This report considers the major considerations and challenges for the workforce of English higher education. It provides evidence to inform future policy decisions and to assist in institutional strategic planning. The report underpins the companion publication ‘The higher education workforce framework 2010: overview report’ (HEFCE 2010/05), providing additional data, examples, analysis and commentary.
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The higher education workforce framework 2010

Main report

To Heads of HEFCE-funded higher education institutions
Of interest to those Human resources, Institutional planning and finance
responsible for
Reference 2010/05a
Publication date February 2010
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Executive summary

Purpose

This report considers English higher education (HE) in its global context and the major
considerations and challenges for its workforce. It identifies the key issues for the HE
workforce, and provides evidence to inform future policy decisions and to assist in institutional
strategic planning. This document underpins the companion publication ‘The higher education
workforce framework 2010: overview report’¹, providing additional data, examples, analysis
and commentary.

Key points

We consider issues in seven key areas of workforce development:

b. HE workforce profile in 2008-09.
c. Key challenges for HE workforce planning.
d. HE pay and pensions.
e. Supporting a sustainable HE workforce for the future.
f. Maintaining a high-quality workforce.
g. Meeting the challenges with effective human resource management.

In each we have identified key findings, achievements and future challenges.

Section 1, Introduction and context, recognises that the future workforce requirements for
higher education in England will be influenced by factors that are affecting HE more widely,
both nationally and globally. It acknowledges the outstanding results and achievements of the

¹ Published as HEFCE 2010/05 alongside this document on the HEFCE web-site www.hefce.ac.uk under 2010
Publications.
sector in enterprise, research excellence and teaching quality, and identifies the key strategic
challenges for the HE sector. Changes in the wider economy will affect the HE sector’s ability
to afford future pay increases and pensions contributions; also they will further put pressure on
institutions’ capacity to respond to the changing needs of students, employers and other
stakeholders. Challenges posed by an ageing population and potential decreases in the 18-21
year-old cohort are also explored.

Section 2, HE workforce profile in 2009, shows an increase of 22,525 members of staff since
2005-06 (a 7.7 per cent rise). It also indicates that numbers of academic staff and students in
English higher education institutions (HEIs) underwent sustained growth between 2005-06 and
2008-09, with an increase in student full-time equivalent (FTE) of 69,690 (5 per cent) and an
increase in academic staff FTE of 5,900 (8 per cent). We present analysis of the academic
workforce by discipline and conclude that, despite concerns expressed by the Medical Schools
Council, no disciplines are at immediate risk due to problems in supply of staff. We note the
rising proportion of researchers on permanent contracts (from 14 to 22 per cent between 2005-
06 and 2008-09) but observe that the positive trend is beginning to level off. The age profile of
academic staff has remained stable over the last 13 years, with some increase in the
proportion of staff aged over 60 in the last four years: fears of a retirement ‘time bomb’ in the
academic population are not supported by the data. While the average age of a permanent
academic member of staff is 43.9 years, this compares with an average age in the wider UK
workforce of 40.9 years in 2008-09.

Section 3, Key challenges for HE workforce planning, draws on work we commissioned
from PA Consulting, who developed a set of strategic profiles of HEIs based on their income
mix. We propose that a more dynamic and competitive future HE environment will make
strategic workforce planning a key priority for HEIs. We note that differentiation of institutional
strategy will be important in maintaining distinctive positions for them within the future HE
marketplace, and this in turn will imply diversity in the workforce requirements needed by HEIs
to deliver their individual strategies. Three fundamental questions about the impact of greater
diversification are asked:

a. How do HEIs ensure they retain the elements that the sector/staff/students value
   balanced against a need to become more flexible?

b. Are the current sector-wide employment agreements and frameworks enablers or
   barriers to greater flexibility?

c. What could be the potential cost to the HE workforce of having more flexible
   working conditions?

The section continues with discussion of the challenges and issues affecting different
occupational groups in HE, including the greater diversification of the academic role, the drive

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3 Those academic staff holding a teaching or teaching + research contract.
to reduce costs in support services, and the increased permeability of roles between academic and professional/support staff.

Section 4, Higher education pay and pensions, notes that between 2001 and 2007 pay rises in HE have exceeded inflation in every year bar one. The cumulative total of the HE pay awards in this period is at least 36.5 per cent. There is still a gender pay gap in HE\(^4\), and possible reasons for this are explored. There have been implementation challenges with the Framework Agreement\(^5\), and we note that some HEIs believe it has created inflexibility within pay systems. Future sector pay arrangements and the debates around national pay bargaining are explored, noting that views in the sector are divided over the long-term future of national versus local bargaining. The affordability of awarding automatic annual increments to around 60 per cent of HE staff is questioned. The complicated arrangements for HE pensions is described, as well as the key challenges to affordability posed by increased longevity, falling investment income and the current rate of salary increases. The sector is actively leading on the response to these challenges, through the Employers’ Pensions Forum (EPF), and important reforms to the sector-owned pension schemes – Universities’ Superannuation Scheme and self-administered trusts (SATs)\(^6\) – are expected. The EPF will additionally advise on the future of the Local Government Pension Scheme and Teachers’ Pension Scheme, which are not in the sector’s ownership but are of equal priority and arguably pose greater risks as the sector has less control over them.

Section 5, Supporting a sustainable HE workforce for the future, explores the key supply and demand issues for HE staff, and presents scenarios for the projected change in permanent academic staff numbers depending on a range of factors (for example the demographic projections for the 18-21 year-old cohort). We note that pressure on finances may affect the way that support staff functions are organised, with an increased drive to improve efficiency and restructure administrative processes. Lack of growth in numbers of UK-domiciled PhD students is discussed, along with the potential benefits and risks of relying on international PhD qualifiers. In some subject areas this reliance may, in the long term, damage the UK’s competitiveness but at the same time will bring the benefits of new international collaborations to the UK. Recruitment and retention of all staff is generally unproblematic, with few shortages being reported. Where problems exist, they tend to be concentrated in particular disciplines. Private sector pay levels are the most commonly cited challenge for recruiting academic staff, though staff turnover remains consistently lower than public and private sector benchmarks. The importance of creating attractive and sustainable career pathways for academic staff, particularly for researchers, is highlighted. Recent sector-led development work to support specific priority staff groups such as clinical academics, technicians and professional/support staff (including new apprenticeship schemes) are described.

\(^4\) JNCHES calculated the gender pay gap in HE to be 20.3 per cent: ‘Review of Pay and Finance Data’ (December 2008), page 68.

\(^5\) The 2004 framework agreement for the modernisation of pay structures in HE.

\(^6\) SATs are pension schemes operated by individual HEIs, usually for support staff in pre-1992 HEIs.
Section 6, **Maintaining a high-quality workforce**, explores issues and interventions which we regard as being the foundations of maintaining a high-quality workforce. While performance management systems have shown notable development over the last decade, the challenge remains for them to be fully embedded across institutions. We explore the potential opportunities for HEIs to revitalise their approach to all strands of equality offered by the new Single Equality Bill, noting the business benefits that successful diversity practice can bring. The sector’s capacity to deliver HE in challenging times requires strong and effective leadership, governance and management (LGM). While there has been substantial growth in LGM investment in leadership development in HE over the last five years, this now needs cascading to middle management levels. The importance of establishing new approaches to talent management and succession planning to attract, retain and develop staff at all levels of the institution is emphasised, alongside the importance of supporting recruitment and retention strategies in an increasingly competitive market. We describe a range of initiatives and recommendations to enable the sector to maintain and enhance its position as an employer of choice (for example working conditions, flexible working and employee wellbeing). The section concludes by considering the capacity of the HE workforce to meet the challenges of the future, describing the challenges for HE leadership, governance, the academic workforce and the related sector bodies.

Section 7, **Meeting the challenges with effective human resources management**, identifies the role that human resources management (HRM) can play in addressing the challenges and issues highlighted throughout the report. We welcome the much improved quality and capability of human resources (HR) strategy-making and the greater integration of HRM into institutional strategic processes. The shift in attitudes towards the perceived status of HRM is noted; it is now widely recognised and valued as a whole-organisation responsibility, linked to real growth in numbers, expertise and professionalisation of HR practitioners. The sector has risen to the various and substantial challenges and initiatives since 2001 with the dedication of huge effort and resources, resulting in much modernisation of HRM in HE in 2010. The public investment represented by our Rewarding and Developing Staff initiative is regarded as a significant contributor to this success. A range of challenges for the future of HRM in HE has been identified which will require HEIs, sector bodies and Government to develop solutions appropriate to the diverse nature of English HEIs.

Section 8, **Conclusion**, presents questions for debate by the sector, though we recognise that key issues and challenges for the workforce are the joint responsibility of a range of stakeholders within an autonomous HE sector:

1. How can the sector become more flexible at a time of change while maximising the talent and commitment of its people?

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For further information about the Rewarding and Developing Staff initiative, see [www.hefce.ac.uk](http://www.hefce.ac.uk) under Leadership, governance & management/Human resources management/Rewarding and developing staff.
2. How can HE pay and reward remain competitive, adequately rewarding people for their contribution, and equitable while also being affordable and not threatening the sector’s future financial sustainability?

3. National pay bargaining has continued to receive broad support across the sector’s employers and trades unions. What is the optimum industrial relations model for the sector to create an environment where the sector’s sustainability and success is driven by a motivated, well rewarded and engaged workforce?

4. How can the sector best support (and subsequently implement) the aims of the Employers’ Pensions Forum to achieve sustainable pensions for the HE workforce in future?

5. To what extent do existing contracts and university statutes require change to optimise performance management, workforce flexibility and to enable institutions to meet the diverse expectations of staff, students and employers?

Action required

This report is for information.
Section 1: Introduction and context

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We recognise that the future workforce requirements higher education in England will be influenced by factors that are driving change for HE more widely, both nationally and globally. We acknowledge the outstanding results and achievements of the sector in enterprise, research excellence and teaching quality, and staff’s role in delivery of these. We identify key strategic challenges for the sector going forward, and note that changes in the economic landscape will impact on the sector’s ability to afford future pay increases, pensions contributions and further pressurise institutions’ abilities to respond to changing students’ needs, and employers’ and other stakeholders’ requirements. The challenges posed by an ageing population and potential decreases in the 18-21 year-old cohort are also explored.

1.1 Purpose of this report

In his annual grant letter to us in January 2008\(^8\), the Secretary of State for Innovation, Universities and Skills invited us to produce a new higher education (HE) workforce report in 2009-10. Such a report would examine labour market trends within the sector and focus on the HE workforce’s capacity and capability to respond to government priorities, such as meeting the Leitch targets for employer co-funded students, and the promotion of equality and diversity at all levels. This document is the outcome. It follows on from a 2006 report of a similar nature, which we also published at the Secretary of State’s request (‘The higher education workforce in England: A framework for the future’\(^9\)).

In this 2010 report we consider English HE in its global context and the major considerations and challenges for its workforce. Its purpose is to identify key issues for the HE workforce, provide evidence to inform future policy decisions, and assist in institutional strategic planning. While higher education institutions (HEIs) are autonomous bodies with responsibility for the recruitment and retention of their own staff, we have a strategic interest in supporting a sustainable and high-quality HE workforce – one with the capacity and capability to maintain the English HE sector’s world-class position.

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\(^8\) Grant letters can be read at [www.hefce.ac.uk](http://www.hefce.ac.uk) under Finance & assurance/Finance and funding/Grant letter from Secretary of State.

\(^9\) ‘The higher education workforce in England: A framework for the future’ (HEFCE 2006/21) is available at [www.hefce.ac.uk](http://www.hefce.ac.uk) under 2006 Publications.
This report underpins the companion publication ‘The higher education workforce framework 2010: overview report’\(^{10}\), providing additional evidence, examples, analysis and commentary. The reports have the same broad structure to enable easy cross-referencing.

### 1.2 Introduction

The future workforce requirements for the English higher education sector will be greatly influenced by factors driving change more widely for the HE sector nationally and globally. Staff in HE must continue to adapt and change in response to these factors, and the new expectations on them, in order to maintain a high-quality HE sector.

### Context

Higher education in England has delivered outstanding results at national and international levels. The excellence, creativity and innovation of its workforce deserve considerable credit for this success. The measures for HE’s performance are wide-ranging:

- HEIs in the UK have provided ideas and services to business and community partners worth £2.812 billion in 2007-08, the highest level on record and a rise of 6.5 per cent on the year before\(^{11}\).
- 87 per cent of UK HE research activity reviewed by the 2008 Research Assessment Exercise (RAE) was of international quality.
- the UK remains the favoured destination for international students (after the US).
- with only 1 per cent of the world’s population, UK HE produces 9 per cent of the world’s scientific papers and 13 per cent of the most highly cited.
- the 2009 National Student Survey shows that 81 per cent of respondents were satisfied with their course\(^{12}\).

In his first speech on HE in July 2009 Secretary of State for Business, Innovation and Skills, Lord Mandelson, commented that:

> ‘…our universities have been the source of a huge amount of the progressive and critical thinking on Government, education, social welfare and economics that has shaped 20th century society…’

Past success, and the success that HE has had in adapting, modernising and growing over the past two decades, provides a strong foundation for the future. But to remain successful, HE and its workforce must continue to respond and adapt to a changing environment and expectations.

\(^{10}\) ‘The higher education workforce framework 2010: overview report’ (HEFCE 2010/05) is available at [www.hefce.ac.uk](http://www.hefce.ac.uk) under 2010 Publications.

\(^{11}\) Higher Education – Business and Community Interaction Survey (HEFCE 2009/23).

1.3 Key strategic challenges for the HE sector

At its inception in 2004 the Leadership Foundation for Higher Education (LFHE) developed the framework presented in Figure 1 after intensive consultation with the sector. The framework presents the 15 key strategic challenges facing UK HEIs, and is updated regularly.

Figure 1: Key strategic challenges for UK HEIs in 2010

1.3.1 New challenges for HE in 2010

The economic challenge

The economic landscape in 2009 was very different to what we had experienced over the previous 10 years – with the world economy experiencing the first global recession since World War II. The likely consequent reduction in overall public funding and the changes in the global economy mean that the period of growth in public funding enjoyed by HE over the past decade is over and unlikely to return for some time. The Government’s 2009 Higher Ambitions framework suggests that there will be more competition between universities for funding, with the winners being those universities who can best respond to the evolving economic difficulties. It will be essential for HEIs to reduce costs and seek new income if they are to...

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13 ‘A guide to the work of the Leadership Foundation’ can be accessed via www.lfhe.ac.uk/publications/guide.pdf

meet this challenge and create resource for future investment. They may be able to do this by increasing efficiencies, focusing activity on areas of strength and exploring new markets.

The knock-on effects of public and private funding reductions will impact on HE in a number of ways: affordability of future pay rises, affordability of further increases in employers’ pensions contributions, uncertainty over funded student growth and the increased risk of international student fee income fluctuation. Staffing structures and costs will need to evolve in order to respond to these pressures and to meet changing demands from students, employers and other stakeholders. The challenge will be to do this while retaining the commitment and creativity of staff, which are vital for the success of the sector. Additionally, HEIs are often large (sometimes the largest) employers in their localities, so pressures on pay – and potentially jobs – will have wider though varying impacts in all regions of the country.

Policy and political change

The UK university sector today is regarded as a priceless national asset – a £20 billion enterprise, educating more than two million students at any time and responsible for the majority of the nation’s research capabilities. HE has been placed firmly at the heart of the UK’s ‘knowledge economy’.

There have been a variety of government-initiated policies which aim to keep the sector in this position. Specifically:

- sustained student expansion
- large increases in public research funding
- significant capital investment over the last 10 years
- Lambert agenda of greater business engagement
- student payment of tuition fees
- Higher Education Innovation Fund
- development of the Research Excellence Framework as successor to the RAE
- continued emphasis on teaching quality enhancement.

While there is politically strong support for HE’s role at the heart of this knowledge economy – confirmed by the recent publication of a new and robust policy framework to ensure the long-term sustainability of HE – the sector faces a degree of uncertainty in 2010: a general election is to be called, and the outcome of an independent review of higher education funding and student finance (launched in November 2009) is due. These factors will pose new questions and challenges, as well as potential new directions for the sector in years to come.

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16 Department for Business, Innovation and Skills, ‘Higher Ambitions: The future of universities in a knowledge economy’, www.bis.gov.uk/policies/higher-ambitions
17 See http://hereview.independent.gov.uk/herreview/
Sustaining excellence

HEIs' international reputation for excellence in learning, teaching and research is crucial to their competitive position and their ability to play an important role in the UK’s economic recovery. The risk to UK HE is that this international reputation for excellence, if lost or diminished, would take many years to recover.

The Financial Sustainability Strategy Group’s report on the financial sustainability of learning and teaching in English higher education 18 highlighted the need to protect the quality of the student learning experience, and the sustainability of institutions. The report identifies that threats to sustainability are being felt particularly in three aspects of the student learning experience: accessibility of staff to students; physical infrastructure for teaching and learning; and student support services. Without action to address all of these areas of cost pressure, the report argues, the quality and fitness for purpose of UK higher education, and its reputation and international competitive position, will inevitably suffer.

In August 2009 the Innovation, Universities, Science & Skills Committee on Students and Universities 19 made recommendations to Government. In response it has encouraged institutions to reward and recognise teaching in their performance arrangements and human resource strategies.

Demographic challenges for the student and staff populations

Over the last 20 years HE has been through rapid change and expansion. But demographic forecasts indicate a decline in the number of 18-21 year-olds of about 25,000 by 2020 20. This will entail a change in the next 10 years in how HEIs plan to adapt to the needs of their various student markets and where they focus their strategies.

An issue facing the whole UK workforce is the prospect of an ageing population, with the average age of the UK workforce increasing by 0.4 years between 2005-06 and 2008-09 21. Within HE the average age of an academic in England has increased from 43.4 in 2005-06 to 43.9 in 2008-09 22; this compares to an average age in the wider UK workforce of 40.9 in 2008-09 23. Overall, there has been just a 1 per cent increase in the proportion of academic staff aged over 55 over the last four years; this follows the general trend in the UK workforce. The

18 JM Consulting, ‘The sustainability of learning and teaching in English higher education’ (December 2008).
20 Bahram Bekhradnia and Nick Bailey, ‘Demand for higher education to 2029’, HEPI (December 2008), executive summary paragraph 37.
22 HESA staff record 2005-06 to 2008-09.
age increases are slower than in other countries around the world and, in HE, are partly accounted for by an increase in academic staff on permanent contracts (fixed-term contract staff tend to be younger on average).

1.3.2 Longer-term challenges and opportunities for the HE workforce

Change in the world of work

The workplace has changed significantly over the past ten years in terms of an increasingly rapid pace of change in technology, and improving employment rights. A review of literature on the future of the worldwide workplace suggests a range of possible future changes, including the increasing dominance of technology, the increasing strength in innovation of emerging economies (which could add greater competition to the UK’s current strong position as a knowledge economy, requiring more investment in skills and knowledge capacity) and the loss of significance for the traditional retirement age.  

One way of considering the sociological change in the world of work is through a generational lens. The Chartered Institute of Personnel and Development (CIPD) has published research which identifies the various generational groups, in which it found (through surveying) that each generation differs in its views, attitudes, values and behaviours. The research supposes that views are defined by people’s formative years and the nature of the economy when they joined the workforce. These generational groups are characterised as Veterans (born 1939-1947), Baby Boomers (1948-1963), Generation X (1964-1978) and Generation Y (1979-1991). Some key preferences of these groups are identified in Table 1.

The diverse range of expectations and needs by different groups (including generational) in the workplace makes the definition of ‘psychological contract’ between the HE employer and the HE workforce increasingly complex. The imprecise and informal understanding between employee and employer, governed by the perceptions of what their mutual obligations are, is likely to vary depending on the type of role being undertaken within the HEI (for example, academic or administrative) and by generational differences (as shown in Table 1). This theme is picked up in more detail and with relevance to academic staff in Section 7.3, where the challenges for successfully engaging with the whole workforce and some of the differences in perceptions and attitudes between academics of different ages and levels are discussed.

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Table 1: Key preferences of the four generational groups in the workforce

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<th>Generation group</th>
<th>Key preferences</th>
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| Veterans         | • would consider working beyond retirement if they could choose the hours they work  
                  • more likely to display discretionary effort than any other generation  
                  • female Veterans in particular are more likely to recommend the organisation and feel passionate about what they do than any other group in the workforce. |
| Baby Boomers     | • want to give up the long hours syndrome for a better work/life balance  
                  • few are considering working beyond retirement age  
                  • least likely to value or opt for teamwork  
                  • more likely to stay with their current employer but not likely to recommend them to others. |
| Generation X     | • see flexibility as core to their work ideal  
                  • happy to work long hours  
                  • loyal to other members of their organisation rather than the organisation itself  
                  • expect high-quality leadership and direction from their managers. |
| Generation Y     | • allow the competitiveness of their reward package to affect their performance effort  
                  • would work long hours if there was extra reward  
                  • focus on a good work/life balance while maintaining employability  
                  • like challenge and want personal development opportunities  
                  • least tolerant of all the groups of under-performance  
                  • expect high-quality leadership and direction from their managers. |


Change in the HE workforce

The UK higher education system’s world-class reputation relies on its ability to attract, retain and motivate high-quality staff in an autonomous environment which supports creativity and innovation. The key issue for the long-term sustainability and success of the academic workforce in HE is the healthy supply of postgraduate students; this is discussed in Section 5.

The overall number of staff employed in HE in England in academic year 2008-09 grew by more than 22,500 to over 314,000, a rise of 7.7 per cent since 2005-06. In the same period,
overall student numbers increased by over 111,000 to 2.01 million, a rise of 5.9 per cent\(^26\). Numbers of staff from non-white ethnic backgrounds and non-UK nationals have increased, and the gender disparity is starting to reduce\(^27\) (Section 6.2 gives a detailed breakdown).

Staff costs remain broadly constant as a proportion of total institutional costs. The average for all HEIs in the UK is 57 per cent, with modest variation among institution types\(^28\). Overall retention rates are high, though challenges continue in areas where pay and opportunities are often better elsewhere in the labour market\(^29\). The Universities and Colleges Employers Association (UCEA)\(^30\) identified a number of areas where working conditions in HE are favourable in comparison with other sectors, including:

- a total cumulative pay increase of at least 36.5 per cent for all staff in HE between 2001 and 2008 (this has served to close the pay gap between HE and other areas of the public and private sectors, which was identified by the Dearing and Bett reports\(^31\) in the late 1990s)
- major improvements to equal pay through the implementation of the Framework Agreement as well as one of the best groups of pension schemes available in the UK
- generous annual leave, maternity and flexible working entitlements.

The challenge will be for the sector to keep the momentum of pay reform going, and to continue offering generous pension schemes in a new and far more challenging economic environment. These favourable working conditions may be under threat in this new climate.

**Technological advances and opportunities**

Advancing technologies and technology-based services will change public experiences and expectations for accessing and sharing knowledge, requiring HEIs to re-think the ways in which they add value. A good information and communications technology (ICT) infrastructure is essential, but the real challenge is for institutions to exploit ICT more effectively than their competitors (both national and international). In particular this means more online learning, better management systems, and improved tools for collaborative research, more online content and more effective tools to find and use this content\(^32\). The National Union of Students (NUS) affirms that the new generation of students increasingly seek speed, control and greater personalised learning; they want learner-centred teaching, taking account of personal learning styles, delivered at a time and place to suit them. Students are confident with technology, in a

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26 HESA statistical first release 142, table 1a (January 2010).
27 ‘Staff employed at HEFCE-funded HEIs: Trends and profiles 1995-96 to 2008-09’, HEFCE (2010/06).
29 UCEA, ‘Recruitment and Retention of staff in higher education 2008’ (January 2009).
30 UCEA ‘Where are we now? The benefits of working in HE’ (summer 2008) page 2.
32 JISC Strategy 2010-2012.
way that not all the workforce necessarily is. Changing student requirements and the impact of technology on the learning and teaching process are critical workforce development priorities for the future.

Technology also has the capacity to revolutionise the managerial and administrative functions of an HEI, enabling them to operate enhanced process efficiency or highly effective information and data systems (for example, for student data or grant applications). There is widespread concern within higher education about the cost, efficiency and resource-intensity of administrative systems. Shared services and buying these applications as a managed service have the potential to reduce costs and maximise scarce expertise.

The exploitation of ICT to realise cost savings and improve value for money needs leadership and culture change. There are many opportunities to consider; and though the technical risks are modest the risks to an organisation through adopting new business and pedagogic processes can be considerable. Nonetheless, funding and economic pressures require such change. Professor Janet Beer’s essay, commissioned to inform the 2010 - 2012 Joint Information Systems Committee (JISC) strategy, outlines the key drivers and challenges facing the HE workforce and the strategic utilisation of ICT:

‘ICT processes are one route to improved business processes and staff productivity in both the core teaching, research and KT [knowledge transfer] business, and in the wide range of administrative functions which support that core business. Adapting the human and business processes to new ICT systems is a serious challenge for University leadership teams, and in particular, will lead to the reconsideration of the current models for reward and recognition.’

There are three primary ways in which the implementation and future development of ICT will impact on the HE workforce, through:

a. The continuing need for updated skills and ICT capacity, both for academic staff (who will have pedagogic and scholarly expectations to meet around ICT use and development) and professional/support staff who will require competency in core ICT systems.

b. The way in which ICT will inform and shape future workforce planning, either because ICT will drive business process automation/efficiency which will facilitate shared services or workforce efficiency, or because ICT planning and forecasting tools will enable more accurate workforce planning in the future.

c. Cultural change and leadership, required to lead HEIs into new ways of working in an ICT-enabled institution. JISC and the LFHE have already recognised this as a

33 See footnote 32.
key challenge for the future and have signed a joint memorandum of understanding to support the strategic use of ICT by HE senior management and future leaders.
Section 2: HE Workforce profile in 2009

2.1 Size and shape of the HE workforce

The HE workforce in 2010 continues to change to meet the new demands placed on it. This section presents the most recent analysis and time series data available from the 2008-09 Higher Education Statistics Agency (HESA) staff record.

Numbers of academic staff and students in English HEIs underwent sustained growth between 2005-06 and 2008-09, with an increase in student full-time equivalent (FTE) of 69,690 (5 per cent) and an increase in academic staff FTE of 5,900 (8 per cent).

Table 2 shows that the proportions of staff in academic, professional/support and hybrid professional/support and academic roles have remained stable.

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36 Those academic staff holding a teaching or teaching + research contract.
Table 2: Staff in English HEIs by role

<table>
<thead>
<tr>
<th>Role</th>
<th>2005-06</th>
<th></th>
<th>2008-09</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>of staff</td>
<td></td>
<td>of staff</td>
<td></td>
</tr>
<tr>
<td>Academic role only</td>
<td>132,415</td>
<td>45</td>
<td>143,395</td>
<td>46</td>
</tr>
<tr>
<td>Professional/support and academic roles</td>
<td>7,740</td>
<td>3</td>
<td>9,190</td>
<td>3</td>
</tr>
<tr>
<td>Professional/support role only</td>
<td>152,280</td>
<td>52</td>
<td>162,375</td>
<td>52</td>
</tr>
<tr>
<td>Total with academic roles</td>
<td>140,155</td>
<td>N/A</td>
<td>152,585</td>
<td>N/A</td>
</tr>
<tr>
<td>Total with professional/support roles</td>
<td>160,020</td>
<td>N/A</td>
<td>171,565</td>
<td>N/A</td>
</tr>
<tr>
<td>Total</td>
<td>292,435</td>
<td>100</td>
<td>314,960</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record, 2005-06 to 2008-09.

