational development to the language of people's problems.

Clumsy interventions can be very damaging. There's an unspoken sense of collegiality. Instead, we've got to use what we've got in terms of networks.

HR director, pre-92

32. What remained widely elusive was an explicit and transparent structure to the reward process.
33. Most HR and institutional heads believed that at the top-team level there was now a close and increasingly explicit connection between performance and reward. But fewer than one in ten claimed that this worked effectively throughout the organisation.
34. The vast majority of those spoken to indicated a current preoccupation with the process of ensuring equal pay for work of equal value. More than 50 per cent indicated in interviews that performance management was a major issue *“to be dealt with further down the line, once the task of job evaluation is complete”*. Several made the point that until the equal pay exercise is completed *“there is little point raising the question of a connection between performance and reward.”*

Recognition

35. Pay is a contentious issue, but recognition appeared to be less so. Many interviewees spoke of how they recognised and acknowledged performance – in the form of increased resources, increased support staff, funding for conference attendance, international travel, accolades or even a room with a view.
36. Others voiced a very personal approach to recognition. One vice chancellor described how he wrote over 30 letters a week to academic staff, congratulating them on one achievement or another. Another vice chancellor made the bold and entertaining claim that he personally reviewed every refereed publication.
37. Concerning support staff, many interviewees saw alignment and recognition as *“less of an issue”*. But universities clearly experience problems in recruiting senior people with key skills and then getting the best out of them:

They (support staff) often come from quite different employment cultures: they need to understand universities, but universities need to give them the space to succeed.
Vice chancellor, 1994 Group

Managing poor performance

38. The question of alignment prompted additional observations around the issue of under-performance.

39. Whilst interviewees shared stories of past poor performance, all who described them felt that extremes were rare. Of far wider concern was the management of sub-optimal performance – how to tackle staff who impact negatively on performance or morale.

By definition, half the staff here are performing below average. Only a handful are at the edge of the bell curve. Some are hard to manage. They do the job well, their way - undermining others.
Vice chancellor, post-92

We're tougher on senior staff. There's a contract clause that allows them to be assigned to other duties.
HR director, post 92

Concerns over the management of poor performance came out top in our last staff survey - along with leadership, management and workload worries. These were balanced by another top finding: how much they all enjoy working here!
HR director, pre-92

40. Regarding the management of difficult people, one HR head spoke of his concerns not of the staff but of their academic managers:

These people are brilliant. Absolutely brilliant. But some were at the back of the queue when common sense and people skills were handed out.
HR director, pre-92

41. Another summed up the scale of the problem as he saw it:

Academics don't understand the concept of performance - nor the concept of management. Put them together and you've got a real problem.
HR director, pre-92 university

The role of the unions

42. Labour relations were a big issue at the time of the research and the specifics of the dispute were considered to be outside the scope of study. However, the importance of the role of the unions in the modernisation of HR was referred to by many.
43. Many saw the unions as vital partners in facilitating change. Some valued their role in communicating change. Others saw them as a brake on progress.
44. Several spoke of the need for training for union representatives. Their comments were followed soon afterwards by a Government announcement to address that need.
45. What was clear at the time was that most HR heads – even in the teeth of the dispute – described a constructive working relationship with local representatives.
46. However, issues such as appraisal and performance management were controversial and interviewees spoke of the importance of advancing a constructive dialogue in these areas.

Comment

47. The contrasting views over the extent to which universities can and should align their intellectual resources perhaps reflects differing ambitions. For some it is the delivery of higher education to consumers. Others see their primary output as research. The implication might be that one requires directive leadership and the other supportive. But this would overstate the differences and oversimplify the challenge. Whether the leadership is primarily directive or supportive, the need for some sort of alignment throughout the organisation remains.
48. All universities rely on their managerial infrastructure to achieve and maintain some sort of 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. The importance of development, training and support for managers in universities appears to be paramount.
49. Based on discussions with interviewees, a model is proposed in Appendix 2 suggesting connections between performance, reputation, change and ambition. The model also highlights the essential connections of people strategy, line communication and leadership, staff engagement and loyalty.
50. Concerning the connection of performance with reward there is much resistance to change. Interviews established that some institutional heads oppose it too. But for many leaders in HE connecting performance and reward is a specific goal.

51. Anecdotal evidence from the US and Australia suggests that in neither of these major regions has the issue of performance-related reward been resolved convincingly by institutions.
52. If universities are unable to recognise and reward high-achievers, some of the best will leave. And some that remain will become de-motivated, seeing sub-optimal performance in others apparently rewarded. So the goal of aligning personal performance with institutional ambition remains key.
53. Is it right to alter the pay system for equal pay (the current job evaluation initiative) only to have to alter it again for performance? No, but it seems to be almost inevitable. In an ideal world remuneration, recognition, progression, succession, retention, turnover, equality and diversity would all be tackled together to ensure strategic alignment.
54. In the real world, respondents indicated, aligning personal performance with institutional ambition is not a single strategic step, but a journey over time.