Table 3 illustrates the rapid growth (a 33 per cent increase between 2005-06 and 2008-09) in number and proportion of academic staff at the grade of professor. HEIs are increasingly using ‘position on the new national pay spine’ to categorise their staff and career structures rather than the former common definitions of ‘grade’.

Previously the reporting of the number of professors was an underestimate because some large HEIs did not identify their professors separately; this may partially account for the increased proportion of professors between 2005-06 and 2008-09. The 2008-09 collection of HESA data was the first to request data about institutional pay structures; this will aid better presentation and understanding of pay and grading data.

Table 3: Staff in English HEIs with academic roles by grade

<table>
<thead>
<tr>
<th>Grade</th>
<th>2005-06</th>
<th></th>
<th>2008-09</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>of staff</td>
<td></td>
<td>of staff</td>
<td></td>
</tr>
<tr>
<td>Professors</td>
<td>12,895</td>
<td>12</td>
<td>17,090</td>
<td>14</td>
</tr>
<tr>
<td>Senior lecturers/researchers</td>
<td>24,490</td>
<td>22</td>
<td>27,700</td>
<td>23</td>
</tr>
<tr>
<td>Lecturers</td>
<td>45,000</td>
<td>41</td>
<td>45,325</td>
<td>38</td>
</tr>
<tr>
<td>Researchers</td>
<td>27,020</td>
<td>25</td>
<td>27,880</td>
<td>24</td>
</tr>
<tr>
<td>Total</td>
<td>109,410</td>
<td>100</td>
<td>117,995</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record, 2005-06 to 2008-09.

37 N/A = not applicable. The sum of these totals would double count the academic and professional/support roles staff. Hence the proportions would add up to more than 100 per cent.

38 The expected substantial rise in use of locally determined grades for academic staff between 2004-05 and 2007-08 has caused us to revise our methods of staff classification in terms of grade; details of our methods are given at Annex A of HEFCE 2007/36 and HEFCE 2010/06.
Table 4 provides the numbers and proportions of staff in pre-1992, post-1992 and general colleges/specialist HEIs. The data show a 4 per cent growth in the proportion of professors in pre-1992 HEIs between 2005-06 and 2008-09. Table 4 also shows the higher proportions of academic staff at the ‘lecturer’ grade in post-1992 HEIs (63 per cent in post-1992 HEIs compared with 22 per cent in pre-1992 HEIs and 47 per cent in general colleges/specialist HEIs in 2008-09). This difference in grade profile and workforce structure, at its broadest level, is likely to relate to the overall balance of teaching and research undertaken at the different types of institution and the resulting needs for more staff at lecturer versus professor level.

Table 4: Staff in English HEIs with academic roles by grade and type of institution

<table>
<thead>
<tr>
<th>Type of institution</th>
<th>Grade</th>
<th>2005-06</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of staff</td>
<td>%</td>
<td>Number of staff</td>
</tr>
<tr>
<td>Pre-1992 institutions</td>
<td>Professors</td>
<td>8,450</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Senior lecturers/researchers</td>
<td>14,310</td>
<td>24</td>
</tr>
<tr>
<td></td>
<td>Lecturers</td>
<td>14,880</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>Researchers</td>
<td>21,410</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td><strong>Total in pre-1992 institutions</strong></td>
<td><strong>59,045</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>Post-1992 institutions</td>
<td>Professors</td>
<td>2,705</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Senior lecturers/researchers</td>
<td>6,825</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Lecturers</td>
<td>22,045</td>
<td>65</td>
</tr>
<tr>
<td></td>
<td>Researchers</td>
<td>2,245</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td><strong>Total in post-1992 institutions</strong></td>
<td><strong>33,825</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>General colleges/specialist HEIs</td>
<td>Professors</td>
<td>1,740</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Senior lecturers/researchers</td>
<td>3,355</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td>Lecturers</td>
<td>8,075</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Researchers</td>
<td>3,370</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td><strong>Total in general colleges/specialist HEIs</strong></td>
<td><strong>16,540</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>Total</td>
<td>109,410</td>
<td>N/A</td>
<td>117,995</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record, 2005-06 to 2008-09.

Table 5 shows smaller differences between pre-1992, post-1992 and general colleges/specialist HEIs for distribution of professional and support staff. There are higher proportions of technical staff and lower proportions of support administrators in pre-1992 HEIs.
Table 5: Professional and support staff in English HEIs by primary function and type of institution

<table>
<thead>
<tr>
<th>Type of institution</th>
<th>Primary professional/ support function</th>
<th>2005-06</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number of staff</td>
<td>%</td>
<td>Number of staff</td>
</tr>
<tr>
<td>Pre-1992 institutions</td>
<td>Managers and professionals</td>
<td>14,695</td>
<td>18</td>
</tr>
<tr>
<td></td>
<td>Technicians</td>
<td>12,950</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Support administrators</td>
<td>33,040</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>20,000</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td><strong>Total in pre-1992 institutions</strong></td>
<td><strong>80,690</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>Post-1992 institutions</td>
<td>Managers and professionals</td>
<td>11,935</td>
<td>23</td>
</tr>
<tr>
<td></td>
<td>Technicians</td>
<td>5,405</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Support administrators</td>
<td>24,860</td>
<td>48</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>10,005</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td><strong>Total in post-1992 institutions</strong></td>
<td><strong>52,205</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>General colleges/ specialist HEIs</td>
<td>Managers and professionals</td>
<td>5,710</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>Technicians</td>
<td>3,345</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Support administrators</td>
<td>12,715</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>Other</td>
<td>5,350</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td><strong>Total in general colleges/specialist HEIs</strong></td>
<td><strong>27,120</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>160,020</strong></td>
<td><strong>N/A</strong></td>
<td><strong>171,565</strong></td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record, 2005-06 to 2008-09.

2.2 Academic staff: disciplines at risk?

Table 6 shows the rate at which academic staff FTE and student FTE have increased over the last four years by subject area. Each subject area has seen an increase in academic staff, with education, humanities, and medicine and dentistry seeing the largest increases (at 11 per cent). We have highlighted the increases in staffing levels for science, technology, engineering and mathematical sciences (STEM) and strategically important and vulnerable subjects (SIVS)\(^{39}\) to show that both groupings have seen average academic staff numbers rise (by

\(^{39}\) We identify the following subjects as SIVS: area studies and related minority languages, quantitative social science and modern foreign languages. For more information see [www.hefce.ac.uk/aboutus/sis/](http://www.hefce.ac.uk/aboutus/sis/)
8 per cent and 6 per cent respectively since 2005-06). This compares to a 12 per cent increase in full-time, first degree students in STEM subjects and a 3 per cent increase in language students over the same period. The latest figures from UCAS for 2010 acceptances to UK HEIs for full-time, undergraduate programmes\(^40\) show that accepted applications have increased by 6 per cent between 2008-09 and 2009-10; in STEM subjects, acceptances have increased by an average of 6 per cent and in languages by 2 per cent. HEIs will want to analyse acceptance patterns at both national and local levels to assist them in their own workforce planning.

Table 6: Academic staff FTE and student FTE by subject area

<table>
<thead>
<tr>
<th>Subject area</th>
<th>Academic staff FTE</th>
<th>% change 2005-06 to 2008-09</th>
<th>Student FTE</th>
<th>% change 2005-06 to 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biological sciences</td>
<td>13,995</td>
<td>10</td>
<td>93,855</td>
<td>8</td>
</tr>
<tr>
<td>Business/administrative studies</td>
<td>4,920</td>
<td>6</td>
<td>140,940</td>
<td>13</td>
</tr>
<tr>
<td>Computer science/</td>
<td>4,430</td>
<td>8</td>
<td>92,100</td>
<td>-8</td>
</tr>
<tr>
<td>librarianship/info science</td>
<td>4,265</td>
<td>10</td>
<td>109,645</td>
<td>7</td>
</tr>
<tr>
<td>Creative arts/design</td>
<td>4,475</td>
<td>11</td>
<td>31,175</td>
<td>16</td>
</tr>
<tr>
<td>Education</td>
<td>7,595</td>
<td>7</td>
<td>80,345</td>
<td>13</td>
</tr>
<tr>
<td>Humanities</td>
<td>4,660</td>
<td>11</td>
<td>62,835</td>
<td>-2</td>
</tr>
<tr>
<td>Languages</td>
<td>5,080</td>
<td>6</td>
<td>82,340</td>
<td>3</td>
</tr>
<tr>
<td>Law</td>
<td>2,125</td>
<td>7</td>
<td>46,965</td>
<td>6</td>
</tr>
<tr>
<td>Mathematical sciences</td>
<td>2,945</td>
<td>8</td>
<td>22,600</td>
<td>16</td>
</tr>
<tr>
<td>Medicine and Dentistry</td>
<td>3,750</td>
<td>11</td>
<td>33,120</td>
<td>40</td>
</tr>
<tr>
<td>Physical sciences</td>
<td>9,355</td>
<td>8</td>
<td>46,580</td>
<td>9</td>
</tr>
<tr>
<td>Social/political/economic studies</td>
<td>9,535</td>
<td>8</td>
<td>101,065</td>
<td>8</td>
</tr>
<tr>
<td>Subjects allied to medicine</td>
<td>8,085</td>
<td>6</td>
<td>64,585</td>
<td>9</td>
</tr>
<tr>
<td>Veterinary sciences/</td>
<td>870</td>
<td>9</td>
<td>10,160</td>
<td>6</td>
</tr>
</tbody>
</table>

\(^{40}\) Source: UCAS press release, 21 January 2010 ([www.ucas.ac.uk](http://www.ucas.ac.uk) under About us then Media enquiries).
<table>
<thead>
<tr>
<th>subjects</th>
<th>Unknown and combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>subjects</td>
<td>10,695</td>
</tr>
<tr>
<td>Total</td>
<td>96,785</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff and student records, 2005-06 to 2008-09.

Notes: The subject areas in bold are those where most of the disciplines included are classed as SIVS or STEM subjects.

While there has been a 10 per cent increase in the number of clinical (medical and dental) staff since 2005-06, 69 per cent of permanent academic staff in medicine and dentistry are aged 45 and over, compared to a sector average of 60 per cent in 2008-09. The Medical Schools Council (MSC) has expressed concern that recruitment at lower levels might be insufficient to replace the retiring leadership. The MSC survey data showed that eight specialties, notably Pathology, Anaesthesia and Paediatrics & Child Health, are under threat (with a particular concern at lecturer grade) as there has been a decline of more than 50 per cent in staffing levels since 2000. The reasons for this are not wholly understood, but a misperception of salary disparity between clinical academia and full-time practitioners may be a key factor in discouraging potential applicants to a career in clinical academia. The MSC also identified that some students may be deterred from a career in research because they do not think that they are exceptional or they do not have original ideas. Medical schools are finding it hard to recruit to these posts (there is a 7.5 per cent vacancy rate compared to a total vacancy rate for all academic staff of 3.1 per cent); this, in turn, poses risks for the quality of patient care, the UK’s position as a world leader in medical innovation and research, and our ability to educate the doctors and dentists of the future.

National policy interventions are starting to have an impact however. The recent Office for Strategic Co-ordination of Health Research (OSCHR) survey, carried out by the Medical Research Council during 2009, shows that the new integrated clinical academic career path for academic clinical fellows and clinical lecturers is beginning to have a positive impact. The MSC reports an increase in the total (clinical academic) staffing levels for the second consecutive year. Another national initiative to support clinical academia is the £50 million set aside by our Board from the Strategic Development Fund for up to 200 ‘new blood’ senior lectureships awards to excellent clinical academic researchers in England. Our Clinical Senior Lectureship

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41 Other subjects with higher proportions of staff aged over 45 include Education (72 per cent), Business/administrative studies (63 per cent), Subjects allied to medicine (63 per cent) and Engineering/technology/building/architecture (62 per cent).

42 Medical Schools Council, ‘Staffing levels of medical clinical academics in UK medical schools’ (May 2009).

43 See footnote 42.

44 UCEA, ‘Recruitment and Retention of staff in higher education 2008’ (January 2009).


46 Medical Schools Council, ‘Staffing levels of medical clinical academics in UK medical schools’ (May 2009).
Awards scheme was introduced in response to concerns about the careers of medical and dental clinical academics. A mid-term review of the scheme found that it has enabled medical schools to expand the cadre of high-quality staff at senior clinical lecturer level, and the five years of funding from us for each post has given HEIs the stability they need in order to make the positions permanent at the end of the award. 2010 is the final round of the scheme: discussions are continuing with Government and the academic community about the future needs of medical and dental clinical academics.

MSC survey data\textsuperscript{47} show that women are under-represented at every academic grade of clinical medicine. The HEFCE-supported project ‘Women in Clinical Academia’\textsuperscript{48} put forward recommendations about actions that need to be taken to address the recruitment, retention and progression barriers for women in this field. The report\textsuperscript{49} concludes that:

‘Women should be encouraged to see themselves as leaders and should be supported by senior members of staff as they progress. The Medical Schools Council, together with HEFCE Leadership, Governance and Management and the Leadership Foundation for Higher Education, [developed] a leadership programme for future deans and heads of Medical and Dental Schools. Women should be actively encouraged to attend… …Nurturing leadership and management skills from an early stage in a woman’s career, even from undergraduate level, can only empower women to push themselves forward more comprehensively.’

2.3 Modes of working and contract status

2.3.1 Modes of working

The proportions of staff working full- and part-time and at low activity have remained stable since 2005-06 (see Table 7). The number of staff considered to be of ‘low activity’ (in other words, are contracted to work between 25 and 40 per cent of an FTE) remains high (51,150 in 2008-09).

As is the case in the wider working population, the vast majority of staff working part-time are female (76 per cent in 2008-09) and more women than men are employed on low activity contracts (56 per cent). These figures have remained stable over the last four years.

\textsuperscript{47} See footnote 46.
\textsuperscript{48} See www.medschools.ac.uk/AboutUs/Projects/clinicalacademia/Pages/Women-in-Clinical-Academia.aspx
\textsuperscript{49} Medical Schools Council, ‘Women in Clinical Academia: Attracting and Developing the Medical and Dental Workforce of the Future’ (June 2007).
Table 7: Staff employed in English HEIs by mode of employment

<table>
<thead>
<tr>
<th>Mode of employment</th>
<th>2005-06</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>%</td>
</tr>
<tr>
<td></td>
<td>of staff</td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>193,140</td>
<td>66</td>
</tr>
<tr>
<td>Part-time</td>
<td>53,020</td>
<td>18</td>
</tr>
<tr>
<td>Low activity</td>
<td>46,275</td>
<td>16</td>
</tr>
<tr>
<td>Total</td>
<td>292,435</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record, 2005-06 to 2008-09.

2.3.2 Contract status

Table 8 shows that from 2005-06 to 2008-09 the proportion of academic staff on permanent contracts has grown, especially at researcher level (an 8 per cent increase since 2005-06). This follows the introduction of legislation to protect the rights of employees on fixed-term contracts in 2002 and the work done by the sector to implement the research staff concordats (see Section 5.4.1 for more information). This growth has been levelling off over the last three years.

Table 8: Academic staff by type of contract

<table>
<thead>
<tr>
<th>Grade</th>
<th>% on permanent contracts</th>
<th>% difference between 2005-06 and 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professors</td>
<td>93</td>
<td>93</td>
</tr>
<tr>
<td>Senior lecturers/</td>
<td>89</td>
<td>90</td>
</tr>
<tr>
<td>researchers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lecturers</td>
<td>81</td>
<td>82</td>
</tr>
<tr>
<td>Researchers</td>
<td>14</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>67</td>
<td>70</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record, 2005-06 to 2008-09.

Figure 2 shows the long-term trend in the proportion of academic staff at lecturer level or above with permanent contracts.
2.3.3 Atypical staff

Universities and colleges also employ a significant number of ‘atypical staff’. HESA defines atypical staff as ‘staff who are neither full-time nor part-time but who are employed on contracts of employment’. Examples may include sessional or visiting lecturing staff (for example in the performing arts and fine art) or support staff (often students) employed for one-off functions, campaigns or events, who often have contracts of a very short duration (some are for just a single lecture a year). Table 9 shows that the number of staff holding an atypical contract ‘increased’ by 21,555 between 2005-06 and 2008-09: HESA believes that part of this increase is due to institutions becoming more familiar with this reporting requirement which was only introduced in 2003-04\textsuperscript{50}, so it is difficult to draw any conclusions from the data, except to say that atypical staff remain a significant proportion of the HE workforce over this period. The largest numbers of atypical staff were employed as academics (71,088) and as support administrators (61,446). Just over half of the atypical staff were

\textsuperscript{50} JNCHES, ‘Review of higher education finance and pay data, final report’ (December 2008) page 20 paragraph 86.
female (52 per cent). A more detailed breakdown of atypical staff is published in HEFCE 2010/06.51

Table 9: Staff in English HEIs by atypical contract

<table>
<thead>
<tr>
<th>Contract</th>
<th>2005-06 Number of staff</th>
<th>2005-06 %</th>
<th>2008-09 Number of staff</th>
<th>2008-09 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>No atypical contracts held</td>
<td>142,395</td>
<td>65</td>
<td>303,050</td>
<td>63</td>
</tr>
<tr>
<td>Atypical and other contracts held</td>
<td>10,890</td>
<td>3</td>
<td>11,905</td>
<td>2</td>
</tr>
<tr>
<td>Atypical contracts only held</td>
<td>142,395</td>
<td>33</td>
<td>162,935</td>
<td>34</td>
</tr>
<tr>
<td>Total with other contracts</td>
<td>292,435</td>
<td>N/A</td>
<td>314,960</td>
<td>N/A</td>
</tr>
<tr>
<td>Total with atypical contracts</td>
<td>153,285</td>
<td>N/A</td>
<td>174,840</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record, 2005-06 to 2008-09.

2.4 Age profile of the HE workforce

The age profile of permanent academic staff in England has remained broadly stable over the last 13 years (see Figure 3), with a small increase (2 per cent) in the proportion of staff aged 60 and over since 2005-06. Three-quarters of the permanent academic staff population are aged over 40 and one-quarter of permanent academic staff are aged over 55. The average age of an academic in England has increased from 43.4 in 2005-06 to 43.9 in 2008-09 (this compares to an average age in the wider UK workforce of 40.9 in 2008-09).53 Fears of a retirement ‘time-bomb’ for the academic staff population in general are not supported by the data. Overall, there has been just a 1 per cent increase in the proportions of academic staff aged over 55 over the last four years (this follows the general trend in the UK workforce).

The impact that a (slowly) ageing workforce could have, coupled with the probability of a future abolishing of the retirement age following a scheduled government review of the default retirement age in 2010, suggest risks for HEIs around low staff turnover and a potential lack of opportunities for people in their early careers to progress. The impending retirement of the ‘baby-boomer’ generation is a key concern of many of our comparator countries, cited by the Association of Commonwealth Universities report, ‘Human Resource Management in Commonwealth Universities’54 and the HEFCE-commissioned report ‘International experiences

51 ‘Staff employed at HEFCE-funded HEIs: Trends and profiles 1995-96 to 2008-09’, HEFCE 2010/06.
52 HESA staff record 2005-06 to 2008-09.
of human resource management in higher education\textsuperscript{55}. Both reports highlight the challenges of recruiting in an international market for the top talent resulting from a potential en-masse retirement of this generation; however, both acknowledge the differing impacts this will have in different geographical areas (for instance, Australia does not operate a default statutory retirement age).

Figure 3: Permanent academic staff by age group

![Bar chart showing the distribution of permanent academic staff by age group from 1995-96 to 2008-09.]

Source: HESA individualised staff record, 1995-96 to 2008-09.

In 2008, our LGM Fund supported a research project and good practice guide for HEIs on ‘managing age diversity in HE’\textsuperscript{56} by Oxford Brookes University. A key finding was that professional/support and senior management staff’s preferred retirement ages are 55-59 (20.8 per cent) and 60 (26.8) respectively. Smaller percentages of staff in these groups would like to retire over the age of 65 (11.8 per cent and 8.4 per cent, respectively). By contrast the majority of academic (28.8 per cent) and manual staff (22.7 per cent) would prefer to retire beyond the age of 65.

Due to the limited numbers of staff in HE aged under 30, consideration is being given in the sector to both formal apprenticeship and more informal trainee schemes as a way of


\textsuperscript{56} Oxford Brookes University, ‘Developing Good Practice in Managing Age Diversity in the HE Sector’ (December 2008), Section 4.
encouraging younger people to enter the HE workforce in specific roles which do not require formal qualifications\textsuperscript{57}.

Some subject areas have slightly higher than average age profiles, notably education, mathematical sciences and social/political/economic studies (see Table 10). While we do not consider these areas to be under threat, given the age profile over a number of years has remained stable, we will keep these disciplines under review at a national level.

Table 10: Proportion of permanent academic staff aged 55 and over by subject area

<table>
<thead>
<tr>
<th>Subject area</th>
<th>% 55 and over</th>
<th>% difference between 2005-06 and 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005-06</td>
<td>2008-09</td>
</tr>
<tr>
<td>Biological sciences</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Business/administrative studies</td>
<td>25</td>
<td>27</td>
</tr>
<tr>
<td>Computer science/librarianship/info science</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>Creative arts/design</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>Education</td>
<td>29</td>
<td>32</td>
</tr>
<tr>
<td>Engineering/technology/building/architecture</td>
<td>27</td>
<td>27</td>
</tr>
<tr>
<td>Humanities</td>
<td>28</td>
<td>27</td>
</tr>
<tr>
<td>Languages</td>
<td>26</td>
<td>27</td>
</tr>
<tr>
<td>Law</td>
<td>19</td>
<td>21</td>
</tr>
<tr>
<td>Mathematical sciences</td>
<td>31</td>
<td>29</td>
</tr>
<tr>
<td>Medicine and Dentistry</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>Physical sciences</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Social/political/economic studies</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td>Subjects allied to medicine</td>
<td>16</td>
<td>20</td>
</tr>
<tr>
<td>Unknown and combined subjects</td>
<td>23</td>
<td>25</td>
</tr>
<tr>
<td>Veterinary sciences/agriculture/related subjects</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
<td><strong>25</strong></td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record, 2005-06 to 2008-09.

2.5 HE workforce data

Nicola Dandridge, the former Chief Executive of the Equality Challenge Unit (ECU) wrote in the foreword to ECU’s publication, ‘Equality in Higher Education Statistical Report’, that:

‘…The level of transparency provided by the HESA data set is something of which the UK higher education sector should rightly be proud.’\textsuperscript{58}

\textsuperscript{57} The take-up and opportunities offered by apprenticeship schemes are discussed in Section 5.4.2.
The HESA data presented in this report are only a small subset of what is available from the Individualised Staff Record\textsuperscript{59} and a fraction of what an individual HEI can produce using its own human resources management (HRM) systems. HEIs can also access a rich source of quantitative data about HE from HESA’s Higher Education Information Database for Institutions (HEIDI)\textsuperscript{60} that can be manipulated for their own purposes of benchmarking. Good quality, reliable data and transparency is paramount to enable better workforce planning in HE; we hope that the national HE statistics presented here can assist HEIs in this process.


\textsuperscript{59} See \url{www.hesa.ac.uk} under Data collection/Staff stream.

\textsuperscript{60} See \url{https://heidi.hesa.ac.uk}.
## Section 3: Key challenges for HE workforce planning

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<td>Academic role</td>
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<tr>
<td>3.3</td>
<td>Trends affecting academic and professional/support staff</td>
<td>39</td>
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<td>Greater diversification of roles</td>
<td>41</td>
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<td>3.5.2</td>
<td>Workforce implications for different institutional strategic priorities</td>
<td>46</td>
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This section draws on work we commissioned from PA Consulting to report on the future needs of the HE workforce. Its report presented a set of strategic profiles of HEIs based on their income mix, and proposed that a more dynamic and competitive future HE environment will make strategic workforce planning a key priority for HEIs. We note that differentiation of institutional strategy will be important in enabling each HEI to maintain a distinctive position within the future HE marketplace, and this in turn will imply diversity in the workforce requirements needed by HEIs to deliver their individual strategies. Three fundamental questions about the impact of greater diversification are asked:

1. How do HEIs ensure they retain the elements that the HE sector/staff/students value balanced against a need to become more flexible?
2. Are the current sector-wide employment agreements and frameworks enablers or barriers to greater flexibility?
3. What could be the potential cost to the HE workforce of having more flexible working conditions?

The section continues with discussion around the challenges and issues affecting different occupational groups in HE, including the greater diversification of the academic role, the drive to reduce costs in support services, and the increased permeability of roles between academic and professional/support staff.

This section summarises of the key challenges for the future workforce over the next 10 to 15 years.

To underpin our work on an HE workforce framework, we commissioned PA Consulting Group to undertake an analysis of the future workforce for higher education. The central message emerging from its research is that HEIs and HE sector bodies need to take a strategically driven approach to planning and supporting HE workforce capability over this period.
3.1 Challenges for the HE workforce of the future

A key challenge for the future HE environment, driven by unprecedented cuts in public spending, is the continued turbulence, instability and increasingly fast pace of change being experienced. In contrast to the relative stability of the historical, predominantly publicly funded model of HE, the future environment looks unpredictable; the financial/strategic models that succeed today are likely to need to develop further in the next 10 to 15 years. Consequently, institutional strategies and financial models – and the workforce capabilities needed to sustain them – will be subject to continuous challenge and review. Workforce strategies will need to embody agility and flexibility to adapt to new conditions and demands.

As mentioned in Section 1.3.2, the NUS affirms that today’s students increasingly seek speed, control and greater personalised learning (learner-centred teaching, taking account of personal learning styles) delivered at a time and place to suit them. Students are confident with technology in a way that not all the workforce necessarily is. Changing student requirements and the impact of technology in the learning and teaching process are critical workforce development priorities for the future. In the short term, the key pressures on working patterns include the need for HEIs to deliver multi-mode teaching (for example e-learning, distance learning and experiential learning) at times and ways which suit students. In the longer term other pressures, for example climate change and carbon emission reduction, are challenging the current norm for teaching hours and ‘term’ times, which would require different and shifting work patterns for employees.

A recent report by PA Consulting, ‘Escaping the Red Queen Effect: Re-thinking the university in the new economics of Higher Education’\(^{61}\), puts forward new ideas about the future building blocks of the 21st century HEI regarding:

- the nature and presentation of HE offers and services
- the ways that different customer needs for those services are met
- how institutions organise themselves and secure the capabilities they need
- how quality is interpreted and assured.

They argue that what is needed is a fundamental rethink of the assumptions on current university business models to match the changed economics of HE.

A shift towards greater workforce flexibility, institutional agility and new patterns of income place demanding requirements on the HE workforce of the future\(^{62}\) and raise the following three questions for HEIs to consider about the application and interpretation of sector-wide arrangements and frameworks:

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\(^{61}\) PA Consulting, ‘Escaping the Red Queen Effect: Re-thinking the university in the new economics of Higher Education’ (December 2009).

\(^{62}\) The PA Consulting report ‘The Future Workforce for Higher Education’ (February 2010), section three, gives a detailed analysis of workforce requirements by strategic type.
1. How do HEIs ensure they retain the elements that the HE sector, staff and students value balanced against a need to become more flexible?

The changes required to everyday working practices to operate new financial models can place challenging and uncomfortable demands on the workforce. For example, responding to students’ demands for more flexible and personalised learning will potentially require teaching staff to work different hours, which may be in direct conflict with the flexibility staff might want. HEIs will need to consider different ways of adapting to change while retaining their most important capabilities.

2. Are the current sector-wide employment agreements and frameworks enablers or barriers to greater flexibility?

A range of sector-wide or other common frameworks exist across parts of HE: national pay bargaining, the single pay spine, the post-1992 academic contract, and Model Statutes in the pre-1992 sector. Views have been expressed by HEIs and members of various sector professional associations which support the notion that sector-wide frameworks and agreements constrain flexibility and create administrative, cost or employee relations ‘burdens’. The counter argument is that the frameworks are fit for purpose because they can be implemented flexibly, which makes them neither a barrier nor an enabler. Others feel that the various customs and practices which have built up over the years are so engrained within institutional culture that they form the most challenging barrier to increased workforce flexibility. It is perhaps this lack of consensus that has contributed most to the maintenance of the status quo, but issues and questions raised by our stakeholders suggest that the time is now right for debate.

Professor Paul Ramsden’s 2008 report suggests that:

‘Universities and colleges, supported by national professional associations for academics, should develop more flexible employment contracts that recognise different patterns of work. We should recognise that the academic workforce is part of the wider workforce; increased fluidity and transferability between sectors is desirable, not only for research purposes but also to ensure high-quality teaching and a common understanding of the connections between higher education and employment skills.’

---

Views are mixed within post-1992 universities and HE colleges about the extent to which the teaching contract is a barrier, with some arguing that institutional culture and management capacity are more important than the detail contained in contracts. The University and College Union (UCU) feels strongly that the post-1992 academic contract is an important standard and safeguard, which protects academics’ time for teaching and other scholarly activity. The UCU fears that workloads would increase and academics’ career progression expectations would not be met if the contract were to be changed. Others in the post-1992 community feel strongly that the contract is a problem that must be solved, as it is seen as outdated – focusing too heavily on teaching inputs rather than the wider range of educational, research and enterprise outcomes which HEIs are striving towards. For those who find themselves in competition with private sector providers, the contract is also problematic due to lack of flexibility over the costing and pricing of teaching time and delivery because there are specified numbers of maximum hours an academic can teach in a year. Many feel the contract format is outdated in relation to new and different methods of teaching.

While there has been movement away from the standard teaching contract in post-1992 HEIs and colleges, others have increasingly managed to implement their standard teaching contracts around their changing requirements (for instance, implementing different modes of working to accommodate more employer engagement teaching activity).

The situation is more complex for ‘chartered’ institutions, where the employment conditions of academic staff are governed by a long and complex employment statute known as the model statute, which dates back to the Education Reform Act 1988.

In 2002 a working group made up of UCEA and Universities UK (UUK), chaired by Professor Graham Zellick, developed proposals to update the model statute and this was approved by the Privy Council in 2003. Although a few HEIs have adopted the revised model statute, it is debatable whether this is an improvement on the original version in terms of compliance with employment law. During the consultation on the revised model statute, it was often cited as being out of pace with employment law and a significant barrier to the effective performance management of academic staff.

As with all statutes, the model statute can only be changed by application to the Privy Council. However, in recent years a number of HEIs have moved the provisions of their Model Statutes to ordinances with the co-operation of their trades unions, thereby allowing modifications by the institution without needing Privy Council approval. The advantage of this is that HEIs can make more timely changes to their procedures as and when employment law changes. For instance the legal requirements for disciplinary and grievance procedures have changed twice in the last five years.

64 Mainly the pre-1992 HEIs, although post-1992 HEIs also require Privy Council approval to change their articles of government.
The key challenge for chartered HEIs is the time, complexity and expense they face if they wish to amend their Model Statutes (at the same time as protecting the essential freedoms for academic enquiry and delivery of research) as well as the need to secure trade union agreement and finally Privy Council approval. When we discussed this issue with the UCU in October 2009, it expressed discomfort over any potential changes to Model Statutes, with a concern that new arrangements could damage the relationship between an academic and their institution in terms of academic freedoms. However, if model statute provisions are moved out of Privy Council control, HEIs are still required to adhere to the principles of academic freedom, and this must be set out in their Charter or Statutes.

Case study: University of Exeter

The University of Exeter initiated work to revise its Statutes and Ordinances in summer 2008, with the aim of simplifying procedures and bringing them fully up to date with employment legislation and best practice. The university also sought to harmonise its employment procedures across all staff groups, and in doing so moved those procedures which had previously been in the Statutes (and which therefore required Privy Council approval to change) across into Ordinances (which the university’s own Council has the power to amend). Working in partnership with all of the recognised trades unions the university negotiated revisions to the Statutes which were formally approved by the Privy Council in December 2008. Over the next six months further negotiations were held with the trades unions, resulting in agreed Ordinances covering grievance and discipline, capability, redundancy and dismissal. The new Ordinances, which apply to all categories of staff, were approved by the Council of the university in July 2009.

3. What could be the potential cost to the HE workforce of having more flexible working conditions?

Part of the uniqueness of the higher education sector is its academic staff and the freedom they have to pursue scholarship, create new knowledge and work in a highly collegial, committed and peer-regulated way. These elements of the normal academic working environment are thought, by unions and employers alike, to represent the ‘psychological contract’ that exists between the academic workforce and its employers; where a range of freedoms, customs, practices and expectations form an important (unwritten) relationship between the individual and the organisation. If the HE sector changes inappropriately, it runs the risk of damaging the psychological contract and undermining what has made the sector so successful. Throughout our consultations\(^{65}\), people have highlighted the need for more flexible working to enable HEIs to be more responsive to a variety of drivers, principally the changing needs of the student population. Flexible working has been a reality in HE for many years, and there are strong compliance reasons for HEIs to meet employee demands for flexible working under employment legislation. However, more discussion and consensus is needed around the increased demand for flexible working by employees (for example, to assist in family or caring

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\(^{65}\) We have consulted informally yet extensively through interactions with our steering group, the HE representative bodies, professional groups, sector bodies and trade unions.
responsibilities) against flexible, or different, modes of working to meet the new strategic needs of the organisation rather than the individual (delivering learning and teaching in the evenings, weekends or over traditional HE holiday periods, or even setting up or delivering courses in international campus locations).

3.1.1 International factors, challenges and comparisons

We commissioned a research study, carried out during April 2009, to identify the international experiences of HRM in a range of comparator countries. The key issues identified around international recruitment and retention are that recruitment is getting harder, but not impossible, and that there is a need to develop and promote incentives as well as minimise the time spent between making a general job offer and securing the recruit’s contractual commitment. There is acknowledgement of specific staff shortages, but no evidence to suggest that these were common across the countries in the study. The examples given included: administrative staff; finance and accounting; blue-collar workers; specialist sciences; medicine; and history.

The study further noted that in an increasingly competitive market – whether national, regional, or international – there is recognition that it is no longer sufficient to rely on salary incentives alone. Some locations have HE salary structures that are tied more or less tightly to public sector pay, which may or may not be competitive with their own private sector and/or international competition in HE. But HEIs in other locations with greater freedom to set pay levels still have concerns about attracting staff – due to affordability in an economic recession and/or the belief that remuneration is not always enough to make people change homes or country. There is significant pressure to think more creatively about how to attract and retain staff (such as non-pay benefits and other non-financial reward packages).

3.2 Issues affecting different occupational groups in HE

A number of implications for the HE workforce of an increasingly competitive market will be common across all types of institutional strategy, affecting different occupational groups within HEIs.

3.2.1 Academic role

General diversification of the range of activities undertaken by academic staff

PA Consulting’s research on HEIs found that the financial pressures on institutions are making it essential for them to attract and retain students through excellence in teaching. There are cases to be made for academics to have an increasingly diversified role (one where they are expected to balance research, teaching and enterprise activities) and a role which focuses on having greater specialisation, such as teaching industry practitioners. PA Consulting proposes

that, whether there is greater specialisation or greater diversification (according to the strategic position of the HEI), there will be increased focus on workload allocation, performance management, quality enhancement, and best use of supporting resources and systems to maximise academic productivity.

**Greater resource management of academics**

The need to align academic activities with institutional strategic priorities could lead to more formal planning of academic activity, demands for greater flexibility and increased management of the balance between research, teaching and academic enterprise. This in turn needs to be balanced and respectful of an academic’s autonomy, freedom and creativity. The recent Changing Academic Practice (CAP) study\(^{67}\) compared the workloads of academics working in UK HEIs with those working in nine other countries. The researchers found that, after Germany and Malaysia, UK academics report spending the least number of hours per week on all academic activities and the most amount of time on administration. The study also noted that perceptions about long working hours among UK academics are not borne out by the survey data, especially when compared with other countries in the study. Although the time that UK respondents spend on administration is the highest, the total hours devoted to all activities other than teaching and learning is similar to other countries.

The HEFCE LGM-funded project ‘Management of academic workloads’\(^{68}\) focuses on the processes and practices surrounding allocation of staff workloads within higher education. It has made a number of recommendations to achieve effective workload allocation practice within the HE sector (see box).

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**Case study: Management of academic workloads**

The outcome of the LGM project recommended that universities display transformational leadership by creating broad frameworks to support the balancing of workload allocations between staff, leading to more equitable workloads. This process should provide the basis for achieving a better fit between organisational needs and staff interests/capabilities. This will demand transactional leadership at a department level. From this basis of sound information within a broad, but consistent framework it should be possible to link the staff workload data to other performance systems, such as activity costing. This will enable better strategic choices to be made, so alleviating some of the tensions flowing from the turbulent HE environment\(^{69}\).

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\(^{67}\) The CAP study is an international collaboration between the UK and 19 other countries around the world. It surveyed academic staff and compared responses cross-nationally. See [www.open.ac.uk/cheri/pages/CHERI-Projects-CAP.shtml](http://www.open.ac.uk/cheri/pages/CHERI-Projects-CAP.shtml) for more information. HEFCE commissioned additional analysis of the data (‘The Changing Academic Profession Study: Supplementary Report to HEFCE’) which can be found at [www.hefce.ac.uk](http://www.hefce.ac.uk) under Publications/Research & evaluation.

\(^{68}\) University of Salford, see [www.research.salford.ac.uk/maw/](http://www.research.salford.ac.uk/maw/) for more information.

Greater alignment of academic working preferences to student demands and the parallel need for cost reduction

Student satisfaction and the quality of students’ learning experiences, for both national and international students, are an increasingly important strategic issue for all institutions. Students’ demands (particularly from part-time students) for extended access to staff and facilities, and for more flexible provision such as evening and weekend classes, will continue to drive a need for flexibility in the working practices of academics and support services. Asked about what changes they expected in the way their institutions deliver their activities, 81 per cent of respondents to the human resources (HR) survey[^70] mentioned changes in mode of teaching (full-time, part-time, e-learning, distance learning) and 67 per cent mentioned changes in operating hours (for example, extended hours).

Government-led initiatives and responses to the new economic climate, will further encourage institutions to focus on developing new programmes, new modes of delivery and new centres of expertise around agreed strategies for priority sectors and markets, such as those identified in the ‘New Industry, New Jobs’ Government policy paper[^71].

More radical changes to working patterns may arise from institutions rethinking their approach to the three-term academic year and moving towards the continuous year-round operations that their learners and business partners expect.

Greater focus on interdisciplinary work, in both research and teaching

PA Consulting’s research found a growing demand for cross-disciplinary teaching and research projects, driving a greater requirement for collaboration and cross-faculty provision and projects.

3.2.2 Professional and support staff

Several workforce implications are common to all staff supporting internal functions such as HR, finance and estates.

The shift in professional service roles from transactional services to a more strategic approach to HEI support

The need for institutions to become increasingly efficient in the way in which they are run will require higher levels of skills in professional services. This may place an increased focus on providing a high-quality service, and a greater focus on performance management, to ensure alignment of professional services to the strategic objectives of institutions, and to assess the

[^70]: Survey of HR directors in HEIs in the UK by Oakleigh and PA Consulting in November-December 2008 as part of research studies (the evaluation of public policy and investments in HRM in HE since 2001 by Oakleigh, and the HE workforce of the future project by PA Consulting).

[^71]: Department for Business, Enterprise and Regulatory Reform, ‘New Industry, New Jobs: Building Britain’s Future’ (April 2009).
‘value added’ by professional services. There may be a greater movement to more strategic business partnering models as HEIs increasingly place emphasis on the concept of the ‘hybrid’ manager role – who understands key HR, finance and other professional and support issues, and can help address them as part of their day-to-day role.

**The drive to reduce costs in support services**

PA Consulting’s research with the sector highlighted the priority institutions are placing on efficiency and cost saving in support services, with an emphasis on ‘higher quality, lower cost’ as twin objectives. In particular HEIs are improving their internal processes through better use of technology to automate common processes (such as course and student administration) in order to lower cost. An example cited in the Government’s HE Framework was the identification of opportunities for shared and common services for managing HEIs’ specialist research commercialisation activities, as well as managing and deploying intellectual property. Institutions are also looking at more cost-effective ways of running support services, for example through centralisation of common resources, growth in shared services, and review of the ‘make or buy’ (outsourcing) decision.

One element of uncertainty is how institutions will balance the drive for greater cost efficiencies with the need to focus on enhanced student experience. Manual staff represent some of the most frequent interfaces that students have with HEI staff. Their attitude and professionalism have a key bearing on how students perceive the quality of the services provided. Institutions may therefore choose to invest in the professional development of manual staff. The case study below is of an institution who chose to move back in-house a previously outsourced service (in this case, cleaning); it demonstrates that outsourcing, while generally saving money, poses a number of practical and ethical challenges.

**Case study: Queen Mary, University of London**

A research project was conducted during October and November 2008 to explore the impact of the living wage – and the move back in-house – on the costs, standards and employees involved in the cleaning service at Queen Mary, University of London (QMUL). When asked what had changed about the nature of their work since transfer, the most popular responses from cleaners were that they now worked more productively (68 per cent), with more supervision (63 per cent) and completed a broader range of tasks (61 per cent). While the real and estimated costs for the service had risen slightly above those involved in the past, these increases were marginal and the Chief Administrative Officer declared himself to be ‘perfectly happy’ [with the small additional extra costs resulting in better value for money]. The research revealed that the move to be a living wage employer and bring the cleaning service in-house has stimulated improvements in job quality, productivity and service delivery, with little increase.

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72 Department for Business, Innovation and Skills, ‘Higher Ambitions: The future of universities in a knowledge economy’ chapter 3, paragraph 44.

73 Jane Wills with Nathalie Kakpo and Rahmina Begum ‘The business case for a living wage: The story of the cleaning service at Queen Mary, University of London’ (January 2009).
in costs. In addition, the decision has strong support in and beyond the wider community at QMUL.

### 3.3 Trends affecting academic and professional/support staff

Two underlying trends affect both academic and professional/support staff: greater diversification of roles, and the permeability of roles.

#### 3.3.1 Greater diversification of roles

Different types of research, teaching, enterprise and business support capabilities are required to support different institutional strategies. Therefore what it means to be an academic, or a technician, or a business development officer will also differ, for example, between a business-facing institution and one focused on research. As a result, there is no one single taxonomy of roles across HE.

#### 3.3.2 Permeability of roles

The balance of capabilities required by different business models at institutions foster the development of ‘hybrid’ roles, where people combine research, teaching and enterprise activities. LFHE research by Dr Celia Whitchurch\(^74\) revealed a growing change in the relationship between academic and professional services staff leading to improved collaborative working, shared roles and greater willingness to cross boundaries. This may represent a sustained shift from the stereotypical divide between academics and support functions. Lifelong Learning UK (LLUK) is undertaking a project to map the various existing and emerging HE occupations; this work should be completed in March 2010.

### 3.4 Common themes in institutional strategies for the future

PA Consulting proposes a range of positions for HEIs in the future, strongly determined by their strategic direction and principal foci\(^75\). However, four themes were common to all the HEIs surveyed, which set the workforce challenges in a deeper context. These are:

- Reduced dependence on public grant funding.
- Increased levels of internationalisation.
- Slower growth in revenues and activities.
- Strategic importance of research.

a. **Reduced dependence on public grant funding** – There was a widespread expectation among the HEIs surveyed\(^76\) that, over the next 10 years or so, pressures on public

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\(^75\) ‘The Future Workforce for Higher Education: a report to HEFCE by PA Consulting Group’ (February 2010) can be read at [www.hefce.ac.uk](http://www.hefce.ac.uk) under Publications/Research & evaluation.

\(^76\) Survey of HR directors in HEIs in the UK by Oakleigh and PA Consulting in November-December 2008.
expenditure will result in reduced levels of public funding in real terms for HE, and in increased selectivity in the distribution of funds. In consequence HEIs are planning for a reduced proportion of their income coming from public grants, and for (at least) offsetting increases in earnings from private and competitive sources (including student fees).

b. **Increased levels of internationalisation** – HEIs surveyed recognised that they are operating in an open, global market for knowledge, students, business links and staff. It means that HEIs are exposed to the uncertainty of overseas developments, especially rising competition for students, staff and research revenues from universities in other countries. Professor Drummond Bone’s submission to the Department for Innovation, Universities and Skills’ (DIUS’) 2008 HE Review suggested that a national HE system which appears interested in overseas students primarily as a source of income rather than seeking a two-way engagement with other countries risks becoming increasingly unattractive.\(^77\)

c. **Slower growth in revenues and activities** – Most HEIs have experienced consistent steady growth of student numbers and related income in recent years. The downturn in the 18 year-old age cohort over the next decade\(^78\) will make continued growth in home student demand much less certain. Limited future growth through additional student numbers (ASNs) and future constraints on public funding for HE will result in slower growth in revenues and activities for many HEIs.

d. **Strategic importance of research** – Research excellence is an aspiration of almost all HEIs in England, although its relative importance varies considerably between HEIs. It is a prime motivator of many institutional strategies, including recruitment, promotion and reward.

### 3.5 Aligning institutional strategy with income

The competitive and multi-faceted nature of the HE marketplace has produced differing income and investment patterns among HEIs. Professor Alison Richard’s speech to UUK’s annual conference in September 2009 articulated the benefits of a diverse HE sector in the UK:

> …our institutions clearly vary in how we combine our portfolios around a single, broadly shared purpose. Our diversity is reflected in our students, their age-range and ratio of part-time to full-time students, the places they come from in the UK and overseas, the courses they study and how they learn, and what they then go on to do. As institutions we differ, *proudly*, in age, size, history, governance, course offerings, emphasis on research and teaching, and balance of academic and professional or pre-

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78 UUK, ‘The future size and shape of the HE sector in the UK: Demographic projections’ (February 2008). The report can be read at [www.universitiesuk.ac.uk/Publications/Pages/Publication-282.aspx](http://www.universitiesuk.ac.uk/Publications/Pages/Publication-282.aspx)
professional training. That diversity is a real strength for students, for society, and also for our individual institutions.’

PA Consulting’s 2010 report offers a model for understanding the varied ‘marketplace’ in which HEIs are operating, by identifying and mapping the six main income streams. These are summarised in Table 11.

**Table 11: The six main income streams for English HE**

<table>
<thead>
<tr>
<th>Income stream</th>
<th>Covering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public research</td>
<td>HEFCE QR allocation and research capital, and Research Council awards</td>
</tr>
<tr>
<td>Private research</td>
<td>Contracts from charities, industry, government departments and other agencies (including the EU)</td>
</tr>
<tr>
<td>Public teaching</td>
<td>HEFCE teaching allocation, Training and Development Agency for Schools and NHS teaching contracts, Learning and Skills Council funding and regulated home/EU student fees</td>
</tr>
<tr>
<td>Private teaching</td>
<td>Teaching contracts and unregulated fees (including professional qualifications, international and CPD students)</td>
</tr>
<tr>
<td>Enterprise activity</td>
<td>IP commercialisation, consultancy, knowledge transfer contracts, conferences, publishing and so on</td>
</tr>
<tr>
<td>Other activities</td>
<td>Catering, accommodation, lettings and other revenue-generating services (excluding income from endowments and so on)</td>
</tr>
</tbody>
</table>

Source: ‘The Future Workforce for Higher Education: a report to HEFCE by PA Consulting Group’ (February 2010).

Mapping the diversity of the HE sector by income stream shows that HEIs operate in many and quite different markets, each with different funders and with different prospects and conditions for success. Analysis of HESA institutional income data enabled PA Consulting to observe patterns in institutions’ income streams. Figure 4 illustrates the diversity of the sector: while each of the five groups (see definitions below Figure 4) maintains high-quality provision and presence in each of income streams described in Table 11, the relative importance of the different streams varies greatly between them. The diagrams are not intended to be

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79 Professor Alison Richard, ‘Quality, talent and diversity in the UK university system’, speech to UUK Annual Conference (September 2008).
80 ‘The Future Workforce for Higher Education: a report to HEFCE by PA Consulting Group’ (February 2010) can be read at [www.hefce.ac.uk](http://www.hefce.ac.uk) under Publications/Research & evaluation.
81 We use the term ‘market’ in its broadest sense, to refer to the range of HE users and partners (including students, employers, Government, industry, NHS), their requirements and their associated funding streams that make up the HE environment.
prescriptive, merely descriptive of the differing approaches and choices being made, either now or in the future.

**Figure 4: Examples of institutional strategic profiles**

<table>
<thead>
<tr>
<th>Type A</th>
<th>Type B</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Graph" /></td>
<td><img src="image2.png" alt="Graph" /></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type C</th>
<th>Type D</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image3.png" alt="Graph" /></td>
<td><img src="image4.png" alt="Graph" /></td>
</tr>
</tbody>
</table>

To clarify the observed patterns in HE income streams, PA Consulting identified (through discussions and workshops with sector representatives) five distinct categories of HE activities, each of which maps to the income streams identified in Table 11. These can be described as:

a. **Primary research** – The development and dissemination of advanced research results into the public domain, contributing to the development of national and international intellectual capital; funded mainly from public money but with some private research streams (aligns with type A in Figure 4).
b. **Research-led teaching** – Discipline-based undergraduate and postgraduate programmes taught by staff who are actively involved in public and private research, with the style and content of teaching strongly influenced by current research; funded mainly from public teaching sources, plus overseas student fees (type B in Figure 4).

c. **Professional formation** – Teaching provision explicitly geared to preparing or developing students for work in areas of professional practice, often including substantial elements of practical, work-based experience; funded partly through public teaching grants and through private individual and corporate fees and contracts (type C in Figure 4).

d. **Research-based solutions** – Development of practical and commercial solutions to technically complex problems posed by business or government clients which draw directly on advanced research findings; funded mainly from business and government clients for academic enterprise, and some private research (type D in Figure 4).

e. **Specialist and niche provision** – Applied teaching (often mainly postgraduate) and research services directed towards particular areas of practice such as creative arts, agriculture or bio-medical specialities; variously funded from each of the core streams, depending on the institution (hence not presented in Figure 4).

The changing nature of the HE marketplace and the consequent increase in institutional strategic diversity will require greater diversity in organisational capabilities and supporting workforce requirements, and a renewed emphasis on workforce planning.

**3.5.1 Critical capabilities for different institutional strategic priorities**

The different strategic positioning of HEIs will require distinctive critical capabilities – systems and technology, processes, management controls, and people – to enable institutions to deliver their strategy. Table 12 reflects the different critical capabilities required for each of the five strategic profiles identified by PA Consulting.\(^{82}\)

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\(^{82}\) *The Future Workforce for Higher Education: a report to HEFCE by PA Consulting Group* (February 2010) can be read at [www.hefce.ac.uk](http://www.hefce.ac.uk) under Publications/Research & evaluation.
Table 12: Critical capabilities for different institutional strategic priorities

<table>
<thead>
<tr>
<th>Market Ambition</th>
<th>Primary research (type A)</th>
<th>Research-led teaching (type B)</th>
<th>Professional formation (type C)</th>
<th>Research based solutions (type D)</th>
<th>Specialist</th>
</tr>
</thead>
<tbody>
<tr>
<td>Critical Capabilities</td>
<td>• World-class reputation for primary research (especially in STEM areas)</td>
<td>• International recognition for research-informed education</td>
<td>• National and sector-based development of research-informed practice</td>
<td>• Research-based solutions for national and international clients</td>
<td>• Development of research-informed practice focused on specific niche sectors</td>
</tr>
<tr>
<td></td>
<td>• Assembling and developing field-leading research teams</td>
<td>• Highly respected academic faculty with public profile</td>
<td>• Recognition from professional and sector stakeholders</td>
<td>• ‘Blue chip’ client list and relationships</td>
<td>• Recognition as sectoral centre of excellence</td>
</tr>
<tr>
<td></td>
<td>• Maintaining first class research facilities</td>
<td>• Excellent student experience and results</td>
<td>• Vibrant community of academics and practitioners</td>
<td>• Partner of choice for innovating business organisations</td>
<td>• Excellent relationships across focus sectors</td>
</tr>
<tr>
<td></td>
<td>• Selective recruitment of most academically able students</td>
<td>• Selective recruitment of highly able students</td>
<td>• Provider of choice for aspiring and current professionals</td>
<td>• Maintaining flow of project-based income</td>
<td>• Agility and foresight to avoid downturns in niche business</td>
</tr>
</tbody>
</table>

Source: ‘The Future Workforce for Higher Education: a report to HEFCE by PA Consulting Group’ (February 2010).

3.5.2 Workforce implications for different institutional strategic priorities

The five strategic profiles identified in the PA Consulting report each have specific workforce implications and requirements associated with them:

**Primary research (type A)** – The success of the type A strategy depends on institutions’ abilities to recruit and retain the best research capabilities – including internationally recognised ‘research stars’, and the strategic ‘poaching’ of top research teams. Primary research institutions will also need to attract and retain good technical support staff. Researchers, as well as senior technicians and a small group of staff dedicated to supporting the protection and exploitation of intellectual property rights, are likely to be on permanent contract, with the following characteristics:

- a clear focus on the performance management of research outputs
• career progression is associated with talent management and performance, with the accelerated progression of the most successful researchers

• due to the need to diversify income streams, research-focused institutions are looking at ways of incentivising staff for intellectual property (IP) commercialisation and academic enterprise activities.

Research-led teaching (type B) – The focus of the type B strategy will be on attracting and retaining good researchers who can deliver both research and teaching. Recruitment of academics will target subject areas with strong teaching demand. The workforce size and composition (in terms of subjects) will be sensitive to changes in students’ demands. Research will focus on targeted areas, producing well-cited research outputs, and maintaining current scholarship in fields of speciality. Teaching will focus on developing and delivering a research-informed curriculum. Dedicated knowledge exchange/business support staff will be recruited to optimise research and teaching resource allocation, build the brand and market profile of the institution, and support grant applications. Working patterns will need to become more flexible to reflect demands from students for wider access hours.