5. Career management and personal development

1. Under the theme of career management and personal development we were interested to know the extent to which universities considered the advancement of the individual to be a responsibility of the institution.

2. Generally the question was interpreted as one of training and development. When pushed specifically on the subject of careers, there was a general consensus that career management is a good thing, but for most the concept is at a very early stage:

Academic life is all about personal development. That's what academics do - through symposia, conferences and publications.

Personnel director, pre 92

3. Most universities indicated that they had leadership development programmes in place. Generally this was a relatively new development, with most less than four years old.

4. It appears that much of the investment in management development focused on training people already in post (rather than in advance of promotion); predominantly people in senior positions.

We need academic staff to view leadership and management as part of their career development. Leadership is an integral part of the job, not something those who can't do research do.

HR director, post 92

5. Some interviewees spoke passionately of the importance of identifying and nurturing talent – and the ability of younger staff to have a positive influence on the wider modernisation agenda.

Younger academics have not yet been tainted by the old ways. We should support and encourage them.

HR director, pre-92

6. Others acknowledged that there was still a long way to go:

Do academics have careers or vocations? Talent spotting is a vulgar term. We're not good at legitimising career paths. Personnel director, pre-92

7. One university in particular had gone a long way to create cadres of younger staff:

We've had a competency-based leadership development programme since 2000, with a psychometric selection and assessment process. Selected staff are 'hot-

housed', mixing with the vice chancellor etc. We mix academic and non-academic staff on the programme. Then people stick together as cohorts. And it gets rid of that strange academic snobbery.

Personnel director, pre-92

8. For some, the contrast with experience of others sectors was dramatic. The HR director of one university described how, as a proportion of staff costs, his training and development budget in local government was 80 times larger than at the university.
9. Others made the connection with appraisal and acknowledged that there was a long way to go to ensure training provision was matched to training needs:

Training here is very paternalistic: 'things we think might be helpful'. What we're lacking is the ability to deliver a training programme that meets the needs of the schools. This should be an output from appraisal. It isn't yet.

HR director, pre-92

10. One research-led university described going one step further in personal development - an individual coaching & mentoring programme for seventy academic heads, providing tailored help in developing strategy and adapting behaviour.
11. Fewer than 10 per cent of participating universities have career management or career development programmes, as opposed to management or leadership development programmes. But one ancient university stood out for taking a proactive approach to careers. Amongst other initiatives it had introduced career development *fellowships* "to take people from the treadmill of casual teaching or contract research" and give them space to conduct their own research. This had been very positively received.
12. Mentoring programmes had been introduced by a number of universities and were receiving increasing attention from others.

Today young academics demand mentoring and proper appraisal. They want to know how they'll be measured.

Personnel director, Russell Group

13. Whilst nobody suggested that personal development was not a good thing, some universities voiced concerns that they were developing staff for others.

There is a danger that some universities will become training grounds. Over 10 years I have trained 3 cohorts of research staff.

Vice chancellor, pre-92

There are now 6 VCs who've been recruited from our senior management. We see that as something positive - and of course frustrating. Good people are attracted to us as they see others progress.

Vice chancellor, post-92

The best we can do is ensure there are no 'push factors' making good people leave. To leave for an Oxbridge post is ok. But I don't want my bright young things going to parallel rivals. My aim is for the decision not to be money. We have five year goals and accelerated increments for new staff.

Vice chancellor, 1994 Group

14. One HR director voiced a concern over international transfers, describing how good academic staff were hesitant, wondering whether their research or promotion chances might suffer.
15. Cultural awareness programmes for international staff where English was their second language appeared to be rare. Rarer still, the use of cultural awareness programmes for native English-speakers who, in all universities, now worked with nationalities from all over the world.

Promotion

16. For academic posts the career path is relatively clear. Common to almost all universities was the concept of promotion as the principal form of development:

At our place development means promotion.

Personnel director, pre-92

17. For support staff, indications were that the paths were generally either much shorter or more winding.
18. Understandably, most interviewees indicated that promotion was not just about personal development, but also a form of reward. Several highlighted this as a problem:

Generally we promote predominantly on the basis of past performance into senior positions where the role definition is weak, (producing) academic managers who find management rebarbative, leaders with underdeveloped leadership skills and people out of their depth.

Vice chancellor, pre-92

Comment

19. Leadership development for senior management appears to be the strongest and most widespread form of personal development, followed by training and development for other staff.
20. The implementation of effective and pervasive systems of appraisal is necessary for personal development and career management to work.
21. Coaching and mentoring appears to be growing fast. Organisations where this is applied through all levels are seeing an impact not only on personal development, but also on culture change and institutional alignment.
22. Recent studies of careers in the private sector identified a new psychological contract between employer and employee. In the past, individuals offered skills and loyalty in return for security and a career. Today, employers seek flexibility and employees seek employability. In this era of post-paternalistic employment, job security has been redefined as 'the ability to secure the next job'.
23. Whilst acknowledging the complexity of the psychological contract in HE, the concept of employability must be applicable - certainly for support roles. Some universities are turning this to their advantage and the provision of free tuition for support staff is a good example.
24. With more widespread and explicit application, career management could reduce the trauma and emotion around career transitions and at the same time attract future employees who see others progress.
25. For younger academic staff, the development of new career pathways - opportunities to link in to strategic planning processes, leadership programmes, skills audits and external assignments – should benefit both the individual and the institution.
26. Finally, whatever can be done to move beyond the tradition of promotion as reward will help to enhance the managerial capability of organisations – and the motivation of the people who work for them.

6. Succession Planning & Retention

1. The other side of personal development is succession planning – ensuring that the university has the intellectual and managerial pipeline for the future.
2. A handful of universities spoke about this very seriously. More described how succession planning was a “nice to have” thing. For many it seemed that attention was focused when posts fell vacant.

Succession Planning

3. One 1994 Group vice chancellor explained “*we talk about this more than anything*”, adding that for Dean candidates and Deputy VC candidates there were “*massive equal opportunities issues: in general, men tend to come forward*”. They were trying hard to plan five years ahead, but finding it difficult.
4. Highlighting the problem, one HR director said:

If the VC asks me 'who's good?' I don't know. There's no sense of training our own for higher office. We need to identify potential & invest.

5. Several spoke of the strong tradition of elected posts and the HR and leadership challenges this presented. Some suggested this was a form of succession planning. But, as several explained “*most of the time it is just Buggin's turn*”.
6. On the positive side, some HR heads were now asking heads of departments to identify a pool of people and several had already been commended for their development programmes – including one which ran assessment centres for younger academics, with help with career development. As one put it: “*Some non-5* researchers might make great leaders*”.
7. One pre-92 vice chancellor had this to say:

We were heavily biased to fixed term contracts. Now, we only advertise permanent jobs. Fixed term contracts don't make sense - you train people for other unis. Open-ended contracts are so important for shaping the texture of an institution.

8. Another post-92 vice chancellor raised the problem of age:

We've got an ageing workforce. Not enough young blood. Not enough career opportunities for young people. Extra funding should go to increasing teaching staff to improve ratios.

9. And this ambitious goal from one Russell Group HR director:

We're attempting to talent spot. Ideally, we want to get to people before they get their first grant.

Retention – are we keeping our best people?

Recruitment and retention are Number One on our risk register for this institution. I can't believe it's different for any other organisation.

HR director, Russell Group

10. Many universities spoke proudly of very high retention rates. Most talked of academic staff turnover in single figures – as little as one per cent at one institution.

11. Clearly high staff turnover had many potentially negative effects: the cost of the recruitment process, the loss of experience and potentially the impact on the institution's reputation. Some interviewees applied a positive spin to above-average staff turnover rates:

We like to be seen as a training ground for great academics.

Vice chancellor, post 92

12. Most institutions spoke of a wide spread of staff turnover figures. Retention was an issue for some within specific areas –academic staff in medicine / healthcare and business, support staff in IT, business development and external relations.

13. Cleaning, catering, hospitality and craft positions - where competition with other local employers can be intense - were also identified as a problem.

14. For researchers, interviewees indicated that the research environment - in terms of people, resources and prestige - was the key to retention:

People will stay on less advantageous personal terms because the invisibles (the research environment, external esteem, position in the subject community) are greater. Transfer fees have more to do with kit and research than salary.

Vice chancellor, 1994 Group

15. But in further discussion the retention question became one of greater concern. What was almost universally unclear was whether the best people stay or go.

Do we value you? Of course we do. When you're leaving.

HR director, pre-92

16. HR heads suggested that a low staff turnover sent out two messages. The positive message was that the institution was a happy place - so happy that nobody wants to

leave. The negative message was the implication that death or retirement was the only way up.

Yes, there's a problem of over-retention. We have professors with over 40 years service.

Personnel director, 1994 Group

17. Some had acted decisively where there were areas of concern:

We've felled some long-standing trees - we've shifted dead wood.

HR director, Russell Group

We have a problem retaining people we don't want to retain. We now have a 3-month programme with the subtext 'go now before we force you'. We're gradually counselling people out by suggesting they 'look a year ahead'. That works 10per cent of the time. There's too much managerial anxiety around getting people out.

Personnel director, pre-92

18. One HR director spoke of how the churn was at the bottom of the organisation, and flagged how the transactional cost was not being recognised:

Staff turnover means money. Academics: 6.5 per cent. Cleaners: 45 per cent. That's 200 cleaners a year. How much to hire? How long to train?

HR director, Russell Group

19. One university claimed to have a very different staff profile:

Non-academic people stay here forever. Then their kids grow up and come to work for us. Some people have 50 years service.

Vice chancellor, pre-92

20. Speaking of staff that they did not want to lose, universities spoke of employing a wide range of tools and techniques to improve retention. These included mentoring and professional support, management of expectations, improved facilities, increased work space, relocation, recognition, reward management, progression, training and development, flexible working, change of teaching load, change of head of department, sabbaticals, research staff and external independent work.

My advice is, don't dare to standardise your approach. Every case is different.