Professional formation (type C) – The focus of the type C strategy is on attracting excellent teachers who can develop the next generation of practitioners and support the continuing development of current practitioners, working in partnership to develop new best practices and capabilities. Teaching staff, technicians and learner support will need to be recruited from areas of professional practice (for example social work, health, architecture and civil engineering). Dedicated enterprise and business development staff will be needed who can develop partnerships with key employers and maintain relationships with key professional stakeholders. This strategy requires a diverse workforce, ensuring staff are equipped to understand and respond to the needs of students, who are able to work flexible hours to meet both students’ and businesses’ needs. New employment structures will be required to support business-led delivery – in particular a flexible academic contract. LLUK has suggested that joint professional/academic contracts could be introduced (using the HE/NHS contracts as a starting point) to ensure high-calibre, professionally qualified academic staff to contribute to teaching and research, while enabling them to keep their professional competence and standing.

Research-based solutions (type D) – The success of the type D strategy depends on recruiting ‘researcher-practitioner’ academic staff who are reputable in their professional field and highly responsive to business needs, supported by technicians with a strong experience of practice. The key to the sustainability of institutions in this area of the HE market is the ability to have a resourcing model that enables them to flex the numbers of teaching and research-related staff according to the number of contracts won by the institution. Dedicated business support staff are needed who understand both the implications of leading research and the emerging needs of businesses, as well as the ability to operate as ‘account managers’.
**Specialist/niche institutions** – The success of this strategy will be the ability to recruit leading practitioners from niche sectors, delivering both research and teaching through practice. There will be a strong need to sustain flexible working arrangements that enable practitioners to combine their professional practice with work as an academic.
In this section we note that between 2001 and 2007 pay rises in HE exceeded inflation in every year bar one. The cumulative total of the HE pay awards in this period is at least 36.5 per cent. There is still a gender pay gap in HE, and possible reasons for this are explored. There have been implementation challenges with the Framework Agreement, and we note that some HEIs believe it has created inflexibility within institutional pay systems. Future sector pay arrangements and the debates around national pay bargaining are described, noting that views in the sector are divided over the long-term future of national versus local bargaining. The affordability of continuing to award automatic increments to around 60 per cent of HE staff is questioned. The complicated HE pensions landscape is described, as well as the challenges to affordability posed by increased longevity, falling investment income and the current rate of salary increases. The sector is responding to these challenges in a proactive way through the Employers Pensions Forum (EPF), and important reforms to the sector-owned pension schemes (USS and the SATs) are expected. The EPF will additionally advise on the future of the LGPS and TPS schemes, which are not in the sector’s ownership but are of equal priority and arguably pose greater risk as the sector has less control over them.

4.1  Context for higher education pay

4.1.1  Background

The Dearing and Bett reports in the late 1990s found that HE pay was lagging behind the rest of the economy. In 1997, Dearing found that ‘recent evidence suggests that the majority, but by no means all, of staff in higher education are paid substantially below comparable private and public sector rates’\(^{83}\). Bett’s subsequent review in 1999 of HE pay and conditions found

that ‘...the average earnings for pre-1992 university academic staff have increased since 1981 by 30 per cent less than the average for non-manual employees throughout the UK economy and by 18 per cent less than the average for non-manual staff’\textsuperscript{84}. Work by the sector to redress this deficit has resulted in a cumulative total of the HE pay awards in the years 2001 to 2008 of at least 36.5 per cent, with a higher increase for the lowest points on the pay spine because agreements have been bottom-weighted to help the lower-paid. This has represented a major investment by HEIs to ensure that staff are rewarded competitively.

The Joint Negotiating Committee for HE Staff (JNCHES) was set up in 2001 as a partnership between UCEA (representing member HEI employers) and the trades unions. The employers and trades unions achieved positive reforms to the bargaining process in September 2008, and a New JNCHES agreement and constitution was launched\textsuperscript{85}. It agreed new national negotiating arrangements for the sector and facilitated the subsequent Framework Agreement. This agreement was the platform to: modernise pay arrangements in the sector to improve the recruitment and retention of staff; ensure equal pay for work of equal value; tackle problems of low pay; recognise and reward the contribution that individuals make; and underpin the opportunities for career and organisational development. The 2004 Framework Agreement for the modernisation of pay structures in HE was a major milestone in JNCHES’ work, and led to a significant period of pay and grading reform across UK HE. When Oakleigh Consulting evaluated public policy and investment in HRM in HE in 2009\textsuperscript{86}, it found that the implementation of the Framework Agreement had represented a major influence on HRM this decade, with a particularly positive impact on HRM practice.

The 2008 evaluation of the Framework Agreement\textsuperscript{87} (undertaken by UCEA) found that the major benefits of the agreement mirrored the objectives that had originally been set for it. The top three benefits cited were:

- the avoidance of expensive equal pay cases
- simplification of pay administration
- improvements to recruitment and retention of staff.

\subsection*{4.1.2 Pay increases in the HE sector from 2001}

Analysis of HE sector pay rises in the JNCHES Review of HE Finance and Pay Data\textsuperscript{88} show that between 2001 and 2007 they exceeded inflation in every year bar one. They also exceeded the private sector median increases in four out of seven years, and were equal in two. They have, however, exceeded the public sector median only twice and been equal twice.

\begin{itemize}
  \item Sir Michael Bett, Independent Review of Higher Education pay and conditions (1999), paragraph 155.
  \item ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001 Ltd’ (June 2009).
  \item UCEA, ‘A review of the implementation of the Framework Agreement for the modernisation of pay structures in higher education’ (September 2008), pages 72-73.
\end{itemize}
Salary data specially commissioned for the JNCHES review from the Office for National Statistics (ONS) (drawn from the annual survey of hours and earnings, ASHE\(^ {89} \)) shows that academic salaries for 2001-02 to 2006-07 showed an average cumulative increase of 27.8 per cent, well above inflation (which, as measured by the Retail Price Index, increased by 17.2 per cent over the period)\(^ {90} \). Pay settlements in HE are broadly similar to those achieved in the wider public sector; since 2001 HE has exceeded the public sector median only twice and has been equal or below the median five times. The average salary has been augmented by a substantial increase in the numbers of higher-graded staff and declining numbers of lower-graded staff, raising the overall pay bill cost (which has risen by around 8 per cent per annum over the last six years). Full-time salaries for support staff have increased by 16.1 per cent over the three-year period 2003-04 to 2006-07, with the median rising by 17.3 per cent. Salaries for the lower paid have risen much faster than for those at the higher end of the salary scale.

In 2008 HE staff benefited from pay increases of 3 per cent in May and 5 per cent in October\(^ {91} \); well ahead of pay awards in the country as a whole, which were running at a median of 3.5 per cent in October 2008\(^ {92} \). The cumulative total of the HE pay awards in the years 2001 to 2008 is at least 36.5 per cent (it is a higher figure for the lowest paid staff). UCEA member HEIs have estimated that staff costs are likely to rise by at least 4.5 per cent in 2009-10 (2 per cent on employers’ contributions to the Universities Superannuation Scheme (USS), around 2 per cent on increments and 0.5 per cent on the 2009-10 agreed increase to all points on the pay spine)\(^ {93} \). According to ASHE, average earnings in the HE sector were markedly higher that across the economy as a whole. HE teaching professionals earned more on average than teachers in further education colleges, secondary school teachers or professionals as a whole; secretarial staff, clerical staff and part-time cleaners earned more inside the HE sector than similar staff in the wider workforce.

HESA data (which records base salaries paid to staff at 31 July each year) are slightly different from ASHE (which records all earnings for a sample of employees across the whole economy, allowing comparisons to be made between HE and the rest of the economy). HESA data are not a matched sample and do not include additional payments to basic salary. These data show that the mean annual salary for academic staff (excluding clinical academics) in 2008-09 was £52,190, with a lower figure of £46,400 recorded as the median (see Table 13).

\(^ {89} \) The ASHE is an employer-based sample survey of the whole economy carried out each April by the ONS, cited in the JNCHES review of Higher Education Finance and Pay Data, see title in previous footnote. The data quoted here relate to the ASHE April 2008 data collection.


\(^ {91} \) Within the 2006-09 pay agreement, the October 2008 pay increase had been agreed as the greater of 2.5 per cent or Retail Prices Index (RPI) (as at September 2008). In September 2008 the RPI was 5 per cent.

\(^ {92} \) IDS, cited in JNCHES, Review of HE Finance and Pay Data (December 2008), page 87.

\(^ {93} \) Employers’ side statement to New JNCHES staff side (27 April 2009).
Table 13: Median and mean salary of permanent academic (excluding clinical) staff by grade

<table>
<thead>
<tr>
<th>Grade</th>
<th>Median salary 2005-06</th>
<th>Median salary 2008-09</th>
<th>% difference between 2005-06 and 2008-09</th>
<th>Mean salary 2005-06</th>
<th>Mean salary 2008-09</th>
<th>% difference between 2005-06 and 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professors</td>
<td>£59,110</td>
<td>£67,960</td>
<td>15</td>
<td>£64,760</td>
<td>£74,780</td>
<td>15</td>
</tr>
<tr>
<td>Senior lecturers/researchers</td>
<td>£43,850</td>
<td>£50,600</td>
<td>15</td>
<td>£44,310</td>
<td>£52,410</td>
<td>18</td>
</tr>
<tr>
<td>Lecturers</td>
<td>£35,800</td>
<td>£41,360</td>
<td>16</td>
<td>£34,810</td>
<td>£41,880</td>
<td>20</td>
</tr>
<tr>
<td>Total</td>
<td>£38,770</td>
<td>£46,400</td>
<td>20</td>
<td>£42,940</td>
<td>£52,190</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 2005-06 to 2008-09.

Note: the total % difference is affected by changes in the proportion of permanent academic staff in each grade group year on year and therefore shows a greater % increase than in any one grade group.

For professional and support staff, the mean annual salary for 2008-09 was £27,760, with the median again being lower at £24,810 (see Table 14).

Table 14: Median and mean salary of professional and support staff by primary function

<table>
<thead>
<tr>
<th>Primary professional/support function</th>
<th>Median salary 2005-06</th>
<th>Median salary 2008-09</th>
<th>% difference between 2005-06 and 2008-09</th>
<th>Mean salary 2005-06</th>
<th>Mean salary 2008-09</th>
<th>% difference between 2005-06 and 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Managers and professionals</td>
<td>£33,330</td>
<td>£38,760</td>
<td>16</td>
<td>£35,460</td>
<td>£41,720</td>
<td>18</td>
</tr>
<tr>
<td>Technicians</td>
<td>£22,780</td>
<td>£27,410</td>
<td>20</td>
<td>£23,720</td>
<td>£28,460</td>
<td>20</td>
</tr>
<tr>
<td>Support administrators</td>
<td>£19,090</td>
<td>£22,770</td>
<td>19</td>
<td>£20,320</td>
<td>£24,520</td>
<td>21</td>
</tr>
<tr>
<td>Other</td>
<td>£12,450</td>
<td>£15,640</td>
<td>26</td>
<td>£14,290</td>
<td>£17,420</td>
<td>22</td>
</tr>
<tr>
<td>All primary/support staff</td>
<td>£20,200</td>
<td>£24,810</td>
<td>23</td>
<td>£22,890</td>
<td>£27,760</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 2005-06 to 2008-09.

Note: the all primary/support staff % difference is affected by changes in the proportion of staff in each function group year on year, and therefore may show a greater % increase than in any one function group.

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94 See Table 2, Section 2.1 of this report.
4.1.3 Pay differences between genders

The 2004 Framework Agreement has enabled HEIs to completely reform their pay systems, underpinned by extensive job evaluation exercises, and establish pay and grading systems for support and academic staff that deliver equal pay for work of equal value. The fact that there is still a gender pay gap is an issue that the sector is keen to address, and there has been a recent agreement (as part of the 2009-10 HE pay agreement) for work to be done by the employers and unions jointly, identifying a need to examine the causes behind the gap.

The JNCHES Review of HE Finance and Pay Data states the following. On the basis of mean hourly earnings (the usual measure for the gender earnings gap), the HE sector gender pay gap in April 2008 was 20.3 per cent. This difference is partly explained by the fact that men and women are concentrated in different occupations, and that more women than men take career breaks and work part time. The ONS reported that the mean UK-wide gender pay gap for full-time staff in 2008 was 17.1 per cent (as measured using hourly earnings excluding overtime). A more sensitive measure of the gender earnings gap uses median earnings (since it is less affected by a few very high earners; it therefore gives a better indication of typical pay than the mean): the median figure for national earnings puts the pay gap at 12.8 per cent in 2008. When UCEA polled its member institutions in March 2009 to ask whether they had undertaken (or intended to undertake) equal pay audits, 93 per cent responded to say that they had either already carried out an audit, or had one planned for 2009-10.

A recent report by the Higher Education Academy asserts that teaching and research activities are rewarded differently in HE:

‘Nevertheless, it has been argued for some time that the teaching function in higher education, both in the UK and overseas, has become unrecognised and unrewarded in comparison with research.’

Therefore it could be hypothesised that the earnings differential between women and men are partly due to the difference in research and teaching profiles. HESA data on contract types show that in terms of their employment function (measured by contract type), permanent academic staff who are women are less likely to be doing research only (36 per cent are female) or teaching and research (38 per cent are female), but are as likely as men to be doing teaching only.

95 ‘Review of HE Pay and Finance Data’ JNCHES (December 2008), page 81.
96 UK Statistics Authority, Monitoring and assessment notes (11 June 2009).
97 UCEA subscribers survey prior to the 2008-09 pay negotiations. 101 HEIs responded.
98 Higher Education Academy, ‘Reward and recognition of teaching in higher education’ (February 2009) page 4.
Table 15: Salaries\(^99\) of permanent academic staff by subject area and sex for 2008-09

<table>
<thead>
<tr>
<th>Subject area</th>
<th>Median salary</th>
<th>% earning £50,000+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Male</td>
</tr>
<tr>
<td>Biological sciences</td>
<td>£50,450</td>
<td>£52,090</td>
</tr>
<tr>
<td>Business/administrative studies</td>
<td>£44,930</td>
<td>£46,770</td>
</tr>
<tr>
<td>Computer science/</td>
<td>£44,930</td>
<td>£45,250</td>
</tr>
<tr>
<td>Librarianship/info science</td>
<td>£44,930</td>
<td>£45,250</td>
</tr>
<tr>
<td>Creative arts/design</td>
<td>£43,620</td>
<td>£44,090</td>
</tr>
<tr>
<td>Education</td>
<td>£44,930</td>
<td>£44,930</td>
</tr>
<tr>
<td>Engineering/technology/building/architecture</td>
<td>£49,100</td>
<td>£50,070</td>
</tr>
<tr>
<td>Humanities</td>
<td>£47,740</td>
<td>£51,570</td>
</tr>
<tr>
<td>Languages</td>
<td>£46,200</td>
<td>£47,740</td>
</tr>
<tr>
<td>Law</td>
<td>£46,400</td>
<td>£49,100</td>
</tr>
<tr>
<td>Mathematical sciences</td>
<td>£52,090</td>
<td>£52,160</td>
</tr>
<tr>
<td>Medicine and Dentistry</td>
<td>£83,830</td>
<td>£89,370</td>
</tr>
<tr>
<td>Physical sciences</td>
<td>£52,090</td>
<td>£52,090</td>
</tr>
<tr>
<td>Social/political/economic studies</td>
<td>£47,860</td>
<td>£52,090</td>
</tr>
<tr>
<td>Subjects allied to medicine</td>
<td>£44,930</td>
<td>£49,100</td>
</tr>
<tr>
<td>Unknown and combined subjects</td>
<td>£44,930</td>
<td>£46,280</td>
</tr>
<tr>
<td>Veterinary sciences/</td>
<td>£46,280</td>
<td>£48,040</td>
</tr>
<tr>
<td>agriculture/related subjects</td>
<td>£46,280</td>
<td>£48,040</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£46,890</strong></td>
<td><strong>£50,560</strong></td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 2008-09.

Notes: Includes only staff with known salaries. Median salary has been rounded to the nearest £10.

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\(^{99}\) These data are based on the ‘Basic salary at reference date’ field in the HESA individualised staff record. They should show the gross basic salary per annum (not pro rata) in pounds sterling as stated in the contract at the reference date or the end date of the contract if earlier. In the case of part-time staff the FTE salary should be returned. In the case of a staff member who leaves halfway through a year, the annual salary that they would have received had they stayed all year should be returned.
Table 15 shows a £5,630 difference between the median salaries of male and female academic staff in 2008-09. In order to examine the trend in the difference between salaries of men and women further, we use the mean salaries of the groups rather than the median because this provides a more sensitive measure for examining time series and smaller groups of staff. In 2008-09, the mean salary difference between male and female permanent academic staff is £6,550 with a mean salary for a male of £53,060. Figure 5 shows how the median salary for males and females has changed since 2003-04. It shows that salaries of both men and women rose steadily between 2003-04 and 2008-09.

Figure 5: Change in median salaries between 2003-04 and 2008-09 split by sex

Source: HESA individualised staff record 2003-04 to 2008-09.

4.1.4 Clinical academic pay – context

UCEA translates the NHS salary scales for hospital doctors and dentists into clinical academic pay scales for the purpose of maintaining parity between clinicians working in the NHS and clinical academics working in HE (see Table 16 for further analysis of clinical academic pay). The NHS salary scales are determined by Government after considering advice from the Doctors’ and Dentists’ Review Body (DDRB). The British Medical Association, British Dental Association and UCU are consulted on the revised salary scales and the DDRB recommended award, which are agreed by Government. In April 2009, UCEA recommended to institutions that there be a 1.5 per cent uplift in basic salary for clinical academic staff in order to maintain parity with NHS staff. Additional points, distinction awards and clinical excellence awards were similarly increased from April 2009 by 1.5 per cent.
Table 16: Median and mean salary of clinical permanent academic staff by grade

<table>
<thead>
<tr>
<th>Grade</th>
<th>Median salary</th>
<th>% difference between 2005-06 and 2008-09</th>
<th>Mean salary</th>
<th>% difference between 2005-06 and 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professors</td>
<td>£86,430</td>
<td>£94,910</td>
<td>10</td>
<td>£89,240</td>
</tr>
<tr>
<td>Senior lecturers/</td>
<td>£78,090</td>
<td>£83,830</td>
<td>7</td>
<td>£77,950</td>
</tr>
<tr>
<td>researchers</td>
<td>£44,950</td>
<td>£47,740</td>
<td>6</td>
<td>£43,960</td>
</tr>
<tr>
<td>Total</td>
<td>£78,880</td>
<td>£83,830</td>
<td>6</td>
<td>£73,370</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 2003-04 to 2008-09.

4.1.5 International comparators

A further contextual issue is academic staff pay in other countries. As the JNCHES review commented, a number of studies of pay comparability that are based on ‘purchasing power parity’ appear to show that UK academic salaries in general appear very competitive in an international context (they are however lower than in Australia, Canada and the US). It appears, moreover, that UK academic salaries have been increasing at a faster rate than elsewhere. UCEA has advised that these data should be treated with caution because international salary data are difficult to benchmark against the UK.

Our international HRM research project noted that employment/trade union relations were predominantly identified as a priority in countries where pay and conditions were negotiated by the individual institution, at the local level, through collective bargaining (Australia, Canada, New Zealand and South Africa). The types of issues raised by the 11 interviewees, speaking from their own experience, included the following:

a. The workload associated with the renegotiation of local agreements, either as part of the normal cycle or in response to changes in the environment – for example, due to mergers; change in legislation regarding specific staff groups; or overall changes in the direction of industrial relations due to change of government.

b. The union strategy of ‘pattern-bargaining’ and the risk that it promotes uniformity rather than diversity in institutional agreements. Pattern-bargaining refers to attempts by unions to use gains made in one set of negotiations as a precedent to demand the same conditions of other institutions. It usually has more impact where the number of

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100 JNCHES, ‘Review of HE Finance and Pay Data’ (December 2008).
unions is relatively small and distributed fairly evenly across employers. Pattern-bargaining was explicitly outlawed in Australian industrial relations in 2006.

c. The critical need for international HEIs to manage the expectations of staff in future. In particular, reconciling the need to reduce costs in a period of recession with employee awareness of increasing competition for their labour.

4.2 Key challenges for pay

4.2.1 Implementation of the Framework Agreement

The scale of work and achievement of the sector in implementing the 2004 Framework Agreement has been considerable, and most HEIs in the UK have now implemented it. As would be expected in a process of introducing job evaluation and new grading arrangements, the implementation costs were significant: the median cost was 3 per cent of an HEI’s pay bill. HEIs used our Rewarding and Developing Staff funding, among other funding, to cover their costs.

While the Framework Agreement has brought considerable benefits – especially the use of job evaluation to tackle issues around equal pay for work of equal value – dissatisfaction has been expressed by various sector organisations, particularly with the pay levels of the lowest points on the new national pay spine. As with other public sector pay frameworks (for example in local government) these lowest levels on the spine are commonly paid more than the local labour market; this is leading some HEIs to outsource some functions purely on cost grounds (for example catering and security). Some sector organisations who made submissions to this report are beginning to question whether the national pay spine is creating inflexibility within institutional pay systems and interfering with their ability to control costs effectively. They feel this might lead to future fragmentation or even a break-up of the pay spine. Others feel that the pay spine offers enough flexibility (such as being able to place grades at locally determined points on the spine, allowing for market supplements and contribution points, and the opportunity to negotiate with trades unions locally on specific issues) and support its continuing use.

4.2.2 Future sector pay arrangements

Some of the HE stakeholders and representative bodies who made submissions to this report102 highlighted both national pay bargaining and trade union relations as being key management challenges for the future.

Throughout our conversations with HEIs and sector bodies, we noted widespread support for the current national pay bargaining arrangements at this time. This support has become more coherent across the sector throughout the 2009 pay negotiations, but the long-term future of national pay bargaining remains open to debate. There remains a view in the sector that the

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102 AHUA, LFHE, GuildHE, UHR (formerly UPA), BUFDG and UCEA.
optimum bargaining arrangements have yet to be settled on. HEIs and sector bodies continue to discuss the pros and cons of national negotiations, and the view has been put forward that – with the current and future economic uncertainty – local bargaining might be an opportunity for individual HEIs to renegotiate the entire employment relationship with their workforces and establish more sustainable, bespoke arrangements. Some HEIs feel that local bargaining would give them more control and autonomy over their own staff costs. This view is countered by the benefits cited of: saving costs (individual HEIs do not need to invest in building local negotiating capacity among their managers) and delivering equity and commonality in approaches to pay between HEIs. It also avoids the potential for pay ‘leapfrogging’ or pattern bargaining (where a pay agreement negotiated at one institution is used as a lever to secure similar agreements at other HEIs). Nervousness was expressed about the prospect of a ‘pay league table’ being created or an increase in trade union disputes at a local level if individual HEIs negotiated individually.

4.2.3 Affordability

The combination of pay increases arising from the 2004 Framework Agreement for pay modernisation and the 2006 three-year pay agreement have rectified any pay deficit previously existing, and pay levels in HE are now in line with the market for similar occupations. With the 0.5 per cent uplift to all points on the pay spine agreed in the 2009-10 pay agreement, UCEA members estimate that staff costs are likely to rise by 4.5 per cent in 2009-10. With staff costs typically accounting for an average of 57 per cent of total institutional income, any reductions in HEIs’ income or further increases to pay raise serious concerns about affordability.

Questions are being raised by institutions about the sustainability of the incremental pay increases that around two-thirds of HE staff on average receive annually. These are paid in addition to the nationally negotiated increases to all points on the pay spine\(^{103}\), though many HEIs are moving towards making these increments contribution- or performance-related. Some HEIs acknowledge that expectations about future pay increases, including increments, will need to be managed. The pressures on affordability for HEIs stem from the impact of the global economic recession on the UK. This will result in pressure on public funding due to the Treasury’s need to prioritise public borrowing in the medium term, as well as reduced income from the private sector and charities, and the pressures of managing an increasingly fixed cost base with increasingly variable income. This is exacerbated by the risk of increased volatility in international student fee income and reduction in the value of HEIs’ investments as a result of the recession.

\(^{103}\) The UCEA/ECU age discrimination guidance recommends that incremental pay can be used, but limited so that no more that five years service can be rewarded with annual increments. There are both age and sex discrimination risks with incremental pay. UCEA/ECU, ‘Age discrimination guidance – note 1’ page 2.
4.3  Context for higher education pensions

A number of pension schemes operate in the HE sector in the UK, each with different arrangements. Most provide defined benefits. They are all under pressure: most are currently in, or expected to be in, deficit by the end of 2008-09 (the 2008-09 annual accounts for all institutions in England confirmed that all SATs and Local Government Pension Schemes (LGPSs) were in deficit). There are two main pension schemes for academic staff in HE: the USS, which is also open to some senior professional and support staff, and the Teachers Pension Scheme (TPS)\(^{104}\). Other staff will be members of one of the 48 institution-specific (mostly defined benefit) SATs or, in post-1992 HEIs, an LGPS. Clinical academics are likely to be members of the NHS pension scheme.

The SATs, whose members are predominantly support staff in pre-1992 HEIs, are coming under increasing pressure, because they are the only schemes in the sector which are owned and operated by individual HEIs; if they fall into deficit, they become a risk for the institution. A small number of HEIs have taken steps to close their SATs to new entrants, and are offering either defined contribution or career average schemes as an alternative.

The picture across the sector is therefore varied and complex; often a variety of pension schemes operate within one HEI, each with its own rules, risks and contribution rates. A fundamental and sector-led review of HE pensions is under way (see below). A great deal of sector-led development work currently focuses on USS, as it is owned and operated within the sector, but other major schemes, such as TPS and the LGPSs, are of equal priority and arguably pose greater risk because the sector has less control over them. Deficits within the other publicly operated schemes are also substantial and are creating large liabilities for HEIs in some cases.

4.4  Key challenges for HE pensions

4.4.1  Affordability

At present, pension contributions are insufficient to meet the future liabilities arising from increased longevity, falling investment income and the current rate of salary increase. As pension costs increase, employer or employee contributions – or both – will need to rise, or benefits will need to be reduced.

The employer’s contribution to USS increased in October 2009 from 14 to 16 per cent, and increases in future years are seen as a significant risk unless the scheme is reformed. The 2009 2 per cent increase adds £130 million to the sector’s USS pension contributions (which

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\(^{104}\) TPS and the NHS pension schemes are unfunded schemes, so do not have deficits.
from October 2009 will total £723105\textsuperscript{105} million annually) – clearly a huge cost to be carried by the sector. The USS employee contribution rate remains capped at 6.35 per cent of salary.

4.4.2 Sector responses

UUK, GuildHE and UCEA have established the EPF to consider the pension needs of the HE sector. The extent and breadth of the EPF’s work is significant, with two major reports already completed. The Hewitt Report of October 2007 advocated the formulation of a 10-year pensions strategy for HE. Using funding from our LGM Fund, pensions specialist Peter Thompson published a report in May 2008\textsuperscript{106} which examined the available options in detail. Comments from HEIs are summarised below:

- defined benefit provision is still appropriate for the sector
- there are strong concerns about affordability
- cost increases must be shared between employers and employees
- retirement ages should be raised in line with life expectancy
- all employees should have the same pension provision
- a career average scheme might be a suitable fall-back if final salary proves unsustainable
- 50 per cent of respondents were interested in offering a ‘menu’ of pension benefits to their employees
- facilitation of scheme collaboration or merger would be helpful if feasible.

Taking these views into account, the Employers Pensions Forum and its USS\textsuperscript{107} sub-group have committed to:

- a review of USS (planned to report in April 2010 and seek to implement changes in October 2010)
- a feasibility study on the options for SATs, which will examine options for merging some/all of the schemes to save administrative costs or to change the models on which the schemes operate\textsuperscript{108}.

Our LGM Fund is sponsoring a UUK/GuildHE/UCEA project to take forward work around the review of USS and other HE pension schemes to ensure the long-term sustainability of the pensions offered within the HE sector. They will provide HEIs with options in relation to type of pension offered and will support reforms of all pension schemes in the HE sector,

\textsuperscript{105} Source: UCEA input to the ‘USS Review: Employers Paper on the costs of contribution rates’, 20 March 2009. Figures are approximate and could vary by +/- £10 million, and are included for illustrative purposes.


\textsuperscript{107} The USS is the principal scheme for academic and administrative staff, predominantly in pre-1992 HEIs, which was established in 1974.

\textsuperscript{108} Self-administered trusts are pension schemes operated by individual HEIs, usually for support staff in pre-1992 HEIs.
where reforms are necessary and appropriate. This will include reform of the USS over the next two years. They will also:

- provide guidance to the sector on the legislative and scheme specific changes that impact on the HE sector
- improve communication and understanding of pensions issues and challenges within the sector
- disseminate information relating to the outcomes of the project, including development of consultation mechanisms.

### 4.4.3 Employee relations

**Context**

Pensions are not currently part of the national pay negotiations, as schemes have their own arrangements for making changes to members' terms and conditions; for example, the USS is controlled by its board of trustees, nominated by the main academic and academic-related staff union, UCU, UUK, UK HE Funding Councils and co-opted nominees. Three trustees are appointed by UCU. Changes to the USS must be made by negotiation through a sub-committee of the USS board called the Joint Negotiating Committee (JNC). The JNC is a decision-making body which comprises equal members from employer and UCU representatives, with an independent chair.

**Moving forward**

Within the national pay negotiations employers have tended to talk in terms of ‘staff costs’ in an effort to negotiate affordable pay and benefits increases that take into account the full range of costs of employing staff (employing additional staff, promotions, pensions, contribution pay, and annual increments and increases to the single pay spine). Employers are emphasising that increases to the salary bill equate to increases in overall staff costs (including pension contributions) and must remain affordable. Part of the 2009-10 pay agreement is a new joint employers/trades unions working group on HE funding and sustainability issues. This is intended to develop materials/seminars to increase understanding about technical aspects of HE finance and other issues affecting sustainability, and to act as a forum for the exchange of views, comments and discussion with sector stakeholders about strategic developments at sector level.
Section 5: Supporting a sustainable HE workforce for the future

5.1 Projections and analysis of HE workforce of the future

5.1.1 Demand for future academic staff

5.1.2 Demand for future professional and support staff

5.1.3 Potential reduction in demand for future professional and support staff

5.1.4 Supply of academic staff into and out of the sector

5.1.5 Opportunities for the HE sector from the economic downturn

5.2 Recruitment and retention

5.3 Turnover rates

5.4 Career progression

5.4.1 Career progression – specific staff groups

5.4.2 Apprenticeships

This section explores the key supply and demand issues for HE staff and presents scenarios for the projected change in permanent academic staff numbers depending on a range of factors (for example demographic projections for the 18-21 year-old cohort). We note that the pressure on finances may have an impact on the way that support staff functions are organised, with an increased drive in recent years to improve efficiency and restructure administrative processes. The lack of growth in UK-domiciled PhD students is discussed, along with the potential risks and benefits of relying on international PhD qualifiers in some subject areas: it may (in the long term) damage the UK’s competitiveness yet brings new international collaborations to the UK. Recruitment and retention of all groups of staff is generally unproblematic, with few shortages being reported. Where problems do exist, they tend to be concentrated in particular disciplines. Private sector pay levels are the most commonly cited challenge for recruiting academic staff, though staff turnover remains consistently lower than public and private sector benchmarks. The importance of creating attractive and sustainable career pathways for academic staff, particularly for researchers, is highlighted. Recent sector-led development work to support specific priority staff groups are described, such as clinical academics, technicians and professional/support staff (including new apprenticeship schemes).

5.1 Projections and analysis of the HE workforce of the future

5.1.1 Demand for future academic staff

In assessing the future need for academic staff in the HE sector, assumptions have to be made about the rate of expansion of teaching and research. Changes in funding, managerial policy and practice, workforce restructuring, and the use of technology and other factors will also influence staffing levels within individual HEIs. There are many variables inherent in workforce planning.
Numbers of both academic staff and students in English HEIs underwent sustained growth between 2005-06 and 2008-09, with an increase in student FTE of 69,690 (5 per cent)\(^{109}\) and an increase in academic staff FTE of 5,900 (8 per cent)\(^{110}\).

We have considered four possible scenarios\(^ {111}\) (see Figure 6) for future academic staff recruitment:

- Scenario 1 – maintain academic staff numbers and recruit at the same level as the leaving rate (the turnover rate for academic staff in HE is 7 per cent)
- Scenario 2 – There is a steady increase of 1 per cent per year
- Scenario 3 – There is a steady decrease of 1 per year per year
- Scenario 4 – The academic staff numbers follow the Higher Education Policy Institute (HEPI) student projections\(^ {112}\).

Figure 6: Projected change in permanent academic staff numbers under Scenarios 1 to 4

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\(^{109}\) HESA, ‘Students in Higher Education Institutions 2008-09’ (2010).

\(^{110}\) Those academic staff holding a teaching or teaching + research contract.

\(^{111}\) These scenarios are for illustrative purposes only, to provide a feel for the range in which future recruitment needs may lie.

\(^{112}\) HEPI, ‘Demand for Higher Education to 2029’, Table 3: Changes in full-time English domiciled student numbers at English HEIs expected from changes in the population (December 2008).
Figure 6 shows rapid growth in academic staff over the last decade and puts forward scenarios of steady increases and decreases in staff numbers (Scenarios 2 and 3). Scenario 1 assumes that the academic turnover rate remains at 7 per cent and that staff numbers remain at a steady state. Scenario 4 uses the latest HEPI student demand estimates, and plots what would happen if staff numbers followed those demand patterns. We have used the HEPI data because we believe that predicted changes in full-time student demand are a useful proxy for possible changes in permanent academic staff numbers.

The estimates by HEPI – which are based on changes in demography\textsuperscript{113} alone and assume no changes in the propensity to attend higher education – suggest that full-time student demand will increase slightly until 2010, then decrease between 2010 to 2020 and increase to slightly more than current levels in 2028. A variety of other factors, however, will also have an impact on the staff population, for example changes in demand among other student populations, and changes in funding and policy.

5.1.2 Demand for future professional and support staff

During PA Consulting’s fieldwork for its ‘Future Workforce for Higher Education’ project, it came across anecdotal evidence to suggest that the skills associated with compliance and administrative support have become less important, in favour of analytical, bid support and student support skills. Demand for future professional and support staff in two of these areas is explored below.

**Staff supporting grants administration** – the increasing importance of diversifying and maximising institutional income streams will require professional and support staff with the skills to support these processes effectively. Business-related skills (such as problem solving and analytical skills, financial skills, writing business cases, and ICT skills) will be increasingly important, whereas traditional support skills (largely paper-based, people-intensive processing activity) will become less important because of the development and strategic use of ICT to complete these tasks.

**Staff involved in supporting students** – from career advice to student financial advisers to knowledge-related roles such as librarian and information specialists. We would expect demand for these roles to remain stable, and their skills and working patterns to evolve: more flexible working patterns to reflect changing student demand, and higher level of skills (Section 5.4.1 of this report gives details of a new HEFCE-funded project with AMOSSHE to measure the impact and value of student services).

\textsuperscript{113} ONS and Government Actuary’s Department (2006 based projections, published in August 2007).

Populations as of 1 January. Age groupings for previous 31 August prepared by DIUS.
5.1.3 Potential reduction in demand for future professional and support staff

There may be reduction in demand for some categories of support staff in the future as a result of institutions’ drive to enhance processes and to reduce costs:

Support administrators performing processes that can be enhanced through technology or performing generic processes, such as payroll administration, which could be shared with other organisations, could potentially see their numbers reduced and their employment patterns change, with greater use of outsourcing and shared services to cut costs and streamline administration processes. There is evidence that HEIs are beginning to consider sharing services such as student support services and records management.\textsuperscript{114}

Past patterns show that manual staff, particularly in catering, cleaning and security, may also be increasingly outsourced or shared with other organisations.

5.1.4 Supply of academic staff into and out of the sector

Entry into academic careers focuses on three main routes:

- newly qualified postgraduate students, from both the UK and overseas
- staff recruited from overseas, including those from outside the European Union (EU) and related countries who require work permits
- staff joining from the private sector and other parts of the public sector (especially in sciences, engineering, information technology (IT), law, health, education and business studies). Such recruitment is especially important in these subjects to ensure teaching and research link in to the wider economic and social context (usually in employees’ mid-careers).

The first two routes into academia are explored further below.

Supply of academic staff from postgraduate students

Newly qualified postgraduates are an important source of recruits into the academic labour workforce. In some subjects (for example the arts and humanities) they may be recruited directly on completing their doctorate, and in others (for example science and engineering) they may move through post-doctoral employment before being recruited to a fixed-term or permanent academic post.

Since 2004-05, the numbers of students qualifying with PhDs has risen from around 16,000 to around 17,000 per year, while the levels of new recruits to the sector has remained steady at around 8,000 per year. Table 17 shows the number of UK PhD qualifiers by subject area between 2004-05 and 2007-08. The table shows that the subjects with the greatest increase in

\textsuperscript{114} See projects funded through HEFCE’s shared services feasibility studies at www.hefce.ac.uk under Finance & assurance/Shared services.
the proportion of PhD qualifiers include: business and administrative studies, computer science, creative arts and design, law, mass communications and documentation, and medicine and dentistry. Six subject areas have seen no growth or a decline in PhD qualifiers: agriculture and related subjects, architecture, building and planning, biological sciences, physical sciences, social studies and veterinary science.

Table 17: Number of UK PhD qualifiers by subject area

<table>
<thead>
<tr>
<th>Subject area</th>
<th>2004-05</th>
<th>2007-08</th>
<th>% difference between 2004-05 and 2007-08</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture &amp; related subjects</td>
<td>215</td>
<td>125</td>
<td>-42%</td>
</tr>
<tr>
<td>Architecture, building &amp; planning*</td>
<td>240</td>
<td>230</td>
<td>-4%</td>
</tr>
<tr>
<td>Biological sciences</td>
<td>2,505</td>
<td>2,510</td>
<td>0%</td>
</tr>
<tr>
<td>Business &amp; administrative studies</td>
<td>580</td>
<td>765</td>
<td>32%</td>
</tr>
<tr>
<td>Computer science</td>
<td>545</td>
<td>720</td>
<td>32%</td>
</tr>
<tr>
<td>Creative arts &amp; design</td>
<td>275</td>
<td>405</td>
<td>47%</td>
</tr>
<tr>
<td>Education</td>
<td>655</td>
<td>660</td>
<td>1%</td>
</tr>
<tr>
<td>Engineering &amp; technology</td>
<td>2,015</td>
<td>2,140</td>
<td>6%</td>
</tr>
<tr>
<td>Historical &amp; philosophical studies</td>
<td>925</td>
<td>975</td>
<td>5%</td>
</tr>
<tr>
<td>Languages</td>
<td>895</td>
<td>945</td>
<td>6%</td>
</tr>
<tr>
<td>Law</td>
<td>200</td>
<td>250</td>
<td>25%</td>
</tr>
<tr>
<td>Mass communications &amp; documentation</td>
<td>75</td>
<td>95</td>
<td>27%</td>
</tr>
<tr>
<td>Mathematical sciences</td>
<td>415</td>
<td>445</td>
<td>7%</td>
</tr>
<tr>
<td>Medicine &amp; dentistry</td>
<td>1,565</td>
<td>1,785</td>
<td>14%</td>
</tr>
<tr>
<td>Physical sciences</td>
<td>2,335</td>
<td>2,205</td>
<td>-6%</td>
</tr>
<tr>
<td>Social studies</td>
<td>1,320</td>
<td>1,310</td>
<td>-1%</td>
</tr>
<tr>
<td>Subjects allied to medicine</td>
<td>930</td>
<td>1,005</td>
<td>8%</td>
</tr>
<tr>
<td>Veterinary science</td>
<td>95</td>
<td>70</td>
<td>-26%</td>
</tr>
<tr>
<td>Combined: Other</td>
<td>5</td>
<td>10</td>
<td>100%</td>
</tr>
<tr>
<td>All subject areas total</td>
<td>15,780</td>
<td>16,635</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: HESA ‘STUDENTS in Higher Education Institutions’ series.

* Subject areas in bold are those where most disciplines included are classed as SIVS or STEM subjects.

International PhD qualifiers

There has been growth overall in numbers of students starting and successfully qualifying with PhDs. The number of UK-domiciled students doing so has declined; thus the growth has been fuelled by international postgraduate students (see Figure 7).
Our analysis indicates a similar trend is reflected in the nationality of new academic starters to the sector: we are seeing a drop in numbers of UK-domiciled staff and a rise in the numbers of international staff (see Figure 8). The top nationalities for both PhD qualifiers and new academic starters include China, Germany, France, Greece, India, Italy and the US.

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115 New academic starters are defined as academic staff with at least one active academic contract of at least 0.25 FTE, where the contract is less than two years old and the staff member is under 30 years old.
Figure 8: Proportion of new academic starters by domicile

[Graph showing the proportion of new academic starters by domicile from 2003-04 to 2008-09]

Source: HESA individualised staff record 2003-04 to 2008-09.

The increased internationalisation of the academic workforce has a generally positive impact on the sector – for example a greater diversity of the workforce, increased opportunities for international collaboration and partnerships, and opportunities for HEIs to recruit internationally excellent teaching and research staff. The 2009 World Bank report, ‘The Challenge of Establishing World-Class Universities’ notes that:

‘World-class universities are able to select the best students and attract the most qualified professors and researchers.’\(^\text{116}\)

However, there are also disadvantages associated with the increase in international staff, for instance the potential to over-rely on international academic staff in certain subjects. This could ultimately affect UK higher education’s international competitiveness and long-term sustainability in some subject areas, because international staff tend to return to their home countries after their early careers have been built up in the UK, leaving gaps in knowledge and experience.\(^\text{117}\). The increase in international staff also raises important questions as to why UK nationals are not choosing PhDs or an academic career. This is a concerning trend and echoes statements made elsewhere in this report about the importance of promoting policies to support academic and research careers in HE.

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\(^{117}\) UUK, ‘Talent Wars: the international market for academic staff’ (July 2007).
International academic staff recruitment

Although there may be concerns about potential over-reliance on international staff, it is important to protect HEIs’ ability to recruit the best people from a worldwide recruitment pool. Research in 2005 by HEPI\textsuperscript{118} showed that between 1995-96 and 2002-03 there was substantial net immigration – on average 1.4 academics arrived for every one who left. Both immigration and (especially) emigration rates tended to increase throughout the period, even as the total staffing complement of the sector increased. This is one aspect of the greater mobility in the HE workforce. Analysis of rates of submission of staff to RAE2008\textsuperscript{119} found that there were higher selection rates for non-UK nationals compared to UK nationals.

The 2008 UCEA recruitment and retention survey\textsuperscript{120} reported that the average number of vacancies that had been filled by non-UK citizens over 2005-06 to 2007-08 was 14 per cent for academic staff and 7 per cent for support staff. Just under 40 per cent of respondents reported that they offered inducements to recruit non-UK staff. The most common such inducement policy was enhanced relocation expenses; another was the offer of a ‘golden hello’.

The most common geographical region for the recruitment of all levels of academic staff according to the survey was the EU. The next most common for professors and lecturing staff was North America, and for researchers was East Asia. The most common subject area for the recruitment of non-UK academic staff was business/management, followed by biological sciences and computing/IT.

November 2008 saw the introduction of the points-based immigration system by the UK Border Agency (UKBA) which has presented unintended impacts. For instance, all posts now have to meet the ‘resident labour market test’, which is to demonstrate that no EU worker could undertake the post that is being filled by someone from outside the EU; this entails HEIs having to advertise all jobs with their local Job Centre Plus branches for up to four weeks (or one week where the salary is £40,000 or above). The new system has made it more difficult to engage external examiners from outside the EU. Difficulties arise from the need to engage specific individuals in the relevant field and the consequent inappropriateness of advertising. At the time of writing, the UKBA has provided no practical solutions that satisfy the conditions of the points-based system, but it is aware of this issue.

HEIs operate in global competition with each other for staff, particularly academics, and researchers are increasingly operating in an international context. Evidence from HEIs and their representative bodies suggests that the criticality of English HEIs being able to operate fully as international institutions, with the discretion to recruit world-leading staff, has not been

\textsuperscript{118} Bahram Bekhradnia and Tom Sastry, ‘Brain Drain: Migration of Academic Staff to and from the UK’, HEPI (October 2005).
\textsuperscript{119} HEFCE, ‘Selection of staff for inclusion in RAE2008’, HEFCE 2009/34.
\textsuperscript{120} UCEA, ‘Recruitment and Retention of staff in Higher Education 2008’ (January 2009).
fully recognised by the UKBA. HEIs understand that new immigration processes require additional time and support to implement; moreover they report advantages to the new points-based system, which requires educational providers to properly register with the UKBA and will provide more protection to international students from bogus or poor quality UK providers. UUK will continue to raise these issues on behalf of the sector as the new system becomes fully functional.

**Risks and challenges for PhD recruitment and completion**

Below we describe some uncertainties in relation to future flows of PhD students.

**Increase in student debt**

Rising undergraduate debt, as a result of increased tuition fees and a possible removal of the cap on fees, might impact the attractiveness of undertaking postgraduate studies for home-grown students (though we have no evidence to support this at the moment; we will keep this under review as data become available). If the number of UK-domiciled PhD researchers remains static, or starts to fall, the UK will become increasingly dependent on the supply of overseas students wanting to study in the UK, both to sustain the UK research base and replenish the UK academic community\(^\text{121}\).

**Competition for PhD students with other sectors**

The higher salaries provided by private sector organisations to people with a PhD often attract a significant proportion of them away from a career in academe\(^\text{122}\). In times of economic slowdown, more PhD students might be attracted to a career in HE (again, we have no evidence for this yet; we will keep this under review). However, an economic recovery beyond 2010 might see a return of the competition for PhD students by the private sector, and may prove to be a counterbalance to the student debt issue.

**Impact of the age profile**

Analysis in Section 2 showed that the age profile of academic staff is stable. A small increase has been observed in the average age of an academic, but this reflects a wider trend in the working population of the UK. Analysis of academic subject area by age of staff shows that, again, the age profile is fairly static. Table 18 shows that the three subject areas recording the biggest rises in proportion of academic staff aged over 55 are subjects allied to medicine (a 3 per cent rise to 20 per cent between 2005-06 and 2008-09), education (a 3 per cent increase to 32 per cent) and law (a 2 per cent rise to 21 per cent in 2008-09). The subject areas with the greatest proportions of staff aged 55 and over are education (32 per cent), mathematical sciences (29 per cent), social/political/economic studies (29 per cent), business/administrative studies (27 per cent) and engineering/ technology/ building/architecture (27 per cent).

\(^{121}\) UK GRAD Programme, see [www.vitae.ac.uk](http://www.vitae.ac.uk) for more information.

\(^{122}\) See footnote 121.
Table 18: Proportion of permanent academic staff aged 55 and over by subject area

<table>
<thead>
<tr>
<th>Subject area</th>
<th>% 55 and over</th>
<th>% 55 and over</th>
<th>% difference between 2005-06 and 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005-06</td>
<td>2008-09</td>
<td></td>
</tr>
<tr>
<td>Biological sciences</td>
<td>22</td>
<td>22</td>
<td>0</td>
</tr>
<tr>
<td>Business/administrative studies</td>
<td>25</td>
<td>27</td>
<td>2</td>
</tr>
<tr>
<td>Computer science/librarianship/info science</td>
<td>17</td>
<td>20</td>
<td>2</td>
</tr>
<tr>
<td>Creative arts/design</td>
<td>22</td>
<td>23</td>
<td>1</td>
</tr>
<tr>
<td>Education</td>
<td>29</td>
<td>32</td>
<td>3</td>
</tr>
<tr>
<td>Engineering/technology/building/architecture</td>
<td>27</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>Humanities</td>
<td>28</td>
<td>27</td>
<td>-1</td>
</tr>
<tr>
<td>Languages</td>
<td>26</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>Law</td>
<td>19</td>
<td>21</td>
<td>2</td>
</tr>
<tr>
<td>Mathematical sciences</td>
<td>31</td>
<td>29</td>
<td>-1</td>
</tr>
<tr>
<td>Medicine and dentistry</td>
<td>24</td>
<td>25</td>
<td>1</td>
</tr>
<tr>
<td>Physical sciences</td>
<td>24</td>
<td>23</td>
<td>-1</td>
</tr>
<tr>
<td>Social/political/economic studies</td>
<td>28</td>
<td>29</td>
<td>1</td>
</tr>
<tr>
<td>Subjects allied to medicine</td>
<td>16</td>
<td>20</td>
<td>3</td>
</tr>
<tr>
<td>Unknown and combined subjects</td>
<td>23</td>
<td>25</td>
<td>2</td>
</tr>
<tr>
<td>Veterinary sciences/agriculture/related subjects</td>
<td>20</td>
<td>20</td>
<td>-1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>24</strong></td>
<td><strong>25</strong></td>
<td><strong>1</strong></td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 2005-06 to 2008-09.

Nicola Dandridge, then Chief Executive of the Equality Challenge Unit, commented on these trends:

‘The increase in average age of academic staff reinforces the need for institutions to consider removing the mandatory retirement age and engage positively with issues of succession planning. As the older demographic bulge works its way through the system there will be an increasingly pressing need for institutions to review the impact that retirement of that group will have on staffing structures.’

123 Nicola Dandridge, ‘ECU response to HESA findings that average age of UK academics is increasing’, ECU press release (29 May 2009).
The Government has announced plans to review the default retirement age of 65 throughout 2010, and it is highly probable that the fixed retirement age will be abolished. Any changes to UK or European law in this area would of course mean that HEIs would need to change their policies and practices. The current review of USS is also actively considering a more flexible retirement arrangement. A project supported by our LGM Fund, ‘Managing Age Diversity’, quotes the following example of a flexible retirement policy, an approach which may become more common.

**Case study: Middlesex University**

Middlesex University has decided to move from a compulsory age retirement to a flexible age retirement. The university previously had a policy stance where all employees retired at age 65, unless a justifiable business case for their continued employment was demonstrated. Following the introduction of the Employment Equality (Age) Regulations 2006, the university has removed a default retirement age – resulting in a policy of ‘flexible retirement’. Flexible retirement enables a greater use of alternative working patterns both pre- and post- 65, such as part-time, term only, job sharing, as individuals will not be focused on retirement at 65. In addition it can provide longer lead-in times to hand over to existing or new colleagues. Flexible retirement takes into account current and future operational performance, and needs, regardless of age. Flexible retirement does not mean that employees have a job for life or that they have to keep working, but it does provide the opportunity to vary the age at which employees retire. There is still the potential for a natural turnover of employees through retirement. Since the introduction of the new policy, the majority of academic staff who reached the age of 65 have elected to continue working. Interestingly, although aware of the option, no members of support staff have taken up this option.

The benefits of a flexible retirement policy, as outlined in the case study above, will need to be balanced against the difficulties such a scheme might pose for strategic workforce planning. Without a fixed retirement age it would no longer be possible to forecast exactly when staff would retire. Concerns have also been expressed by HR professionals that allowing older, often more senior, members of the workforce to work for longer would impede the recruitment and career development of people in the early careers. Wider adoption of flexible retirement options will also have pensions implications. A key challenge for HE pension schemes is increased longevity, and allowing (within the schemes’ rules or perhaps through changed rules) for a more gradual transition to retirement where people work for longer, or perhaps part time, would help to alleviate the financial pressures on the schemes.

**5.1.5 Opportunities for the HE sector from the economic downturn**

The current economic climate may present HEIs with opportunities, for example the ability to recruit high-quality applicants from the private sector at lower salaries than previously (for example finance staff and some disciplines, such as economics). The current economic
conditions present HEIs with a good opportunity to anticipate some of their future resource needs and recruit appropriate staff while the market is favourable.

5.2 Recruitment and retention

By many measures, the HE sector in England is a good place to work, offering attractive terms and conditions, fulfilling and interesting work, and the flexibility and autonomy of an academic or professional career. As a result, the HE sector across the UK experiences relatively few problems with recruitment and retention. Where problems do exist they tend to be concentrated in particular areas, for example clinical academia, business/management, accounting/finance, biological sciences and law. The 2008 UCEA recruitment and retention survey of UK HEIs\textsuperscript{124} showed that, in terms of academic grade, most problems concerned lecturing staff, with slightly fewer difficulties reported for professors or researchers. The recruitment of early-career academic staff was not seen as problematic. The survey was carried out before the UK went into recession, however; any problems that did exist are likely to have eased since July 2008 due to changes in the wider workforce.

Around one in five respondents to the 2008 UCEA recruitment and retention survey cited private sector pay levels as affecting their ability to recruit academic staff (see Figure 9). This proportion was higher in the previous UCEA survey in 2005 at one in three.

\textbf{Figure 9: Factors impacting on ability to recruit academic staff and support staff}

Only few HEIs in the survey (3.5 per cent in 2008, compared with 6 per cent in 2005) reported that inability to recruit staff, rapid turnover, or having to recruit lower-quality staff than they would ideally like, had had any impact on the provision of services.

\textsuperscript{124}UCEA, 'Recruitment and Retention of Staff in Higher Education in 2008', January 2009.
In its 2008 survey UCEA commented that there appears to have been increased activity to address recruitment or retention issues since its 2005 survey. For instance a quarter of HEIs reported upgrading posts, and 38 per cent reported introducing market supplements for professional/support staff (see Figure 10). This may be linked to the considerable investment in recruitment and retention that took place as a result of the first phase of our Rewarding and Developing Staff initiative (R&DS1) between 2001-02 and 2003-04. An evaluation of the R&DS1 initiative in 2005\footnote{KPMG, ‘Evaluation of Rewarding and Developing Staff in HE initiative 2001-02 to 2003-04’ (May 2005).} revealed that HR directors identified recruitment and retention as the third most important priority area for HEIs in R&DS1\footnote{88 per cent of HEIs surveyed by KPMG rated the recruitment and retention category as having either high or medium importance.}.

Figure 10: Action taken to resolve recruitment & retention problems

![Bar chart showing action taken to resolve recruitment & retention problems](image)

Source: UCEA survey of HEIs, 2008.

It is important to recognise that the sector is operating within a global market, and international policy initiatives can have significant impact on recruitment and retention. For example the 'stimulus and reinvestment bill’ passed in the US in February 2009 allocated $21.5 billion to science research and infrastructure.

### 5.3 Turnover rates

Turnover rates\footnote{‘Turnover rate’ has been calculated as a percentage of the number of permanent staff on full-time contracts who were employed at an institution on 1 August 2007 and who left between that date and 31 July 2008.} for permanent staff remain consistently low; the staff groups with the lowest proportion of leavers were academic and technical staff at 6 per cent, followed by administrative/professional, manual and clerical staff at 8 per cent. These compare favourably with a public sector average of 12.6 per cent\footnote{CIPD, ‘Recruitment, Retention and Turnover: Survey Report’ (May 2009).}. Low turnover saves money: the estimated cost
of labour turnover per employee is approximately £6,125\textsuperscript{129}. However, very low turnover rates can lead to stagnation of the workforce.