HR director, pre-92

21. Those who saw lack of movement as a problem recommended regular review and effective appraisal, proper documentation of performance issues, signposting of suboptimal performance, implementation of personnel policies by managerial staff, severance and compromise agreements and early retirement schemes:

In some areas turnover was so low we've begun using compromise agreements to move people on. And our expenditure on a very active early retirement programme offering 5 years extra service has more than paid off in our ratings.

HR director, pre-92

Comment

22. The reference to risk management is interesting as risk management, like the development of HR, has been a relatively recent phenomenon. This suggests a mutually reinforcing aspect to these developments and clearly raises HR to the strategic level as risks need to be monitored by the governing body.
23. Succession planning for much of the sector is still at an early stage. The age profile of academic staff (strongly skewed towards older groups) should add a sense of urgency.
24. So who leaves? Although the evidence is only anecdotal, it is also logical; if poor performers never move, the best people will feel frustrated. The best people are highly employable and if a university is unable to reward great performance, in today's chaotic market, it is likely to lose great people.
25. As indicated earlier, many academic staff have greater loyalty to their subject than to their institution. One implication of this is that many will not leave when offered better salaries elsewhere. This does not mean pay does not matter, rather that pay is part of a wider matrix of issues.
26. Interviewees spoke of positive and negative retention. In the private sector, professional services firms are well known for encouraging movement with an 'up-or-out' mantra. This would be entirely alien and inappropriate for HE. But if in some areas only one in a hundred members of academic staff leave in a year, this must give some cause for alarm.
27. Very high levels of retention are likely to act as a deterrent for ambitious academics. A lack of movement in the knowledge pool must increase the risk of stagnation. Although there is wide recognition of the value of long term research, for the same group of people to work together for a very long time must carry a risk of 'in-thinking'⁶.

⁶ defined as "*the continued mating of closely related thought, intended to preserve desirable traits.*"

7. Recruitment – a numbers game or the new war for talent?

1. In the UK, over the next ten years an additional 19,000 academics are required for replacement hires and a further 17,000 if the 50 per cent target for student participation in higher education is to be realised⁷.
2. Universities UK recently predicted that before 2012 a further 230,000 new academic staff will need to be recruited in New Zealand, Australia, Canada, the US and the UK.⁸
3. In this context of growth and competition, we asked whether recruitment is a core process or a peripheral function. Also whether it is seen as a strategic or an operational activity.
4. We also explored the tools and techniques employed by universities in their quest to attract future staff.⁹
5. In asking whether recruitment was core or peripheral, we were interested to hear from institutional and HR heads whether recruitment is central to the activity of the university. Unsurprisingly, almost all interviewees suggested it was a core activity. However, several acknowledged that this had not always been the case. In the past it had been regarded by some as *“necessary but not necessarily core to the purpose – similar to catering”*.
6. The consensus view in interviews was that the ability to attract and recruit the right people – at least amongst academic and support staff - was now *“the basis for future competitive advantage”*, so core to the university’s success.
7. An increasing number of private sector organisations now outsource much of the recruitment process, to reduce costs or free up HR resource. Amongst participating universities, there were no indications of moves in this direction.
8. When asked if recruitment was a strategic or operational activity, most interviewees saw it as strategic. However, most of the strategic approaches concerned academic recruitment.

⁷ Association of Commonwealth Universities (ACU) Survey 2001-2003

⁸ MacLeod 2002

⁹ See Appendix 3: Recruitment tools and techniques

9. The examples of a strategic approach to recruitment spanned attraction strategies, selection processes and remuneration and reward.
10. Problem areas identified by interviewees included academic positions principally in the areas of health, business and education. In support functions, business development and marketing-related roles were proving difficult for many to fill, as were positions in the growing HR function.
11. Few reported difficulties in administrative and clerical roles, but ancillary and manual staff frequently suffered from high levels of staff turnover (Section 6 above), creating for some an almost year-round recruitment requirement.
12. Most used temporary staff and a number reported employing their own students in some areas. One new university went one step further, setting up its own temp agency, taking its own students onto its books and hiring them out to departments. The saving on temporary agency charges was said to be significant.

Attraction strategies

13. Under this heading we were interested to hear of specific initiatives to catch the attention of potential applicants and to convince them to apply. A small number of interviewees spoke about university-wide employer branding, positioning and marketing the institution as an employer.
14. More focused on initiatives taken to attract academic staff and several indicated they were either sceptical about branding or unfamiliar with the concept:

It will be some time before I'll be comfortable being on the stump about brand.

Vice chancellor, pre-92

Marketing? That's something De Montfort does.

HR director, Russell Group.

15. A number had begun to develop an employer brand for the local and regional market. Some even had specific brands for cleaning (The Clean Team) and catering staff.
16. Several had applied the concepts of employer branding to mainstream academic recruitment. The statement advertisements described below are a good example of this:

We need a Differentiated Employee Value Proposition. We have to work hard to attract a large number of new professors.

HR director, Russell Group

Brand is a problem. Still weaker than it should be. The average petrol pump attendant in Little Rock has heard of our two biggest competitors.

HR Director, Russell Group

17. One university went further by developing a values-based recruitment strategy, specifically targeting people who wanted to work for an ethical organisation:

As a way of differentiating, we believe ethics and values could be a powerful motivator for current and prospective staff and students.

HR Director, post 92

18. Another HR director from a northern research-led institution picked up on the need to achieve consistency between external employer branding and internal communications:

We need employer branding INSIDE. It must be congruent with the corporate plan. We're solid, research led, improving. Its no good having great staff in place if you don't tell people about it.

HR Director, pre 92

Recruitment advertising

19. Beyond branding, interviewees spoke of the relative importance of print advertising and the growth and increasing effectiveness of web-based media.
20. Online recruitment is now used extensively and many interviewees considered job boards to be a highly effective low-cost medium:

We are a major user of the web. In addition to applications, we get phenomenal data back through cookie control.

Personnel director, Russell Group

21. Interestingly, the strong support for web advertising was not matched with a reduction in print advertising. This might in part reflect an early start to the 2008 Research Assessment Exercise, with strong recruitment drives to attract high-performing academic staff.

22. All those who spoke about print advertising indicated they were still significant users of the national press for academic and senior support staff positions.

For those actively looking to move, the web works well. But newspapers are a better way to reach the passive job-seeker.

HR director, post-92

23. Regional press came in for criticism in terms of cost, but its effectiveness in terms of delivering candidates was widely acknowledged. Typical advertising expenditure ranged from £200,000 to around £1,000,000 per annum.

24. A number of universities reported using 'statement advertising' – large advertisements promoting a number of opportunities. One described a recent initiative:

We took full-page ads in The Guardian and the Times Higher. We called it our shock-and-awe recruitment strategy.

HR Director, Russell Group

25. Another reported a strong positive outcome:

There's a marketing job to do. Press advertising is working well for 'big splash' ads. We had 300 responses to 1 engineering composite, compared to 3 or 4 from individual adverts.

Personnel director, pre-92

26. Several also reported the positive impact this form of advertising had on staff within the university.

Attracting young academics

27. A number of institutional heads spoke of the importance and the challenge of attracting young academic staff. Several cited the problem of poor pay, and the comparative attractiveness and professionalism of commercial sector recruiters.

There's a need to identify high-quality postgraduates during PhD studies, to provide support and to encourage them to apply.

Vice chancellor, pre-92

28. Some universities spoke of combined teaching/degree research positions, effectively, academic apprenticeships. This was intended to address several problems with one solution; providing additional teaching resource, a training process for future academic staff, an extended job interview and much-needed income for the individual.

Senior level appointments

29. During 2004 the Times Higher Education Supplement announced over 100 new chairs in UK universities alone. At a senior academic level, the pressure was intensifying:

We're looking for top professors - in a world where they don't come naturally.

Vice chancellor, pre 92

30. Almost all universities interviewed spoke of the use of referrals and recommendations from staff for senior level appointments. However, concerns were voiced over possible equal opportunities issues associated with this form of recruitment:

Trevor Phillips¹⁰ talks about snowy white peaks. If you look at the universities, we're positively alpine. We need to address this in our recruitment.

HR Director, pre-92

31. Others felt that they could no longer rely on their own networks to deliver results:

Internal referrals are becoming increasingly problematic. At the professorial level the market is more closed. People are playing their cards closer to chests. They want an approach via a 3rd party.

Personnel director, Russell Group

32. Several spoke of how their recruitment of senior staff had become more proactive and strategic:

In the past, we would get nine applications, shortlist three or four, then appoint the least awful. Now, I ask "Who would you like to work with? Invite him down. Pay his fare. Show him round."

Vice chancellor, pre-92

Members of the academic top team take personal responsibility for recruitment. We gather sector-specific intelligence from subject-based committees.

Vice chancellor, pre 92

Remuneration strategies

33. Across the board, heads spoke of remuneration being a major issue when trying to attract good people:

The THES revelation that some institutions are now paying over £70,000 for top professorial staff was a survey of the blindingly obvious.

Personnel director, pre-92

34. Pay was the most obvious and common element, but almost all discussed this in the context of the wider reward package.

A professor in Prague wants to come here because we've got Dr X. It's not pay. It is context, collegiality, aspirations and disciplinary freedom. Pay is a narrow aspect.

Vice chancellor, Russell Group

People are more interested in the place than the money. It is also about tailoring what we pay.

¹⁰ Chair of the Commission for Racial Equality

Personnel director, Russell Group

35. Many were paying market supplements, some were hiring on higher grades and offering promises of accelerated promotion. Some made use of 'golden hellos', but generally saw the HEFCE assistance in this area as too limited to be of real value.
36. House prices were factors for most. Some of the biggest price increases have been in areas of traditionally low-cost housing. This has caused difficulties for universities in these regions:

There's not a massive brain drain. But people are just not coming in. The issues are housing costs and standards of living.