Given that the 2008 UCEA survey was undertaken before the full effects of the credit crunch were being felt, it is worth speculating about what the impact of it might be on the HE labour market; an HR director responding to the survey gave this opinion:

‘Bearing in mind recent large scale redundancies in areas affecting the building and banking sectors, we would anticipate more availability of labour in the areas indicated as “easing” under recruitment. Equally, because of the credit crunch and general fears in relation to a potential recession, we anticipate that retention issues in the areas identified earlier in the survey may ease as staff within them may be more likely to remain with their current employer for the sake of security.’ (post-1992 HEI)

5.4 Career progression

Career progression refers to creating career pathways where these do not exist, and better clarity and visibility where they already do. The aim of a career structure should be a series of jobs/roles at different levels which reflect an institution’s organisational needs, thereby enabling it to address areas where skills shortages may exist, as well as being a framework for employees’ career progression. Staff who participated in Oakleigh Consulting’s focus groups\textsuperscript{130} identified that limited opportunities for career progression may lead to potential performance issues, complacency or increased staff turnover. Oakleigh identified a shared concern that support staff, including manual ‘blue collar’ workers, are less visible; in addition they expressed concerns relating to the role of research support staff, and systems and policies for their personal development. Some perceive that development for these groups of staff has suffered in comparison with academics.

Some institutions noted that by choosing the ‘job families\textsuperscript{131}’ implementation route for the Framework Agreement they had been able to better clarify requirements for roles at each level. However they also felt that further work is required to support staff in moving through the levels. Several staff groups and individual staff in the focus groups also confirmed that this area required further attention at their institutions, and felt that their HR functions could do more to be proactive in advising managers on this issue.

\textsuperscript{129} See footnote 128. This figure includes the cost of vacancy cover, redundancy costs, recruitment and selection, training and induction.


\textsuperscript{131} ‘Job families’ categorise jobs on the similarity of their characteristics and levels of responsibility.
Institution case study – career pathways

One (post-1992) institution has made a range of investments in career development support, including:

• Leadership programme, which the institution is now looking to market to other institutions.
• ‘Rising Stars’ system of awards introduced for high-performing staff.
• Young Researchers’ fund – established to encourage postgraduates to move into research careers.
• Funding and IT resources made available for staff to undertake the PG Cert (Postgraduate Certificate in Learning and Teaching in HE).
• Personal development accounts of £500 distributed across schools for all staff to use on individual training needs and other development opportunities.
• Pathways to Learning Staff Development Scheme, between the institution and local colleges, intended to provide wider access to learning for staff across the institution and its partner colleges, and encourage continuing staff development. Any member of the institution’s staff considering a course at a partner college will have their tuition fees waived (and vice versa for college staff wishing to undertake a part-time programme offered by the institution).

5.4.1 Career progression – specific staff groups

Research staff

Research excellence is an aspiration of almost all HEIs in England, although its relative importance varies considerably between them. It is one of the prime motivators of many institutional strategies, including recruitment, promotion and reward. Making research careers attractive to new PhD qualifiers and practitioners in the private sector is increasingly important as the researcher role continues to evolve and we see the drop-off of UK-domiciled PhD students.

The skills associated with scholarly research remain at the core of many academics’ skills, particularly for pre-1992 HEIs where traditionally there are higher proportions of research-associated staff than in post-1992 HEIs. PA Consulting’s report characterises research as having been considered as the ‘elite’ activity within higher education – with limited attention given to the development of teaching skills. However, there has been a widening of the skills required, particularly associated with the development of knowledge exchange activities. Our 2008 Higher Education – Business and Community Interaction Survey shows that 90 per cent of HEIs report an involvement of mainstream staff (teaching and research) in knowledge exchange activities. This in turn is changing the skills requirements of researchers, with a greater focus on entrepreneurship, on the ability to talk about research in lay terms, and the ability to work with a wide range of people.

132 ‘The Future Workforce for Higher Education: a report to HEFCE by PA Consulting Group’ (February 2010).
There is also a growing importance of inter-institution, international, and collaborative research. The Government's 2009 HE Framework ‘Higher Ambitions: The future of universities in a knowledge economy’ identifies the need for more research ‘concentration’ in the future, with new forms of collaboration between universities so that the best researchers can cooperate rather than compete against each other for scarce funds\textsuperscript{133}. The link to differentiation of strategic mission requires HEIs to focus the skills and professional development of their researchers around the strategic needs of the institution.

Since the first ‘Concordat on Contract Research Staff Career Management’ was signed in 1996, researchers’ expectations of their career development and working conditions have changed. The interests and responsibilities of research funders and HEIs have also changed in response to the following:

- new legislation affecting staff on fixed-term contracts
- amendments to grant terms and conditions by several UK Research Councils
- publication of the ‘European Charter for Researchers’ and ‘Code of Conduct for the recruitment of researchers’\textsuperscript{134}, alignment with which could, in time, be linked with research funding from the European Commission.

To reflect this progress in improving the support for research careers in HE, The UK Research Base Funders’ Forum, which represents all the major public and private funders of public good research in this country, asked on behalf of its members, that Research Councils UK and UUK draft a new Concordat and build on the 1996 version to take a broad approach to enhancing the attractiveness and sustainability of research careers. The ‘Concordat to Support the Career Development of Researchers’\textsuperscript{135} was launched in June 2008. This Concordat describes standards, expectations and responsibilities for the proper management and development of academic researchers in universities and higher education colleges across the UK. We have become a signatory to the Concordat and will contribute approximately £141,000 to the costs of its implementation over the next two years.

The Concordat consists of a set of key principles for the future support and management of research careers. These include principles that recognise:

- the importance of recruiting, selecting and retaining researchers with the highest potential to achieve excellence in research
- the essential part that researchers play within their institution’s overall strategy to deliver world-class research
- the importance of researchers’ personal and career development and lifelong learning.

\textsuperscript{133} Department for Business, Innovation and Skills, ‘Higher Ambitions: The future of universities in a knowledge economy’, \url{www.bis.gov.uk/policies/higher-ambitions}, Chapter 2, paragraph 20.

\textsuperscript{134} See \url{www.vitae.ac.uk/policy-practice/2667/European-Charter-and-Code.html}

\textsuperscript{135} See \url{www.researchconcordat.ac.uk/}
The Government’s 2009 HE Framework identifies the importance of institutions thinking strategically about the way in which they organise their research programmes, and their researchers’ careers.\textsuperscript{136}

**Case study: University of Salford**

Universities are increasingly looking at innovative ways to develop the skills and experience necessary to support a research career. The University of Salford’s Vice-Chancellor’s Early Career Research Scholarship Scheme is an example, and it is supported by QR funding. It is an intensive two-year development programme that provides dedicated research time, mentoring, and some funds to support preliminary research; at the end of their programme, award-holders should have developed research partnerships, produced research outputs and developed grant proposals.

Making research careers attractive to new PhD qualifiers and practitioners in the private sector is increasingly important as the researcher role continues to evolve. The Research Excellence Framework will be developed with a particular regard to not create disincentives to researchers moving between academia and the private sector.\textsuperscript{137}

Another factor is policy pressure from the European Commission to create a healthy European Research Area (ERA) where there is free movement of knowledge and researchers across the EU area. The 2008 European Commission paper ‘Better careers and more mobility: A European Partnership for Researchers’\textsuperscript{138} proposes:

‘As the core producers of new knowledge and the main agents in its transfer and exploitation, researchers are indispensable for a competitive, knowledge-based EU economy. In order to retain and attract the best research talents a balanced approach is required to ensure that researchers across the EU benefit from the right training, attractive careers and the removal of barriers to their mobility.’

**Technicians**

Limited statistical information exists on the background of the 30,000 technical staff in HE. However the two main routes into this category seem to be:

- ‘traditional’ technicians, who have externally-acquired knowledge of a particular technology, equipment or practice and come through technical careers
- young graduates who are recruited into technical roles through vocational training.

\textsuperscript{136} Department for Business, Innovation and Skills, ‘Higher Ambitions: The future of universities in a knowledge economy’, \url{www.bis.gov.uk/policies/higher-ambitions}, Chapter 3, paragraph 30.
\textsuperscript{137} See footnote 136.
Over the last few years, a shift has begun to occur in the recruitment of technicians, which has seen greater involvement of technicians in learners’ support.

A current HEFCE-funded initiative, the Higher Education and Technicians Educational and Development (HEaTED) Project\(^{139}\), aims to consolidate, promote and expand participation in professional development activities for HE technicians, by working with both the technical and staff development communities in addressing the needs of key stakeholders.

HEaTED began with a project to scope and design a range of activities and services to address the skills needs of HE technical staff, including the development of a national continuing professional development (CPD) framework and skills development programme, a national online technical staff learning resource and web-site, and a UK-wide networking facility.

The 2006 survey by HEaTED of the technical workforce found issues around lack of a formal career path for technical staff, lack of appropriate training courses/CPD and a perceived lack of respect/recognition for technicians’ skills by both staff and students. In a second phase of work HEaTED has received HEFCE funding to disseminate and embed its services and further tailor its Technical Development Programme to the 15 types of technical staff currently employed in HE. The 2009 survey\(^{140}\) had a very positive 3,555 responses from technical staff across 110 institutions. Its summary results are presented below.

<table>
<thead>
<tr>
<th>Doing well</th>
<th>Room for development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff review and appraisal process</td>
<td>Work accountability</td>
</tr>
<tr>
<td>Workload and work-life balance</td>
<td>Pay and grading systems</td>
</tr>
<tr>
<td>Engagement and satisfaction</td>
<td>New staff induction</td>
</tr>
<tr>
<td>Autonomy and trust</td>
<td>Communication and consultation</td>
</tr>
<tr>
<td>Motivation</td>
<td>Training and career development</td>
</tr>
<tr>
<td>Diversity (aspects of)</td>
<td>Diversity (aspects of)</td>
</tr>
</tbody>
</table>

In response to the findings, HEaTED has published an action plan for taking forward actions throughout 2010 in areas identified as ‘room for development’.

Lifelong Learning UK has identified an urgent need to address the training needs of technical specialists via the Sector Skills Agreement, because a significant proportion of HE technicians are due to retire before 2014. LLUK has consulted with HE technical managers and staff

\(^{139}\) See [http://member.goodpractice.net/HEaTED-information/Welcome.gp](http://member.goodpractice.net/HEaTED-information/Welcome.gp)

\(^{140}\) Higher Education and Technicians Education and Development, ‘Survey 2009’ (January 2010).
developers on a generic technical apprenticeship framework that could be used for technical specialists (the only other apprenticeship framework available for technical specialists focuses on those in science, engineering, manufacturing and technology). LLUK is working with the higher education sector and HEaTED, with funding from the UK Commission for Employment and Skills, to take this project forward.

Supply and demand of professional and support staff

Table 2 in this report shows that in 2008-09 52 per cent of the HE workforce in England held a professional or support role, and a further 3 per cent held dual roles combining professional/support and academic roles. This equates to 171,565 people undertaking professional or support work in HE: a significant proportion of the workforce, and greater in number than the academic workforce. Professional and support staff undertake a diverse range of occupations, from clerical assistants and security guards through to directors of estates or registrars, and are supported by an equally diverse range of networks, professional associations and sector bodies.

The 2008 UCEA Recruitment and Retention Survey\(^ {141}\) found few recruitment difficulties were reported for most support staff roles. Where there were problems, these were centred on difficulties in recruiting accountants, finance professionals and ‘other’ administrative/professional staff. The only other area to exhibit such a level of recruitment difficulty was IT technicians. The two most problematic roles with regard to recruitment and retention were in the manual staff category – cleaning staff and catering staff. The most important factor affecting retention of professional/support staff was pay levels in the private sector, mentioned by a quarter of respondents. Turnover in professional and support staff is generally unproblematic, though rates are slightly higher than for academic staff (6 per cent). Technical staff have a turnover rate of 7 per cent and administrative/professional staff of 8 per cent. For manual and clerical staff, the rate is slightly higher at 10 per cent. HEIs did not regard these turnover rates to be a problem or to have an effect on service delivery.

There is little information about the prior experience or career paths of professional and support staff in HE. Data were collected in 2008 through a survey of UK HR directors run by Oakleigh Consulting\(^ {142}\). This found that 100 per cent of respondents reported working within other sectors prior to HE; typically their career backgrounds included a mix of private and public sector experience.

\(^{141}\) UCEA, ‘Recruitment and Retention of Staff 2008’ (2008).

\(^{142}\) Oakleigh Consulting, ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001’ (June 2009).
Sector bodies and professional associations have important roles in enhancing the skills, knowledge and quality of the HE workforce through the establishment, promotion and ownership of professional standards and professional development programmes. The sector bodies have been highly proactive in establishing such initiatives. Examples are:

- the Association of University Administrators’ CPD framework for professional/support staff
- HEaTED project’s professional development scheme for technicians
- the Association of University Directors of Estates’ professional development programme for directors of estates and facilities
- Association for University Research and Industry Links’ (AURIL’s) CPD framework for knowledge transfer professionals
- Aspiring Registrars Programme developed by the LFHE and the Association of Heads of University Administration (AHUA)

One of the sector’s strengths is its willingness to develop and share good practice in professionalising its service delivery.

A priority for groups representing students, such as the NUS, is the ongoing need to drive up the professional capabilities of all groups of staff. The NUS is concerned about the impact that, particularly administrative and support, staff have on the overall student experience. It made the point that support staff are a vital part of the overall HE community, and often have a great deal of interaction with students. The impact of outsourcing some support functions (for example, catering, cleaning and security) has also been highlighted by the HE trades unions as a risk to the student experience.

The PA Consulting report ‘The Future Workforce for Higher Education’ suggests that generally skills levels for all groups of staff will need enhancing to meet future challenges. The emphasis will need to be on cross-disciplinary collaborations for academic staff, and strategic and business partnering skills for professional and support staff. The report particularly highlights the required shift for professional and support staff from a transactional service (for example, in departmental administration or finance) to a more strategic support, aligned to the strategic objectives of the institution and with an increasing focus on the student experience. The pace of technological change to enhance institutional processes (for example, student or staff data systems) will additionally require constant updating of the skills of the professional and support workforce to maximise the benefits these advances can bring to the institution.

A project to measure the value and impact of student support services was recently awarded funding from our LGM Fund. It is being led by the Association of Managers of Student

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143 For a list of UK HE sector organisations see the Association of University Administrators web-site at www.aua.ac.uk/publications/acronyms/
144 Aspiring Registrars Programme, see www.lfhe.ac.uk/support/Registrars/aspiringregistrars.html/
Services in HE (AMOSSHE) to develop a toolkit of approaches to evaluation and benchmarking. ‘Student services’ includes a range of HE support, all contributing to the student experience. These areas include careers, financial advice, religion/belief guidance, child care and accommodation. This is a good example of a sector organisation taking the lead to understand the impact of the services they offer, which is expected to lead to greater levels of professionalism, improved tools for performance management of staff, and improved student services.

5.4.2 Apprenticeships

Background

Over the last decade the number of people taking apprenticeships has almost quadrupled, rising from 65,000 in 1997 to a quarter of a million in 2008. Currently more than 130,000 businesses offer apprenticeships in England across 80 industry sectors. In his 2006 report into UK Skills, Lord Leitch recommended that, to sustain and improve our position in the global economy, we should:

- boost the number of apprentices in the UK to 500,000 each year by 2020;
- build on the success of the apprenticeship route, expanding it to become a pathway which is open to every suitably qualified 16-19 year-old; and
- consider raising the participation age, so that all young people must remain in full or part-time education or workplace training up to the age of 18.

The role of employers

The public sector directly employs around 20 per cent of the national workforce but provides less than 10 per cent of apprenticeships places. Public sector apprenticeships will become more important because they offer a key opportunity to enable young people and adults to reach their potential and help see the country through the current difficulties. In February 2009, to mark the start of National Apprenticeship Week, the Government announced 21,000 new apprenticeships in the NHS, education and local government from April 2009. The places will

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145 For more information see www.hefce.ac.uk under Leadership, governance & management/LGM Fund.
146 An apprenticeship is a form of vocational training based on a mixture of work-based and theoretical learning.
help to fulfil the Government's pledge to create 35,000 additional apprenticeship places. The plans include 2,500 more places in FE colleges and HEIs, including childcare, business administration, horticulture and vehicle maintenance. Currently, around 1.3 per cent of apprentices are within the HE sector\textsuperscript{151}.

The Department for Business, Innovation and Skills (BIS) conducted a poll of HR directors in December 2009 to try to establish how many institutions currently offer apprenticeship schemes, in order to report HE’s contribution to the public sector target to Ministers. Of those institutions that responded, 46 HEIs reported that they are running formal, accredited, apprenticeship schemes. In addition, a small number of HEIs responded to say they ran trainee schemes, which were designed by the HEI itself and were not affiliated with a formal apprenticeship scheme.

\begin{table}[h]
\begin{tabular}{|l|}
\hline
\textbf{Case study: Northumbria University} \\
Northumbria University has developed an Apprenticeship Framework which provides young people with a structured way in which to start a career at the university. The initiative was specifically introduced to address a workforce need within the university, regenerating areas in which the workforce was otherwise aging (Computing, Engineering & Information Sciences and Built Environment) by introducing young staff at the bottom of the scale. \\
\hline
The university currently has four engineering apprentices who entered a 4 year apprenticeship scheme in September 2007. In addition, they took on five administrative apprentices on an 18 month - 2 year scheme and one science apprentice on a 2 year scheme in 2008. The apprentices are taken on at, or just below, grade 1 on the salary scale and are paid £170 per week – which is double the minimum pay for apprentices. \\
\hline
The university’s intention is to integrate all of its apprentices into its workforce after the apprenticeship schemes come to an end, so is purposely keeping numbers small and manageable. In the future the university might explore the option of offering apprenticeships to upskill young people, but not integrate them into their workforce at the end of the schemes. \\
\hline
\end{tabular}
\end{table}

\textsuperscript{151} See footnote 150.
This section explores issues and interventions that we regard as being the foundations of maintaining a high-quality workforce. Performance management systems have shown notable development over the last decade. However, the challenge remains for institutions to fully embed effective performance management, in particular the management of under-performance. The potential opportunities for HEIs to revitalise their approach to all strands of equality offered by the new Single Equality Bill are explored, noting the business benefits that successful diversity practice can bring. The sector’s capacity to deliver HE in challenging times requires strong and effective leadership, governance and management. While LGM investment in leadership development in HE has grown substantially over the last five years, this now needs cascading to middle management levels. The importance of establishing new approaches to talent management and succession planning at all levels of the institution is emphasised, alongside the need to support recruitment and retention strategies within an
increasingly competitive market. We describe a range of initiatives and recommendations to enable the sector to maintain and enhance its position as an employer of choice (for example working conditions, flexible working and employee wellbeing). The section concludes by considering the capacity of the HE workforce to meet the challenges of the future, describing the challenges for HE leadership, governance, academic workforce and related sector bodies.

The research studies informing this report have shown that there is an extensive range of emerging and evolving people management challenges to be overcome; these are described in detail in this section. Common to all of them is the requirement for HEIs to develop solutions appropriate to their individual contexts.

6.1 Performance management

6.1.1 Context

We set out the importance of performance in our strategic plan:\(^\text{152}\):

‘As a knowledge-based sector, the performance of the people who work in HE is crucial. They represent the biggest cost and the most significant asset. The actions we have set out to support the continuous improvement of leadership, governance and management should also support the development of people and organisational culture. However, because it is so important to sustaining the performance of the sector, we are taking a particular interest in this area.’

The Oakleigh Consulting HR director survey\(^\text{153}\) demonstrates that consultees saw 'Management of individual performance related to institutional goals' and 'Managing staff under-performance' to have developed since 2001, in particular the latter, which was also perceived to have started from a lower developmental base than other areas of HRM practice. Nevertheless, the survey also indicates that 'addressing management of poor performance' still emerges as a current and future priority area. Other consultees (including staff and unions) reflected on the potential scope for many institutions to develop clearer frameworks and structures around processes for performance review and development. The 2008 report by Guest and Clinton, commissioned by the LFHE, puts forward the view that:

‘Discussion and analysis about why HEIs face such difficulties implementing successful approaches to performance management have focused on the impact of cultural resistance and a misunderstanding of the role and value of performance management in HE. This active resistance and lack of belief in the value of practices, such as appraisal


and performance review, results in an implementation gap, as new systems and approaches are not prioritised or carried out in a ritualistic and ineffective way.\textsuperscript{154}

Almost all the stakeholders we invited to comment on HRM in the sector for this report cited the critical nature of performance management. The British Universities Finance Directors Group (BUFDG), for instance, commented that in the current economic climate, ‘performance management is the most critical [HR activity]’. Those staff tasked with the performance management of others should receive appropriate guidance and be assured of the institution’s full support as they carry out their managerial function.

Illustrative quotes from HE employees consulted show diverse views about how performance management has developed in HEIs since 2001:

‘Much emphasis on recruiting quality staff and making sure reward systems in place – also much more emphasis on performance management and thinking about staff/management relations.’

‘An emphasis on management of staff rather than management of work.’

‘Has improved, significantly, but still further improvement needed re. implementation and effectiveness.’ (Consultees, post-1992 institution)

In analysing the spending patterns of the second round of the R&DS initiative, we noted that:

• 1-10 per cent of HEIs used their R&DS funds to support training or development to help manage under-performance (for example, stress management support, training to line managers)
• 1-10 per cent used funds to enhance their monitoring procedures (for example, sickness/absence monitoring or identifying under-performance)
• 1-10 per cent used their funds to develop performance-related awards or pay frameworks (for example, recognition awards for specific groups of staff)
• 11-20 per cent of HEIs reviewed or implemented new performance management policies or procedures
• 21-30 per cent used R&DS funds to amend or develop their performance management system.

The levels of funding committed to performance management activities in the second round of the R&DS (under 10 per cent of the reported spend) were marginally less than in the first round (around 10 per cent). Interestingly, performance management has remained the R&DS strategic area with the least new financial investment throughout rounds one and two. However, financial drivers, the need to better manage and control costs, and the changes around mandatory retirement age will increase pressure to address performance management

and the management of under-performance. We are already seeing evidence of more systematic approaches to this in a number of HEIs.

### 6.1.2 Development of leaders and line managers

The Oakleigh evaluation\(^\text{155}\) recommends that leaders need the ability to take decisions and manage people’s performance in line with strategic objectives. This may entail greater empowerment of departmental heads and heads of services in directing staff priorities. It may also require institutions to review some of the provisions within their university statutes, which could have become redundant given the development of employment legislation and may act as an unnecessary hindrance to managers' ability to make decisions about people’s performance.

At line management levels, institutions may want to consider defining line managers’ roles more clearly and provide any necessary support, particularly in terms of setting a clear direction for their team, ensuring that people know what is expected of them, providing positive or negative feedback on performance, taking time to listen and providing genuine opportunities for involvement. The critical role that line managers play is highlighted in a 2007 CIPD report\(^\text{156}\) which notes that there can be a wide gap between policy and practice in performance management, partly attributable to poor line management behaviour. Some managers lack appropriate skills and find it hard to differentiate performance, or dislike having a ‘difficult conversation’. Managers may resent the bureaucracy involved, find it time-consuming, or simply lack commitment.

In the Oakleigh evaluation the majority of institutions confirmed the importance of developing the line manager role to address performance management, including under-performance. Some institutions cited performance review and appraisal schemes developed within the period; these included specific components for managing under-performance, alongside rewarding high performance. Others acknowledged that the capability development of managers in this area was yet to be fully addressed within their institutions. This was reflected in a 2008 staff survey at one institution, in which around two-thirds of staff polled perceived that their own line manager was not adequately supported by HR in managing staff (albeit many were unsure about what was provided).

### 6.1.3 Performance review and appraisal

While the R&DS spend over both rounds was limited, many institutions interviewed in the Oakleigh evaluation had implemented new performance development and review processes and systems; the remainder were looking to enhance or consolidate existing processes. However, feedback from staff consultees suggests that there remain areas in which approaches in some institutions could benefit from further attention. Staff development and

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\(^{156}\) John Purcell and Sue Hutchison, ‘Rewarding work: the vital role of line managers’, CIPD (2007).
appraisal systems are now built into the Quality Assurance Agency for Higher Education (QAA) institutional audit handbook\(^\text{157}\), which means that the performance management systems for academic staff will be subject to QAA scrutiny.

**Case study: pre-1992 HEI**

One institution studied by Oakleigh Consulting confirmed that it had made substantive progress in embedding performance management at institutional level, including introducing and rolling out a staff performance development review process, for which 90 per cent of staff had received an annual performance review. Heads of schools confirmed that the performance management landscape had changed significantly within the institution over the period. However, the institution acknowledged that staff surveys provided strong evidence to suggest that line managers were further advanced and supported in recognising and rewarding strong performance than in dealing with under-performance. A key outcome had been the perceived development (and recruitment) of a ‘new breed’ of young academics with specific interest in seeking promotion opportunities.

### 6.1.4 Promotion and reward

Promotion and reward are a key part of the wider performance management agenda at several institutions consulted by Oakleigh Consulting.

**Case study: pre-1992 HEI**

One case-study pre-1992 institution had embedded its personal development review scheme, undertaken a professorial salaries review process and introduced a contribution-based reward scheme to improve links between performance and reward. This has produced a faster, more efficient promotion process – the previous one was perceived to be too lengthy, at around nine months. Applications for promotion can now be made at any point in the year, and the institution sees progress in this area as important for retaining talent.

Contribution pay was a core element of the Framework Agreement, and the UCEA evaluation of implementation\(^\text{158}\) found that three-quarters of HEIs surveyed had introduced contribution-related pay into their local agreements. Of these, 66 per cent had schemes up and running, but only a third had introduced new performance management arrangements. HEIs cited organisational culture and lack of management capacity as the main reasons for not introducing contribution pay. HR directors felt that line managers would need significant support and training to be able to use contribution pay effectively. Performance-related increments (i.e. pay increases outside of the national pay negotiations) are the most common form of contribution pay.


\(^{158}\) UCEA, ‘A review of the implementation of the Framework Agreement for the modernisation of pay structures in higher education’ (September 2008).
The debate on promotion and reward of teaching in HE continues. In its 2008 survey of over 2,700 teaching staff (in a project looking at reward and recognition of teaching\(^{159}\)), the Higher Education Academy found that:

- four in five respondents were aware of institutional initiatives for learning and teaching. Respondents had least experience of accredited learning and teaching programmes; half thought that those initiatives had some or considerable positive impact on the esteem of teaching and learning
- for four in five respondents, research was as important as it should be in making appointments and promotions, while teaching should be much more important than it is at the moment; 52 per cent thought it was important while 90 per cent thought it should be important.

### 6.1.5 Managing under-performance

The members of staff Oakleigh consulted as part of its research commented positively on their institutions taking proactive action in this area. For example, at one (post-1992) institution, staff commented on the value of resources, time and effort spent by HR managers across faculties in coaching and mentoring line management staff, and the positive effect on managers’ ability to address under-performance.