Personnel director, pre-92

37. For high-cost areas, the challenge was greater than ever:

Picture this, with a US academic: "So, I'm coming for half the salary. My home will cost 4 times as much and will be half the size. Any chance of a swimming pool?"

HR director, Russell Group

Executive search

38. 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. Several heads spoke of how education sector expertise in search firms has improved in recent years.
39. Others indicated that concerns over diversity and the difficulties experienced in filling some more junior roles had increased their use of executive search.
40. Some universities had established a roster of preferred consultants. A few described how they retained consultants to advise across an extended period.
41. Such was the demand for executive search that one research-led university reported the appointment of an in-house headhunter, hired from an external firm. This is rare to find even in the largest private sector organisations.

Recruitment systems

42. Participating universities either managed all recruitment centrally or co-ordinated decentralised recruitment activity. Some ran a hybrid model based on devolved HR budgets:

Central HR does the job, then charges the schools. This makes the schools think more commercially - and question recruitment expenditure.

Vice chancellor, 1994 Group

43. Some interviewees had devoted considerable time and resources to reviews of their recruitment systems from the perspective of the candidate. Areas reviewed included how prospective candidates heard about opportunities, how easy it was to find information and to apply.
44. A smaller number had investigated further into the recruitment process – what information did applicants receive, the standard of follow-up and communication for candidates still in the process and those who were unsuccessful, the offer and acceptance process, pre-arrival and induction.
45. With the increasing importance of quantifiable metrics, employers in the commercial sector are focusing on cost per hire, time to hire and quality of hire. This new transparency has prompted a fundamental overhaul in attraction, engagement and selection strategies. The real difference has been the use of technology to source, select and to manage candidates during and post application.
46. A handful of universities spoke keenly of e-enabling recruitment processes, but at the time interviews were conducted, this was commonly limited to receiving applications by email.

We need to shift from transactional recruitment services to self-service, line management-driven processes. E-enablement is the answer. We need to move from centralised cock-ups to decentralised consistency.

HR Director, research-led university

Selection methods

47. Almost all participating universities reported using traditional one-to-one or panel interviews as the principal tool for selection. A small number were now using psychometric testing for some positions, to make the process more objective and to reduce the risk of making expensive mistakes in selection:

I can't judge people. I'm a sucker for plausible psychos. So we've introduced psychometric testing for all senior appointments.

Vice chancellor, post 92

International recruitment

48. Several spoke of the global market for higher education and the impact this had on recruitment strategies and processes. Recent high-profile international appointments confirmed to some interviewees what they had believed for some time – the existence of a “new world war for talent”.

49. In practical terms, institution heads saw specific directions of flow and identified some countries as easier to recruit from than others:

There's a lot of recruitment from South Asia, Eastern Europe and the former Soviet Union countries. This is great for research. But for first-year students? This challenges the whole pedagogic method.

Vice chancellor, post 92

50. This was endorsed and explained further by another HR head:

As a sector we rely on Russian mathematicians. The engineers we're recruiting are all Chinese. The issues are salary and supply.

HR director, Russell Group

51. Amongst the top universities, there was no doubt that their greatest competitors were outside the UK:

Harvard's endowment funds are larger than several African countries. How can we compete with that? Europe ought to be where the cleverness is. But the best talent is in the UK and US.

HR Director, pre-92

Unfilled posts

52. So what happens if we can't find the right people? In the past, as indicated above, some universities were prepared to recruit the best of a bad lot. Today, the view is different:

If I'm not happy with the shortlist we tend to delay and then advertise again. I'd rather wait to find the right person.

Vice chancellor, post-92

53. Some spoke of the frustration of having unfilled posts and the impact on the workload of other staff. Others highlighted the urgency to get people in place ahead of the forthcoming Research Assessment Exercise. And a few voiced concerns over the impact on students – potentially significant now, even more so once home students become full paying customers.

54. We give the last word on recruitment to the HR director who summed it up:

As a sector we're awake to recruitment costs, but not to the cost of not recruiting.

HR Director, pre-92

Comment

55. Modernisation in this area of HR is evidenced by the use of web recruitment media by all participants, imaginative approaches to recruiting senior staff and examples of employer branding.

56. But for all the positives, the vast bulk of recruitment advertising by universities has changed little in 20 years in method, format and content. Statement advertising and employer branding are exceptions, not the norm. The intensification of competition for staff suggests further attention is necessary.
57. Concerning the recruitment of young academics, the alumni network presents each university with the opportunity to track the progress of its own graduates, and, in time, to bring some of the best of them back.
58. This concept could apply equally to the tracking of staff leavers. Many organisations value the external experience of former staff. 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.
59. The use of executive search consultants is increasing rapidly. With concerns over objectivity, authenticity, diversity and equality, universities will increasingly seek assistance from professional external recruiters.
60. To make recruitment more than a game of numbers, there exists a need for greater understanding of career motivators¹¹ and mobility in higher education. What in particular makes academic staff join, stay and leave a university is still unclear and warrants further exploration.
61. Response management, selection and assessment processes generally lag behind the private sector. Given the drive towards e-enablement and pressures to reduce costs, these can be expected to receive further attention in the near future.
62. 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.
63. The new global rankings of universities do more than prompt further comparison; they illuminate the battlefields in a new world war for talent.