Feedback from staff at other institutions was more ambivalent about the extent to which strong policies and practices were being applied ‘on the ground’:

- ‘The approach is well developed; the practical application is not always joined up.’
- ‘Improved greatly [but] still quite prolonged, the rather ‘risk adverse’ approach has led to not tackling these issues as directly as they often need to be dealt with.’

(Consultees, pre-1992 institution)

### 6.1.6 Impact of age legislation on performance management

The results of a staff survey undertaken as part of the HEFCE-funded project ‘Developing good practice in managing age diversity in the HE sector\(^{160}\) showed widespread support among respondents of all age groups towards the idea of not having a fixed retirement age in the workplace. HE managers in focus groups discussing the survey’s findings raised two key issues: succession planning and performance management. This report discusses these themes in detail, but they have been brought into focus by the workforce demographic profile and legislation introducing the ‘right to request’ to continue working beyond retirement. Most managers believe there needs to be a robust and fair performance management system, not

\(^{159}\) Higher Education Academy, ‘Reward and recognition of teaching in higher education’ (February 2009) pages 16-19.

\(^{160}\) Simonetta Manfredi, ‘Developing Good Practice in Managing Age Diversity in the Higher Education sector: An Evidence-Based Approach’, Oxford Brookes University (December 2008), accessed via [www.brookes.ac.uk/services/hr/cdprp/age/index.html](http://www.brookes.ac.uk/services/hr/cdprp/age/index.html)
intended in a punitive sense, but to ensure that all employees are enabled to perform at the best of their abilities, at whatever stage in their career.

6.2 Equality and diversity

6.2.1 Context for E&D in higher education

Since the last HEFCE workforce report, the contribution made by legislation, the creation of the Equality and Human Rights Commission and the introduction of further legislation to promote equality has increased recognition and acknowledgement that the equality debate is an integral part of the HE landscape. Further legislation, expected in 2011, will likely extend current duties; HEIs will have to consider how their policies, programmes and service delivery will affect people with protected characteristics (defined in the draft Equality Bill as age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race, religion and belief; sex and sexual orientation). More than ever before, clear vision, policy and priorities are needed.

While equality legislation is now extensive and imposes specific responsibilities on institutions, HEIs must move beyond compliance, which many are already doing. The competition for students will also place a greater onus on HEIs to meet the needs of a diverse student population; institutions’ ability to address the needs of various groups will be key to attracting them. The business case for equality and diversity (E&D) is strong, and benefits arising from best diversity practice include:

- a wider talent pool of potential recruits
- increased employee engagement
- reductions in absenteeism and staff turnover, because of a more equal and fair working environment
- more creative and innovative service development
- enhancement of organisational reputation to suppliers, customers and prospective and existing employees
- changes to organisational culture, such as improved working relations and reductions in litigation.

Data collection

Data collection has seen vast improvement since 2002-03 when the HESA staff record was enhanced to include detailed information about professional and support staff, in addition to academics, for the first time. Since then, the record has been further extended to atypical and casual staff to capture key information needed for effective monitoring of equal opportunities at all levels of the sector. Nicola Dandridge, former Chief Executive of the Equality Challenge Unit, wrote in the foreword to an ECU report on equality in HE that:

‘Transparency is a prerequisite for equality and diversity. In the higher education sectors of most other countries in the world, these data are not available and inequalities often remain invisible and unacknowledged. The level of transparency provided by the HESA
data set is something of which the UK higher education sector should rightly be proud.¹⁶¹

Equality Challenge Unit

The Equality Challenge Unit, established in 2001, works to promote equality and diversity for staff and students in HE by supporting institutions in their legal duties and promoting best practice for equality, commissioning research and piloting new approaches. The 2009 evaluation of ECU by PricewaterhouseCoopers found that practitioners and institutional leaders regard it as a trusted source of diversity and equality advice, good practice and leadership; 81 per cent of respondents to a sector-wide survey agreed that ECU has been successful in raising the profile of equality and diversity in the sector¹⁶².

Gender

There is a positive and increasing trend of more women in academic posts (see Figure 11), with the proportion rising from 27 per cent in 1995-96 to 39 per cent in 2008-09. The highest proportions are in subjects allied to medicine (61 per cent), education (61 per cent) and languages (52 per cent). The subjects with the greatest growth in female academic staff over the last four years are veterinary sciences/agriculture/related subjects (up by 5 per cent) and medicine and dentistry (up by 5 per cent). Only one subject has registered a decline in female staff and that is subjects allied to medicine (a 1 per cent decrease since last year, but from a high base).

While women are usually well represented in HEIs as a whole, there remains a lack of them in senior positions, particularly in academic posts. Their representation is relatively low in science, technology, engineering and mathematics (STEM) departments, with just 10 per cent of professors in these disciplines being women, and significantly fewer in engineering (see Table 19). Medicine and dentistry have 15 per cent female professors. Likewise, male staff are under-represented in administrative and support roles. To achieve a better balance of women and men across disciplines and grades, and between academic and support staff, universities are being encouraged to develop progressive policies and activities to develop the careers of both genders in equal measure.

Both women and men are more likely to be employed on a permanent contract than on a fixed-term contract, but a slightly lower proportion of permanent academic male staff (75 per cent) than of permanent academic female staff (76 per cent) are on permanent contracts.

¹⁶¹ Helen Connor, 'Equality in higher education statistical report', ECU (December 2008).
¹⁶² PricewaterhouseCoopers, 'Review of the Equality Challenge Unit' (June 2009).
The proportions of female professional and support staff have remained stable, at around 62 per cent, since 2005-06 but there has been a small increase (2 per cent) in the proportion of female technicians and managers and professionals. There has been a slight decrease (1 per cent) in the proportion of female support administrators, now standing at 80 per cent. Generally, the number of female academic and professional/support staff identified as being ‘senior post holders’ on the HESA staff record has been increasingly steadily for the last four years – from 31 per cent in 2005-06 to 34 per cent in 2008-09 (see Table 20).
Table 20: Proportions of men and women identified as being a senior post holder

<table>
<thead>
<tr>
<th></th>
<th>2005-06</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>1,445</td>
<td>1,520</td>
<td>1,525</td>
<td>1,610</td>
</tr>
<tr>
<td>Male</td>
<td>3,170</td>
<td>3,210</td>
<td>3,190</td>
<td>3,195</td>
</tr>
<tr>
<td>Total</td>
<td>4,615</td>
<td>4,730</td>
<td>4,720</td>
<td>4,800</td>
</tr>
<tr>
<td>% Female</td>
<td>31%</td>
<td>32%</td>
<td>32%</td>
<td>34%</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 1995-96 to 2008-09.

Notes: Data checks have identified an institution that reported senior management post holders incorrectly. Its staff have been removed from this analysis, and this has resulted in approximately 20 excluded staff.

We investigated whether the rate of increase of female professors was what we might expect, given the numbers of starters and leavers to the sector (see Figure 12). To do this, we used the projections formulated for ‘Academic staff: trends and projections’ (HEFCE 2002/43) and plotted these against the actual proportions in these years\(^\text{163}\). The rate of increase in the proportions of female professors appears to be slightly faster than we projected it would be.

Figure 12: Proportion of UK permanent professors who are female

\(^{163}\) In this figure, we used the proportions of professors and above, rather than ‘senior post holders’, as this is what the 2002 projections were based on. The ‘senior post holder’ category includes both academic and non-academic staff. The collection of data for non-academic staff has only been done on an individualised basis since 2003-04.
Ethnicity

Black and minority ethnic (BME) staff continue to be under-represented at senior levels in HE (although the trends are moving upwards). We have funded ECU to coordinate a Race Forum project164 to identify a range of initiatives to address issues affecting BME staff in the sector and to help HEIs meet the public sector duty to promote race equality, with particular reference to recruitment, retention, promotion and development of BME staff and inclusion in governance structures.

Since the implementation of the monitoring duties under the Race Relations (Amendment) Act 2000, the position of BME staff in HE has been increasingly well recorded and monitored. The majority of the trends with regard to BME staff in HE have been showing positive improvements, as, at the least, disclosure and monitoring systems have improved. Across the whole sector, the proportion of staff from a BME group has increased steadily over the last four years, with a slight decrease in the proportion of BME international staff (see Table 21).

### Table 21: Proportion of permanent academic staff from BME groups, by nationality

<table>
<thead>
<tr>
<th></th>
<th>% from BME groups</th>
<th>% difference between 2005-06 and 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005-06</td>
<td>2008-09</td>
</tr>
<tr>
<td>UK national</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>Non-UK national</td>
<td>23</td>
<td>22</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>9</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 1995-96 to 2008-09.
Notes: Excludes those staff with unknown nationality or ethnicity.

These numbers are in contrast with the numbers of BME UK-domiciled students in HE (17 per cent in 2008-09), but in line with the proportions in the wider UK population.

### Table 22: Proportions of UK-domiciled staff from BME groups identified as being a senior post holder

<table>
<thead>
<tr>
<th>Ethnicity</th>
<th>2005-06</th>
<th>2006-07</th>
<th>2007-08</th>
<th>2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>4,060</td>
<td>4,140</td>
<td>4,080</td>
<td>4,100</td>
</tr>
<tr>
<td>Other ethnic group</td>
<td>125</td>
<td>130</td>
<td>135</td>
<td>150</td>
</tr>
<tr>
<td>Not known</td>
<td>90</td>
<td>90</td>
<td>110</td>
<td>105</td>
</tr>
<tr>
<td>Total</td>
<td>4,275</td>
<td>4,365</td>
<td>4,325</td>
<td>4,355</td>
</tr>
<tr>
<td>% other ethnic (known)</td>
<td>3.0%</td>
<td>3.0%</td>
<td>3.2%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 1995-96 to 2008-09.
Notes: Data checks have identified an institution that reported senior management post holders incorrectly. Its staff have been removed from this analysis, and this has resulted in approximately 20 excluded staff.

164 See [www.ecu.ac.uk/our-projects/race-forum](http://www.ecu.ac.uk/our-projects/race-forum)
The proportion of BME people in senior posts has risen in 2008-09, continuing the cautious trend we noted in 2007 (see Table 22). Overall, there has been a 0.6 per cent rise from the 2003-04 baseline. The ‘future leaders development programme’ is a leadership development programme developed by Imperial College and funded through our LGM Fund. It is designed specifically to develop leadership strategies that reflect the unique challenges and experiences of BME academic and professional staff. The programme focuses on leadership characteristics and qualities, in order to identify and work on the strengths that participants from minority cultures contribute.\textsuperscript{165}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure13.png}
\caption{Proportion of UK permanent academic staff from BME groups by grade}
\end{figure}

\textbf{Disability}

The proportion of staff in HE declaring a disability is less than in the student population (7 per cent of first year UK-domiciled students in 2007-08 declared a disability). Table 23 shows the proportions of HE staff with a declared disability.

\textsuperscript{165} See \url{www.hefce.ac.uk} under Leadership, governance & management/LGM Fund/Projects funded to date (LGMF-195).
Table 23: Number and proportion of staff declared disabled\(^{166}\)

<table>
<thead>
<tr>
<th>Disability status</th>
<th>Number of staff</th>
<th>%</th>
<th>Number of staff</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not known to be disabled</td>
<td>260,820</td>
<td>97.4</td>
<td>281,420</td>
<td>96.9</td>
</tr>
<tr>
<td>Declared disabled</td>
<td>6,940</td>
<td>2.6</td>
<td>8,870</td>
<td>3.1</td>
</tr>
<tr>
<td><strong>Total with known disability status</strong></td>
<td><strong>267,760</strong></td>
<td><strong>100</strong></td>
<td><strong>290,285</strong></td>
<td><strong>100</strong></td>
</tr>
<tr>
<td>Information not provided</td>
<td>24,670</td>
<td></td>
<td>24,670</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>292,435</strong></td>
<td></td>
<td><strong>314,960</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 1995-96 to 2008-09.

Notes: An institution returned incorrect data on its staff disability status; as a result, a small number of declared disabled staff are currently being reported as not known to be disabled.

We see a rise in the number of staff with a declared disability between 2005-06 and 2008-09 from 2.6 per cent to 3.1 per cent. The growth is small, and we discuss below some of the challenges regarding collection of disability data. Numbers of professional and support staff with declared disabilities is slightly higher than the overall staff population, at 3.7 per cent in 2008-09 (see Table 24), and has shown a steady increase since 2005-06.

Table 24: Professional and support staff by disability status

<table>
<thead>
<tr>
<th>Primary professional/support function</th>
<th>% declared disabled</th>
<th>% difference between 2005-06 and 2008-09</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005-06</td>
<td>2008-09</td>
</tr>
<tr>
<td>Managers and professionals</td>
<td>2.5</td>
<td>3.3</td>
</tr>
<tr>
<td>Technicians</td>
<td>3.6</td>
<td>4.2</td>
</tr>
<tr>
<td>Support administrators</td>
<td>2.8</td>
<td>3.7</td>
</tr>
<tr>
<td>Other</td>
<td>3.0</td>
<td>3.6</td>
</tr>
<tr>
<td><strong>Total with known disability status</strong></td>
<td><strong>2.9</strong></td>
<td><strong>3.7</strong></td>
</tr>
<tr>
<td>Not known/not given</td>
<td>10,555</td>
<td>11,375</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>141,490</strong></td>
<td><strong>151,320</strong></td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 1995-96 to 2008-09.

In monitoring numbers of disabled senior staff, we note that numbers of declared disabled people at senior levels are small and have shown little change in the last three years (see Table 25). It is notable that the proportions of disabled people at senior grades are lower than the proportions of declared disabled people in the total HE staff population (2.9 per cent compared to 3.1 per cent in 2008-09).

\(^{166}\) Disability status is a field on the HESA record which relies on individual members of staff to disclose their status. We report only on the proportion of staff for whom disability status is ‘known’.
Table 25: Proportions of senior staff in HEIs declared disabled

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Declared disabled</td>
<td>95</td>
<td>105</td>
<td>110</td>
<td>140</td>
</tr>
<tr>
<td>Not disabled</td>
<td>4,280</td>
<td>4,350</td>
<td>4,290</td>
<td>4,490</td>
</tr>
<tr>
<td>Not known/not given</td>
<td>240</td>
<td>280</td>
<td>315</td>
<td>175</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>4,615</strong></td>
<td><strong>4,730</strong></td>
<td><strong>4,720</strong></td>
<td><strong>4,800</strong></td>
</tr>
<tr>
<td>% declared (known)</td>
<td>2.1%</td>
<td>2.2%</td>
<td>2.3%</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Source: HESA individualised staff record 1995-96 to 2008-09.

Notes: Data checks have identified an institution that reported senior management post holders incorrectly. Its staff have been removed from this analysis, and this has resulted in approximately 20 excluded staff.

Improving the numbers of women, people from ethnic minority groups and disabled people at senior levels in HE by 2010-11 is one of our Key Performance Targets. We have seen progress in the numbers of women and increases in the numbers of BME senior staff. Further, we note that numbers of declared disabled people at senior levels is beginning to show improvement (see Table 25). The proportions of disabled senior staff is now close to the proportion of declared disabled people in the total HE staff population (2.9 per cent compared to 3.1 per cent in 2008-09) and it is hoped that this trend will continue.

If HEIs hope to encourage disclosure, and in order to ensure that disabled staff in HE are supported, they will need to engage in particular with the provision of adjustments – including anticipatory adjustments – for disabled staff. ECU’s study about disclosure[^167] showed that, despite effective practice to improve disclosure rates across the sector, recent statistics indicate that the percentage of disabled staff who have declared their disability status to their employers is low: figures from HESA for 2008-09 show a rate of 3.1 per cent. When compared with the benchmark figure of 9 per cent of people who, according to the British Labour Force Survey in 2004, were working in HE in the UK and had a disability, the HESA statistics suggest a level of under-reporting that is a cause for concern. ECU piloted a range of interventions in eight institutions during 2007-08 that will inform good practice in increasing disclosure rates and published a guide for institutions in October 2009, ‘Developing staff disclosure: A guide to collecting and using equality data’[^168].

**Sexual orientation**

The new Equality Bill is likely to extend the current public sector duties to include sexual orientation alongside age, gender reassignment, pregnancy and maternity, and religion and belief. A report published by ECU in spring 2009[^169] details the experiences of lesbian, gay,

[^168]: ECU, ‘Developing staff disclosure: A guide to collecting and using equality data’ (October 2009).
[^169]: ECU, ‘The experience of lesbian, gay, bisexual and trans staff and students in higher education’ (March 2009). Survey based on 1,500 responses from LGBT staff in HE.
bisexual and trans (LGBT) staff and students in higher education\textsuperscript{170}. Its results indicated evidence of discrimination and harassment against LGBT staff. The report revealed that

- 23 per cent of trans staff and 4.2 per cent of lesbian, gay, and bisexual staff felt they had been denied a promotion because of their sexual orientation or gender
- almost one-third of LGBT staff revealed that they had received homophobic or biphobic comments
- 11 per cent said they had encountered homophobic/biphobic verbal abuse.

The survey also revealed that 30 per cent of trans staff and 14 per cent of lesbian, gay, and bisexual staff feel informally excluded in their current place of work. Little benchmark data is available about the experiences of and levels of discrimination against LGBT people in the wider UK workforce, so it is difficult to know whether the levels in HE are better or worse than the rest of society. The Workplace Equality Index operated by Stonewall\textsuperscript{171} indicates that education, construction and healthcare are priority sectors for further action on lesbian, gay, and bisexual equality (its sample is based on 300 organisations that enter their scheme on an annual basis); however, two English and one Welsh HEI feature in its ‘top 100’ employers for 2010.

At the moment, few institutions monitor the sexual orientation of their staff, and difficulties exist for HEIs in encouraging staff to disclose sensitive and personal information of this nature. It is still unclear whether future legislation will contain a specific duty to monitor but it will extend the public sector duty to sexual orientation to promote equality of opportunity and good relations between different groups. However, a growing number of HEIs – in which robust data collection and storage arrangement make monitoring sexual orientation feasible – are successfully collecting this data and reporting benefits from doing so.

6.2.2 Challenges for the future

Single Equality Bill

Looking ahead to the implementation of the Single Equality Bill, there are both challenges and opportunities for HEIs to engage with its agenda. One challenge to HEIs is to monitor their staff and students, impact-assess their policies across nine different strands, and address some of the perceived conflicts involved in ensuring everyone’s rights are upheld. Benefits will include having a unifying piece of legislation, such as having policies and action plans that address all areas of equality and disadvantage together.

Governance for equality

One challenge for many HEIs is the need to mainstream the HR function into overall strategic planning at governing body level, with issues of equality and diversity forming part of that process. Responsibility for ensuring compliance, and acknowledging the strategic importance

\textsuperscript{171} See www.stonewall.org.uk/workplace/1477.asp
of equality and diversity to the institution, rests in the first instance with governing bodies. To support governors in this role, the Committee of University Chairs (CUC) – jointly with the LFHE and ECU – produced guidance on equality and diversity issues for governors in 2009.\footnote{‘Governing bodies, equality and diversity: A handbook for governors of higher education institutions’ ECU and LFHE (April 2009).}

**Research Assessment Exercise 2008**

An analysis of the selection of staff in RAE2008\footnote{‘Selection of staff for inclusion in RAE2008’ (HEFCE 2009/34) (September 2009).} revealed that, overall, there was a difference between the rate of selection of men and women in RAE2008. For example, in the permanent academic staff pool 67 per cent of men were selected compared to 48 per cent of women. Bibliometric evidence\footnote{‘Selection of staff for inclusion in RAE2001’ (HEFCE 2006/32) (August 2006).} suggests that the lower selection rate of women in the 30-50 age range was due to a lower proportion of women having a research record that leads them to be selected, rather than bias in the selection process. This lower proportion in itself could be caused by a number of factors, for instance as a result of inequalities in the research careers of men and women. Further qualitative work is being undertaken on this topic to understand better the issues that need to be addressed.

In terms of the selection of staff from BME groups, analysis of RAE2008 revealed selection rates of around 58-60 per cent for staff from different ethnic groups. However, staff from Black ethnic groups had a much lower selection rate than other groups (37 per cent). This lower rate was partly the result of a higher proportion of these staff being employed in departments that did not make an RAE2001 submission. But even when non-submitting departments were excluded, the selection rate for staff from Black ethnic groups (40 per cent) was much lower than for others (60 per cent for all groups). HEFCE and ECU are doing further work on this issue to ensure the fair treatment of equality groups under the forthcoming Research Excellence Framework.

### 6.2.3 Institutional responses

The findings of the Oakleigh evaluation\footnote{Oakleigh Consulting, ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001’ (June 2009).} revealed that the areas of most notable development identified in equality and diversity across institutions were:

- growth in the appointment of strategic E&D specialist staff within the HR function
- growth in the strategic positioning of E&D targets, and associated management information to enable better monitoring of these
- visibility of E&D issues within and outside the HR function.

HEIs are increasingly developing new approaches to address equalities issues in their own contexts. ECU and the Athena SWAN\footnote{ECU and the Athena SWAN co-ordination team are proactive in capturing and celebrating this emerging practice, as the case study below demonstrates.} co-ordination team are proactive in capturing and celebrating this emerging practice, as the case study below demonstrates.
Case study: University of Sheffield
The University of Sheffield’s Women Academics Returners’ Programme provides a grant of £10,000 to women academics and researchers who return to work after maternity leave, to cover teaching duties or to support research activities. The university has committed over £1.5 million to the programme. Fifty-four women have participated to date. Before introducing the programme, although nearly 100 per cent of female academics and researchers returned to work following maternity leave, nearly one in four of them would subsequently leave the university. Since introducing the programme, this proportion is now one in seven. The university estimates that the women who participated in the programme have subsequently generated over £6.2 million in research income for the university, benefiting the university as well as their own careers.

There is also a growing trend for institutions to create and facilitate inter-faith dialogue groups for staff and students, which can provide a good forum for debate, as the case study below illustrates.

Case study: University of Birmingham
The University of Birmingham Medical School has been holding a staff/student consultative forum on faith matters for some years. Forum seminars present a range of speakers from a spectrum of religious and cultural backgrounds. Students set the topics and invite speakers on issues they want to address and share with peers from communities different from their own. Seminar topics have included ‘Organ donation in Islam’, ‘Jews and their genes: examining genetic diseases in the Jewish community’ and ‘Breaking the silence: an examination of the psychological impact of forced marriages’.

Other HEIs are responding positively and creatively to the sensitivities around timetabling, annual leave and religious festivals:

Case study: University of Bradford
The University of Bradford aims to accommodate staff requesting leave for religious observance, provided these days are booked at the beginning of the academic year, or when timetables are being drawn up for the forthcoming year. Statutory and customary holiday arrangements include Christmas and Easter, both of which are Christian religious festivals. Those staff practising other religions or comparable philosophical belief will normally be entitled to take three days of their holiday entitlement on the dates of most significance to them. Further requests for holiday entitlement to be taken at times of religious significance will be treated sympathetically. For all staff, regardless of religious belief or similar philosophical belief, the number of annual days overall will remain as in the contract of employment.

176 The Athena SWAN Charter recognises and celebrates good employment practice for women working in science, engineering and technology in HE and research see www.athenaswan.org.uk/html/athena-swan/
ECU will also be conducting research in 2010 into the inclusion and participation of staff members of different religions and beliefs across the sector, to provide HEIs with additional insight into measures which will ensure compliance with legislation which prohibits religious discrimination.

6.3 Leadership development

The HE sector’s capacity to deliver higher education in challenging times requires strong and effective leadership, governance and management. Many institutions have made substantial and innovative progress in enhancing leadership and management capabilities, yet this is still an area which requires further support. Institutions will need to develop tailored solutions to leadership development, particularly for middle management, by building on the LFHE, institutions’ own programmes, and schemes such as our Leadership, Governance and Management Fund178.

6.3.1 Impact of the global economic recession on LGM

The demands on the leadership, governance and management of institutions arising from the global economic recession will be considerable. The sheer scale and nature of the changes now affecting HE have not been experienced by the majority of leaders and senior managers before. Senior management teams are facing considerable challenges due to the cumulative impact of the challenges facing institutions. Access to good quality management information will be vital to ensure senior management teams have the necessary tools to inform their decision-making. In addition, institutions need to make well-informed, rapid decisions via speedy and agile decision-making processes, and develop a greater willingness to make difficult decisions if required179.

Effective HRM can support LGM development to enhance capabilities and strengthen leadership teams for the future180. The Oakleigh Consulting survey of HR directors highlighted a number of LGM development activities under way in the sector, including:

- development of individual management competencies
- in-house design and roll-out of development programmes for senior managers
- partnership working with LFHE and private providers
- increasing the resources allocated for leadership and management development activities.

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178 ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001’ (June 2009).
179 Grant Thornton, presentation at BUFDG annual conference 2009.
180 The LFHE research report ‘The composition, challenges and changes in the top team structures of UK higher education institutions’ by Tom Kennie and Steve Woodfield (LFHE, June 2008) gives a detailed discussion on the attributes and key challenges for leadership teams in HE.
PA Consulting’s report identifies recommendations for the possible long-term strategic responses to the leadership development challenge:

- clearly defining leadership roles and the associated skills (while every HEI needs its senior management team to combine academic credibility and LGM skills, different strategies need their own balance of these skills)
- clearly defining alternative career routes to institutional leadership – HEIs may consider different progression routes for their most talented individuals
- ensuring the effectiveness of the senior management team, perhaps by putting in place a more permanent academic management structure, based on specific role descriptions and on well-defined management career paths
- identifying and developing potential leaders by nurturing talent and ensuring effective succession planning.

6.3.2 LGM development

The capabilities to lead, manage and motivate staff are essential pre-requisites for maintaining a high-quality workforce. The unprecedented cost and market pressures and a demanding employment law framework places extraordinary demands on HEIs’ leaders, governors and managers. The ability to lead and manage cultural change was cited by all our consultees as the key skills required of top management. Many institutions have made substantial and innovative progress in enhancing leadership and management capabilities, although more remains to be done. The ‘middle management challenge’ is one that all sectors are facing: how to develop tailored development solutions for middle managers that bring about lasting transformational change?

The LFHE, institutions’ own programmes, and schemes such as our Leadership, Governance and Management Fund have all laid good foundations, but the momentum must be maintained. Encouragingly, research focusing on leadership and organisational development across the whole of UK HE, reveals growth in investment in leadership development in HE over the last five years: 58 per cent of institutions reported that spending on leadership development had increased at or above the rate of inflation year on year. This is reinforced by the evaluation of our Rewarding and Developing Staff Initiative (R&DS), which found that over 30 per cent of HEIs had invested R&DS funding in management/leadership development activities. However, this research suggests that current levels of investment may fall short of what will be required to succeed in an uncertain and challenging future.

Governors will want to be assured that the HEI has effective mechanisms for workforce planning and management; that it has the right skills mix to deliver its mission; and that the

The institution is managing its overall staff costs effectively. The skill-sets that leaders and managers of HEIs will need are likely to shift, requiring greater focus on the professional competencies which support financial health: for example, strategy formulation, portfolio management, project and process management, cost control, and effective procurement and investment strategy. For instance, the LFHE has comprehensively reviewed its programmes and services aimed at leaders, governors and senior managers to ensure that the relevant skills and competencies for managing in an economic downturn are mainstreamed. Our Leading Transformational Change fund is a specific development to enhance knowledge and understanding to equip HE leaders and managers for the challenges of the future.