¹¹ Archer & Crisp, FT 2003

8. Conclusion

1. The modernisation of the HR function in higher education in recent years has been remarkable for the individuals, the institutions and the initiators involved. In the space of a few years, in many universities HR has shifted from administrative support function to a valued strategic partner for the top team.
2. Some universities were already working their way through 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 funds made available and the means by which they were awarded enabled dramatic change at a scale and a pace never seen before.
3. Institutions in Scotland already had a higher level of overall financing, but without a comparable initiative the challenge for HR heads was significant.
4. In Wales the challenge was even greater. With no extra funding, support appears to have been limited to professional networks and outputs from the HR modernisation process in England.
5. For all the positive developments, it is clear there is much more to do. Most significantly, interviewees reported that HR was still regarded by many managers as a remote function rather than an integral part of their job. This highlights a significant training need for managers at all levels – but particularly for those below the top team, currently seen by some to provide unwanted ‘cloud cover’ for communication and change.
6. Many heads spoke of the challenge of aligning individual performance with institutional ambition. In most cases this seems to be a distance away. Without effective performance appraisal schemes and some kind of connection between performance and reward, poor performers will stay comfortable and the best will be seduced away.
7. There is a worldwide world war for talent, playing out across the universities of Britain. 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 with sensitivity through all levels of the organisation. At the same time, the best are back-filling HR teams with appropriate expertise.
8. 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.

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Appendix 1

The Four Phases of People Management

Discussions with HR teams around the country suggest possibly four phases of people management. The first two are phases of operational personnel. The second two are phases of people strategy. Each progression commonly incorporates the activities of earlier phases.

Phase 1	Responsive reactive (establishment services)
Phase 2	Responsive proactive (client-facing)
Phase 3	Strategic reactive (delivering strategy)
Phase 4	Strategic proactive (informing strategy)

Responsive Reactive is the traditional state of the old-style personnel department. Dealing with problems and processes.

Responsive Proactive is the advanced state of the traditional personnel function: client facing, actively seeking to help managers and departments.

Strategic Reactive incorporates strategic HR activities such as succession planning, reward strategies, performance management and organisational development. But in this phase the department is still doing what it is told: responding to the agenda, helping to deliver the ambition of the institution.

Strategic Proactive is the most advanced phase – when HR professionals come into their own: instrumental in strategy development and informing institutional ambition.

Each of these phases is a development on the previous. Each requires different strengths and capabilities to be fully exploited. Progression through the first three phases appears to be driven by the HR director and his or her department. The fourth phase involves buy-in at the top of the institution.

Using the benchmarking or self-analysis tools now widely available to HR teams, it should be possible to plot the position of the function in relation to HR in other institutions.

Appendix 2

Connecting institutional ambition with performance

Most interviewees were able to articulate the ambition of the institution. In some cases it was the very personal ambition of an individual. Sometimes it appeared to be the joint ambition of an executive team. In a small number of notable cases, it was presented as the unified ambition of the body corporate.

Many HR heads spoke of the challenge to get the organisation aligned, so that performance delivered against ambition.

Having reviewed all discussions conducted in the course of the study, an adaptation of a commercial sector model (Parsley, 2003) has been developed, with the intention of clarifying the connection between institutional ambition and performance.

The model identifies the HR challenge as hard-wiring the connection between ambition, people strategy, line communication and leadership. Interviewees agreed that clarity and connection of these elements lead to staff engagement and loyalty.

In turn, staff engagement and loyalty delivers research performance, service performance and teaching performance – ideally still in line with institutional ambition.

Completing the model we can look at the outcomes of research, service and teaching performance and see how they combine as institutional performance.

Research performance delivers research productivity. Service performance ensures user engagement and endorsement. Here, we mean users in the broadest sense – from students to conference delegates; everyone who comes into contact with the university. And teaching performance delivers student engagement and endorsement. The outcome is grouped together as university performance. And HR has a key part to play in all elements.

There is also a 'feedback loop'. Institutional reputation comprises employer reputation, student reputation and funding reputation (in the sense of funding bodies, corporate, alumni and other donors and sponsors). These together may influence institutional ambition, as should both internal and external change (market forces).

So people strategy takes its cue from institutional ambition – or at least it should do. In an ideal world every element of people strategy and personnel practice, from recruitment

marketing to training and development, to staff retention and performance management should be aligned with the direction of the university.

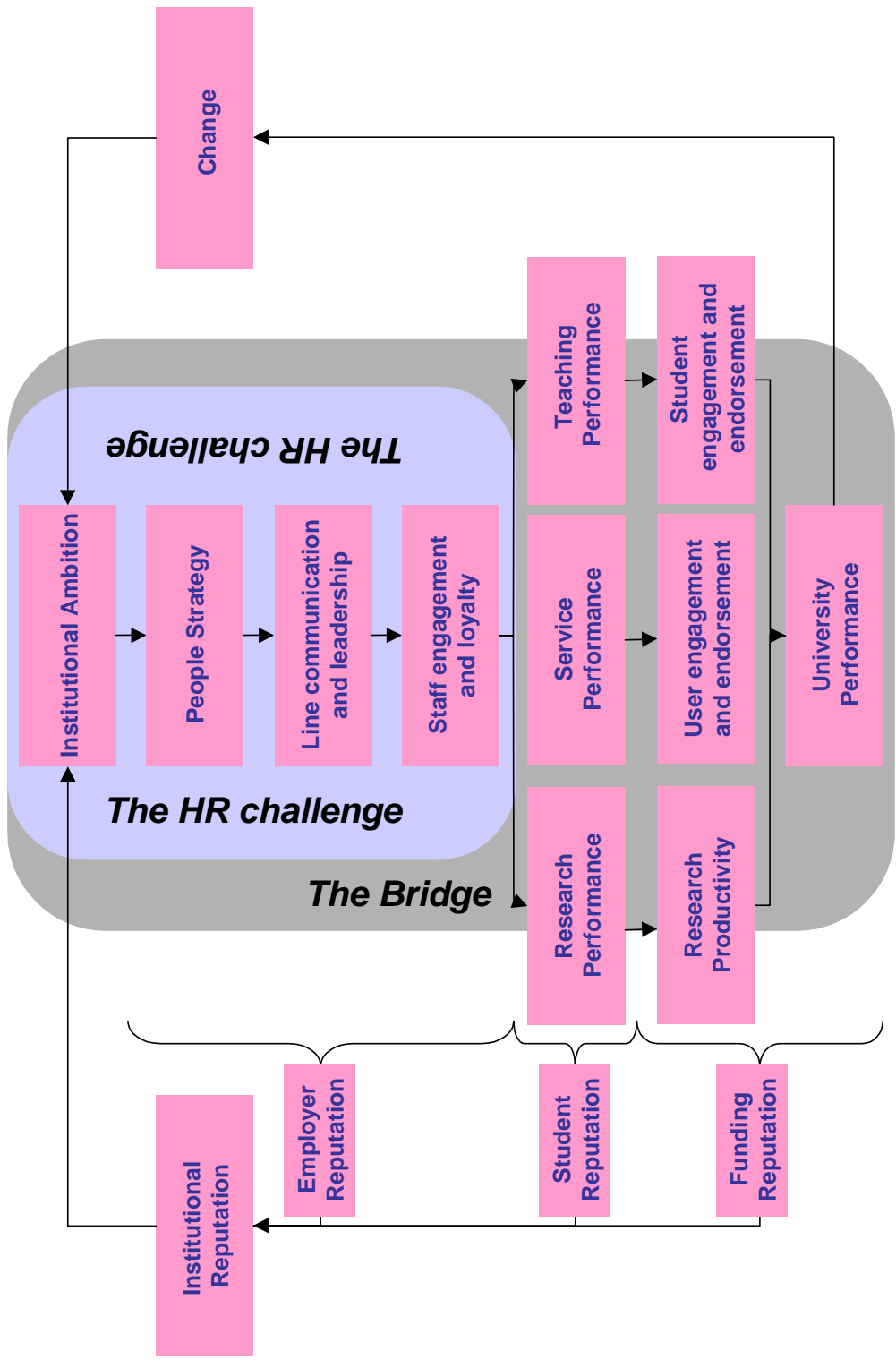
In the best universities, this is now the case. And commonly that change has been achieved in record time.

Beyond that top-level alignment lies the principal challenge for the sector: how to drive a change in attitudes to people management and performance throughout each organisation.

Here is what one HR head had to say, reflecting the expectations of staff:

I need my boss to see people management as a part of his or her role. I need my boss to have the tools and the skills to develop me and recognise my achievements. I need my boss to understand and communicate to me where we're heading and how we fit in. And I need my boss to listen and communicate upwards my views

Aligning Institutional Ambition and University Performance (draft model) - Fig 2



Appendix 3

The following organisations were consulted in the course of the study:

Aston University
Coventry University
Cranfield University
De Montfort University
Edge Hill University College
Glasgow Caledonian University
HEFCE
Heriot Watt University
Imperial College London
Liverpool John Moores University
London Business School
London Metropolitan University
London School of Economics
Napier University
Open University
Oxford Brookes University
Queen Mary University London
Royal Holloway
Royal Veterinary College
Sheffield Hallam University
University of Bath

University of Birmingham
University of Bristol
University of Central England
University of East Anglia
University of East London
University of Essex
University of Exeter
University of Glasgow
University of Hertfordshire
University of Leeds
University of Leicester
University of Luton
University of Newcastle
University of Nottingham
University of Oxford
University of Sheffield
University of Southampton
University of St Andrews
University of Stirling
University of Strathclyde
University of the Arts, London
University of Wales at Swansea
University of York
Westminster University

Thanks to all for their involvement.