Analysis of institutional investment plans for our R&DS funding indicates that the area ‘Staff development and training’ was the most frequently reported activity across all institutions, including activities that appeared to be linked explicitly with particular staff groups featuring within institutional plans (including management and leadership activity, and activities targeted at teaching, research and support staff). One highlighted area was developmental support for in-house leadership development programmes. The considerable investment by institutions of R&DS funding in leadership and management development activities reflects HEIs’ beliefs that such activities represent the most significant way in which to bring about transformational change. For example, one (pre-1992) institution noted that while it would have funded many of its HRM activities over the period even if the R&DS initiative had not made additional funding available, R&DS funding used for leadership and management training and executive coaching had a positive impact on raising levels of awareness and understanding among managers, and enabled the university to secure additional ongoing support for investment in this area. As noted by the HR director, the funding ‘helped speed the pace of change and enable the university to take a deeper approach’.

**Institution case study – leadership and management development**

One (pre-1992) institution has introduced a range of initiatives to target leadership and management development since 2001 including:

- A dedicated leadership and management development manager working with senior managers to tailor programmes for both university and individual needs.
- Comprehensive leadership and management web-site providing details of all managerial development opportunities.
- Coaching service for senior managers – described by one participant as ‘a breath of fresh air [that] helped me both to re-orientate myself professionally and to achieve better integration of my home and work life’.

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184 See [www.hefce.ac.uk](http://www.hefce.ac.uk) under ‘Leadership, governance & management/LGM Fund/Leading Transformational Change for more information.

• Online 360-degree appraisal system and a range of personality profiling tools made available to all senior managers.
• Lunchtime briefing meetings run by a Leadership and Management Fora Programme.
• Support for middle managers through a Technical and Resource Managers Group offering training, communications and mutual support.

This institution noted in the results of an extensive staff survey in 2007 that staff reported a ‘marked improvement in the way senior managers and university leaders are perceived on the whole’, over the period since 2003.

Staff consultees were broadly positive about these developments, being keen to see this as a continued growth area, while highlighting that alternative ‘talent management’ routes should still be considered for some staff groups.

6.4 Talent management and succession planning

Talent management is defined as ‘the systematic attraction, identification, development, engagement, retention and deployment of those individuals with high potential who are of particular value to an organisation’\(^{186}\). It focuses on individual needs to bring out the potential of each, and recognises the necessity of retaining key personnel in a competitive labour market\(^{187}\).

Talent management is considered by many organisations as being one of the main strategies for ‘future proofing’ businesses – and is especially important within the current economic recession. A survey of 700 businesses in November 2008\(^{188}\) identified that many organisations continue to see talent management as a key survival strategy to differentiate them from competitors, and position them to benefit from the eventual upturn.

Succession planning has, by contrast, a bias towards satisfying organisational requirements. It is concerned with identifying posts that are critical to success and deciding how best to satisfy future requirements, and developing strategies to determine the optimum mix of internal and external recruitment\(^{189}\). It is most common for succession planning to cover only the most senior jobs within an organisation, together with short-term and longer-term successors for these posts\(^{190}\).

6.4.1 Talent management and succession planning within the HE sector

Talent management and succession planning are key areas for the sector in attracting, retaining and developing staff. In 2008, 24 per cent of HEIs contributing to the DLA Piper HR

\(^{186}\) CIPD, ‘War on Talent? Survey report’ (February 2009).
\(^{188}\) See footnote 186.
\(^{189}\) See footnote 185.
\(^{190}\) CIPD, ‘Succession planning factsheet’ (May 2009).
Benchmarker survey identified management development/leadership/talent management as one of the three most important HR initiatives for their institution over the next 12 months\textsuperscript{191}.

The Oakleigh study\textsuperscript{192} identified considerable variability in how institutions are implementing talent management and succession planning. Some institutions consulted in the study consider there to be a lack of development of the ‘internal supply chain’ (in other words building talent internally). However, the study also revealed evidence that some institutions are taking a longer-term view and are thinking about how to attract talent; for example, gaining a reputation for excellence.

Some staff groups questioned whether conventional managerial progression and development routes are right for some valued roles, and have highlighted the importance of recognising alternative incentives for key staff (as in non-financial benefits, such as additional time available for research or pursuit of individual practice). Some see this as an essential part of embedding reward and recognition practices.

The Oakleigh study identified succession planning and talent management as being areas in which institutions wished to see further progress made. The profile of these areas is already being raised within some institutions, although other institutions acknowledged that longer-term reviews of capability requirements (rather than merely headcount requirements) have not historically formed part of institutional core strategic activity.

Some institutions are specifically targeting the area of talent management and have made considerable progress in this area in recent years.

\textbf{Institution case study – talent management}

One (post-1992) institution has within the last three years built upon its identification of desired management capabilities for its senior managers, by establishing and nurturing ‘pools’ of staff targeted as future academic leaders through a Leadership Development Programme. This project has been co-ordinated by the HR director with support from specialist development and learning personnel and input from the senior management team.

The institution is now seeking to further develop this ‘alumni’ group through further planning master-classes and ongoing developmental support, and the new head of institution is keen to include this group in future strategic development work (such as workforce planning) – thus enabling these staff to take greater ownership for both their own individual development within the institution, and the future strategic shape of the university.

\textsuperscript{191} DLA Piper, ‘HE Benchmarker: HR Performance Indicators’ (2008).
\textsuperscript{192} Oakleigh Consulting, ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001’ (June 2009).
Institution case studies – succession planning

The University of Bradford has put in place a succession planning scheme, entitled Talent for Leadership, to identify and develop its future leaders. The scheme includes a diagnostic process, to identify potential talent across the university, and a development programme, tailored to each individual, providing a range of activities – such as involvement in high-profile projects, mentoring/coaching, and shadowing, aimed at preparing talented individuals for senior management roles.

At the University of Sunderland, professional managers, who may not have followed ‘traditional’ academic career routes, oversee parts of the academic portfolio – for example quality management, student recruitment and student support. The university has introduced different career routes for senior managers – with an ‘academic route’ leading to Professor, and a ‘management route’ leading to Head of Department roles. A common focus on providing a high-quality student experience ensures close working relationships between academic and business support managers.

A joint UPA – CIPD report identified challenges and key messages for HR around succession planning and talent management in HEIs. Challenges include: how to balance organisational requirements for talent management with individuals' developmental requirements; how to spot and promote talent while following equality guidelines; and how to balance the talent management needs at school/departmental level with the approach set out in the institution’s strategic plan. A key message identified in the report is the need for HR to take a more strategic approach, for example developing a talent management strategy and a management development strategy for the institution. Anecdotal evidence from the LFHE suggests that development centres (which could form part of a talent identification or management process) are relatively new and under-utilised in the HE sector; this might be an area for future development by HEIs.

6.5 Making HE an employer of choice

The UK higher education system’s world-class reputation relies on its ability to attract, retain and motivate high-quality staff in an environment which supports creativity, innovation and autonomy. It is therefore important that HE is regarded as an attractive employer and works hard to engage, motivate and reward its staff competitively. This section outlines some context and challenges for this aim, and highlights examples of sector-wide projects and HEIs which have piloted effective approaches.

193 ‘The Future Workforce for Higher Education: a report to HEFCE by PA Consulting Group’ (February 2010) can be read at www.hefce.ac.uk under Publications/Research & evaluation.
195 Development centres can be defined as ‘… the use of Assessment Centre technology for the identification of strengths and weaknesses to diagnose development needs that will facilitate more effective job performance/career advancement which in turn contributes to greater organisation success.’ (Ballantyne and Povah, 2004, page 142).
6.5.1 Non-pay benefits

Traditionally, HE has enjoyed an attractive range of non-pay benefits. The UCEA report ‘Where are we now? The benefits of working in HE’ draws together key benefits of working in HE in the UK, these are summarised as follows:

- a major benefit of the Framework Agreement to modernise pay in HE has been to help deal with identified equal pay hotspots across all employee groups
- HE staff with fixed weekly hours now work between 35 and 37 hours a week compared with 38 or 39 hours for many previously
- improved gender composition continues steadily, with the proportion of female academic staff in all grades increasing
- three-quarters of HEIs offer flexible working arrangements, with 94 per cent offering maternity pay provisions above the statutory entitlement
- HEI staff are one of the most generously rewarded of all employee groups when it comes to holidays; for example, academic staff have a median leave entitlement of 35 days whereas the median for the whole UK economy is 24 days
- HE offers one of the best groups of pension schemes to employees in the UK. The sector continues to offer final salary pensions to many of its employees when most such private sector schemes have been closed to new members.

These findings link well to the factors most frequently cited by (non-HE) respondents to an ICM Research poll as being the employment benefits they value most, these were:

- 35 or more days of annual leave (common in academic staff)
- flexibility over when hours can be worked (an area where HE scores strongly)
- sick pay of 100 per cent of salary for one month or more (commonplace in HE)
- a pension supported by employer contributions of 10 per cent or more of salary (USS has an employer’s contribution rate of 16 per cent of salary, and some HE sector schemes have higher rates than this).

Some of these benefits are potentially under threat in a more difficult financial climate in which there are reductions in public funding and the effects of global and UK recession still being felt. This will place at risk the sector’s ability to attract and retain its highest-quality staff, especially in a global recruitment market.

6.5.2 Flexible working

Within the HE sector, flexible working has been a reality for many years – with the highly autonomous academic mode of working being valued. There is now legal ‘right to request’ flexible working for both parents of children under the age of 18 and others with caring

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196 UCEA, ‘Where are we now? The benefits of working in HE’ (summer 2008).
responsibilities. Traditionally, flexible working policies have focused on parents of young children, but the debate has shifted in recent years to consider them in the wider context of employee engagement, workload management and reducing stress. Most employers are aware of the need to engage and motivate all staff, and this is difficult to do if some employees (for example parents) are perceived to be treated more favourably than others. An organisation genuinely committed to flexible working is one that is interested in the outputs and performance of an employee rather than simply the hours they have been present in the workplace. There are further drivers for increased flexibility (see Section 3), centred on the changing nature of the student population in an HEI – many of whom are in employment and require flexibly delivered courses.

The HEFCE-funded project ‘Flexible Employment Options’ has researched these issues in HE and developed a range of practical approaches and guides for HEIs in implementing more flexible working arrangements for their staff; these include examples, case studies and checklists for the development of flexible working policies.

Case study: Flexible working at the University of Chester

The University of Chester is located in an expensive area for housing and is in competition for staff with a number of large private companies. In addition, the university has expanded rapidly and this has led to consideration of ways to improve both recruitment and retention, including flexible working. Since the introduction of the formal flexible working policy, which is applicable to all support staff up to Director level, the university has experienced an increase in retention rates and overall turnover, as well as a decrease in sickness absence rates. A further benefit was the ability of the university to extend its services without getting into contractual and union issues regarding working hours after 5.30pm. The scheme has allowed employees to balance home and work more effectively, and has provided them with the opportunity to have a say in how they work and be involved with the implementation and ongoing evaluation of the initiative by means of a focus group and regular staff surveys.

6.5.3 Employee wellbeing

At a time of significant change and cost savings, institutions are recognising the urgent need to develop in a way which is sustainable and resilient – maximising efficiency at the same time as achieving organisational ambitions.

Delivering improved staff health, engagement and support through wellbeing programmes can offer the opportunity to ensure that the workforce is supported during these times. It is a way to

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199 See [www.staffs.ac.uk/feo/](http://www.staffs.ac.uk/feo/)
help individuals to remain motivated and committed – responding creatively and flexibly, and performing to the best of their abilities. The benefits are also closely aligned with the government agenda around the health and wellbeing of the working age population\(^{201}\). The recent government review of the health of Britain’s working age population found that:

‘…many employers were investing in workplace initiatives to promote health and wellbeing, but that there was still uncertainty about the business case for such investments. Research specially commissioned for this Review, however, found considerable evidence that health and wellbeing programmes produced economic benefits across all sectors and all sizes of business: in other words, that good health is good business.’\(^{202}\)

The 2008 DLA Piper benchmarking data\(^{203}\) shows that within HE (87 UK HEIs participate in the survey) an average of 5.9 working days are lost annually per employee due to sickness, which is below the average of 8.1 days for the large public sector comparator group. The cost of one day’s sickness for an average employee across all sectors is £78, according to research by the CIPD, therefore for every 1,000 employees the cost of sickness is £452,400 per year.

The HEFCE-funded project ‘creating success through wellbeing in higher education’\(^{204}\) is aiming to, through collaborations and events across the sector, find out what is being done to support staff wellbeing in the sector, to share best practice and facilitate networking.

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**Case study – employee wellbeing at University of Brighton\(^{205}\)**

‘We have below average levels of absence, stress and long-term sickness. However, we were concerned that in some cases the length of long-term illness was extending rather than reducing. We also wanted to collect more accurate information on type of illness, work days lost and whether illness was work-related. We wanted to move beyond simply managing absence to develop a more holistic and strategic approach by enhancing and co-ordinating the wellbeing initiatives that were being undertaken in separate areas of the university. We felt that health and wellbeing is important to staff.

Our statistics over the last 3 years show that sickness absence levels are reducing every year. This is due largely to work with Personnel and Occupational Health (OH) who have also initiated interventions such as Cognitive Behavioural Therapy, counselling and welfare advice in order to support recuperation and return to work. The university has also supported recommendations from OH for workplace adjustments and phased

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\(^{201}\) This is taken from a project update from the ‘creating success through wellbeing in higher education’ HEFCE LGM funded project (www.wellbeing.ac.uk/index.php).

\(^{202}\) Dame Carol Black, ‘Working for a Healthier Tomorrow’ (March 2008).


\(^{204}\) See www.wellbeing.ac.uk

\(^{205}\) See www.wellbeing.ac.uk/images/uploads/1237211127University%20of%20Brighton.pdf
returns and managers have become much more aware of the benefits of referring to OH. Advice offered by OH has increased awareness and understanding of how to manage health issues including stress.

OH has produced a strategy looking at government initiatives (Carol Black report, HEFCE initiatives) the university’s corporate plan, benchmark data and research evidence on interventions for short and long-term sickness. This has led to close, co-ordinated working between personnel, managers and OH for both long and short term sickness absence. Work with senior managers ensures referrals are made, sickness is recorded and support is given where needed. Case conferences and reviews are held for difficult or complex work issues in order to promote best practice.'

6.6 HE workforce capacity to meet the challenges of the future

6.6.1 Leadership capacity

The changes currently affecting the HE sector are very different in nature to those experienced within the last 30 years. While senior managers may have experience of managing peaks and troughs within specific subject areas, the scale and nature of the challenges posed by the economic recession have not been experienced by the majority of leaders and senior managers before. Those skills that hitherto have served senior management teams well may not be as pertinent in the future. The typical ‘role description’ of senior leaders in institutions will need to focus increasingly on dealing with uncertainty and managing complexity, as well as building partnerships at home and overseas. Additionally, they face the twin challenges of cost management and cost control, as well as leading on culture change within their institutions.

This will entail the re-thinking of resourcing strategies with potentially new or different ways of working (perhaps having to forge new partnerships with the private sector or other providers). In the longer term, the challenges for the next 10 to 15 years will be to sustain the development of leadership, governance and management.

Ensuring the effectiveness of governance

HE in the UK has actively enhanced its governance in the past decade, and is generally recognised to be well governed. Initiatives to support enhanced governance have included:

- a major revision of the CUC guide for governors and associated code of governance practice (2004)
- CUC studies of good practice in governance (2004)
- CUC report on key performance indicators (KPIs) for governing bodies (2006)
- CUC handbook for members of audit committees in HEIs (2008)
- establishment of the LFHE and its subsequent work on governance
The roles and responsibilities of members of the governing body in relation to HRM are explored in Section 7.4.1.

Overall the data cited in the LFHE/CUC report ‘Study into what constitutes an effective governing body in UK higher education’ appear to confirm the belief within the HE sector that it is generally well governed. The Lambert Review, while making recommendations for change found examples of excellence; CUC data indicate general institutional implementation of its code of governance; the four main higher education funding bodies (while encouraging further enhancement in governance) find enough established good practice to endeavour to minimise the accountability burden because of general confidence in the HE sector; and the Office for Public Management survey (undertaken as part of the LFHE/CUC report) finds substantial confidence in most aspects of governance from its data on both governors and members of senior management teams. The regulatory regime is, however, being influenced by the current difficult financial circumstances facing the HE sector, particularly where we have an obligation to monitor the financial health of institutions.

Additional evidence to support the assertion that the HE sector is generally well governed comes from the periodic reviews of HEIs conducted by the HEFCE Assurance Service. This incorporates a challenge to the governing body to provide assurance that it provides good-quality oversight over the institution. Our experience is that few significant governance-related recommendations arise from this work.

**Future challenges**

The specification for the LFHE’s ‘What is an effective and high performing governing body in UK higher education’ identifies future challenges for HEI governing bodies, as follows:

**External challenges**

There is widespread recognition by governors that the external environment will pose substantial pressures on many HEIs in the next few years. This is likely to lead to substantial strategic challenges for many HEIs, perhaps leading to structural reviews, mergers or new forms of local partnership. In such cases this is likely to highlight the capacity of governing bodies to provide leadership and add value in what might be unsettling times for some staff and students.

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206 LFHE, ‘What is an effective and high performing governing body in UK higher education’ (2009) (accessed via [www.lfhe.ac.uk/governance/reviewinggovernance/schofield-effgb.pdf](http://www.lfhe.ac.uk/governance/reviewinggovernance/schofield-effgb.pdf)).
Membership challenges for governing bodies

A key question raised in the LFHE report is: ‘is the job of an external governor doable as currently conceived?’ The evidence is that the job is doable – and indeed is being done reasonably well – but some (not all) HEIs are finding it difficult to recruit external members with enough time and the right level of experience and expertise to devote to their responsibilities. It is worth noting that other sectors do remunerate their governors while HEIs do not (with a small number of exceptions). Remuneration could conceivably undermine the ability of governors to act in the public interest and for the public good. And since HEIs are all charities (and therefore governors are trustees) they would have to make a convincing case to change from the current unremunerated position. In such circumstances, there is evidence of HEIs starting to use executive search agencies to recruit external governors (in addition to more established approaches). There are equality and diversity considerations to this issue also, which ECU has been addressing (in partnership with LFHE and the CUC) through a research project which examined the role of governing bodies in relation to equality and diversity. It has subsequently provided a toolkit for governors to address E&D issues.

The suitability of governance structures

A further area of challenge stems from different views about the appropriateness of current governance structures. All have been largely inherited and are slow to change. If there were no regulatory constraints it is unlikely that any newly formed university would adopt all aspects of the governance structures that are now generally in place. Regulatory requirements for at least some of the private sector are likely to change – perhaps substantially – and it is difficult to believe that there will not be implications for the public and not-for-profit sectors. In this respect, a new Financial Memorandum (the funding agreement between us and HEIs) is due to be published in 2010. This will spell out more clearly our regulatory role and the obligations of HEIs and their governors. An additional key forthcoming change is that, under the Charities Act 2006, we will become a principal regulator of all HEIs that are exempt charities (approximately 86 per cent of them – the remainder are registered charities) on behalf of the Charity Commission with effect from (at the time of writing) 1 June 2010. Our primary role will be to promote compliance with charity law, while the Charity Commission will be able to exercise some of its powers that it was unable to do previously.

6.6.2 Academic capacity

Outlined below are a number of ways in which the academic workforce can be recruited and managed in alignment with an institution’s strategic profile.

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208 ECU and LFHE, ‘Governing bodies, equality and diversity: A handbook for governors of higher education institutions’ (April 2009).
Creating a sustainable and fit-for-purpose flow of postgraduates

Institutions may make specific investments in the way they develop their PhDs and postgraduate students to ensure that they equip them with the type of skills their particular strategy requires. For example, institutions focused on professional formation may develop professional PhD programmes that develop students’ advanced business skills and give them exposure to the world of practice through a series of practice-based projects.

Targeting recruitment policies in line with strategy

As outlined in Section 3.5.2, different institutional strategies require different types of research and teaching capabilities. Each of the strategic profiles demonstrated by the ‘spidergrams’ will also provide a specific experience in terms of the nature of the work and the type of culture. Every HEI needs to clearly define the type of people it needs, and what makes it a unique place to work.

Rewarding people differently for different contributions

The need to attract specific types of individuals in support of the institutional strategy may lead institutions to develop more individualised remuneration packages, including financial and non-financial packages, focusing on the needs of specific individuals. Contribution pay has been a reality in HE for some years, and three-quarters of HEIs took the opportunity through the implementation of the Framework Agreement to introduce contribution pay schemes for their staff. The UCEA review of the implementation of the Framework Agreement209 found mixed feelings from managers around contribution pay, and HR directors felt that managers would need significant support and training to be able to use contribution pay effectively.

Developing and managing HE careers

It is important for institutions to proactively assess research and teaching capabilities and identify the most talented individuals in order to retain and develop their best assets, rather than lose them either through lack of continuity of employment, or through people being attracted to other places of work. Effective performance management should become a key focus for all institutions, and should enable people to see the direct contribution they are making to a particular strategy.

6.6.3 The role of sector organisations in supporting teaching and research capabilities

Sector organisations play several roles in supporting the supply of research and teaching capabilities.

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Supporting a healthy supply of postgraduates

Research Councils, HEFCE and LLUK and other sector organisations have a key role in ensuring a healthy flow of PhD and post-doctorate students, prioritising subject shortages and strategically important subjects.

Diversifying the supply of academics

PA Consulting suggests that the Research Councils could play a key role in supporting a widening of career routes into HE, such as supporting independent researchers in developing their research careers, with institutions equipping them with a wider skill-set (teaching, research grants and so on). This would provide an easier entry into academic life than the traditional PhD to doctoral post to lectureship, and might help attract more people into academia.

Supporting more flexible reward packages

Many institutions are introducing greater flexibility in reward in response to scarcity of talent in particular areas and to recognise those who have contributed most strongly. The sector has a role in highlighting areas of good practice around flexible benefit and reward packages, and in marketing the non-financial, lifestyle benefits of a career in HE.

Supporting and fostering professional standards in learning and teaching

The Higher Education Academy launched a UK Professional Standards Framework in February 2006 which links to its national accreditation scheme and aims to act as:

- an enabling mechanism to support the professional development of staff engaged in and supporting learning
- a means by which professional approaches to supporting student learning can be fostered through creativity, innovation and CPD
- a means of demonstrating to students and other stakeholders the professionalism that staff bring to the support of the student learning experience
- a means to support consistency and quality of the student learning experience

6.6.4 Enterprise and commercial capacity

Defining new roles and new career paths

The need for HEIs to diversify their income streams will continue to support the development of new roles in academic enterprise and non-academic commercial activities. Institutions need to define clearly the role of these staff, how to best attract and reward them, and how to enable them to progress within an institution and beyond.

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210 Higher Education Academy, ‘UK Professional Standards Framework for teaching and supporting learning in higher education’ (February 2006).
Case study: University of Derby

The University of Derby has Workforce Development Fellows, who are part of the Academic group, and who act as intermediaries between businesses and academics to ensure the university provides a Continuous Professional Development offering that meets business demands. It also has a business-to-business arm, the University of Derby Corporate (UDC), who provides consulting services to businesses.

In terms of delivering on the Government’s targets for co-funded students (co-funded by employers and HEFCE) HEIs commonly cite workforce development and learning as being critical, mostly with reference to the need for the HE workforce to develop new skills to enable them to engage successfully with employers and the new types of academic offerings. Many HEIs are undertaking training needs analysis among key staff, and others are building on training that was already being offered internally. Most are offering training to academics and at least some professional/support staff in the following areas:

- bid writing
- commercial awareness
- marketing
- customer relationship management
- customer care.

There are clearly challenges in getting new types of courses/products quality assured effectively and efficiently\(^{211}\). New skills in recognising and working with the new sorts of educational offerings are called for. There are also examples of HEIs who are helping to network their employer engagement or business-facing staff together to build knowledge and share good practice.

Integrating new roles within existing structures

One challenge for institutions will be how to integrate this new workforce with both academic and business support staff. Supporting the use of project work, which would gather people from different parts of an institution, and ensuring all staff have part of their pay linked to project or overall institution performance, might help foster collaboration and team spirit.

Enhancing data collection

Through our annual Higher Education – Business and Community Interaction Survey, we are already capturing valuable information on these emerging roles. We constantly seek to refine

\(^{211}\) The Task Group on Quality Assurance and Employer Engagement in HE Learning was established jointly by HEFCE and the QAA to consider the quality assurance needs of employer-led and funded provision, and advise on whether any additional support is required for the HE sector. Its final report is available at [www.hefce.ac.uk](http://www.hefce.ac.uk) under Publications/Research & evaluation/2008.
ways of measuring the development of the academic enterprise and non-academic commercial activities, and the new roles resulting from them.

**Supporting the professionalisation of new roles**

Sector organisations have a key role in developing occupational standards for these emerging new roles, in collaboration with other industries. This will enable transferable skills, making HE a more attractive employer. The professional networks for knowledge transfer and business support professionals are AURIL, PraxisUnico and the Institute of Knowledge Transfer. All provide networking and professional development activities, while AURIL has published ‘Continuing Professional Development Framework for Knowledge Transfer Practitioners’\(^{212}\).

### 6.6.5 Professional and support staff capabilities

Institutions can focus on their core professional and support capabilities in the following two ways.

**Making a career in HE administration an attractive career**

Both AHUA and the Association of University Administrators have emphasised the need to make a career in HE business support a ‘career of choice’. AHUA has been working with the LFHE on a project about professional career paths in HE\(^{213}\).

**Building knowledge and expertise in shared services**

While there are a number of valued sector-wide shared services (for example JANET, UCAS, HESA and USS), few HEIs have yet adopted a shared services model whereby services are shared between HEIs, such as IT support, catering or security. As more institutions contemplate shared service models, sector organisations can help by looking at the experience of shared services in other sectors, and by sharing best practice and advice. Some HE sector organisations might even lead the way by setting up and offering their own shared services; for example, UCEA has secured HEFCE funding for a feasibility study to consider if a shared service can be established to deliver pension arrangements for non-academic staff in pre-1992 SATs more efficiently\(^{214}\).

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\(^{214}\) See [www.hefce.ac.uk/finance/shared/feasibility/show.asp?id=43&cat=5](http://www.hefce.ac.uk/finance/shared/feasibility/show.asp?id=43&cat=5) for further information.
Section 7: Meeting the challenges with effective human resource management

### 7.1 The solutions that effective HRM can offer

In the process of compiling this report, key issues and questions were raised about the affordability of HE pay, sustainability of HE pensions, future of national pay bargaining, and terms and conditions of academic employment. This section discusses the impact that HRM can have in these areas. We acknowledge that some issues, such as national pay bargaining or HE pensions, require a national consensus to be reached. But some can be tackled locally, such as contractual terms and conditions, Model Statutes or embedding new performance management systems. HRM should be interpreted here as a strategic management and leadership function and not simply an activity embedded and delivered by an HR service; sector bodies made the point strongly to us that HRM is a corporate leadership responsibility.

This report has discussed a range of challenges for the HE workforce of the future, and offers up questions for debate for the sector to take forward. These are challenges that strategic HRM should help to address in the future, as discussed below.
7.2 Developing and embedding effective approaches to performance management

Well-designed performance management strategies need to be aligned to institutional strategy. They also need to recognise the intrinsic rewards as well as the financial ones. The drive to develop more individualised remuneration packages – including a range of financial and non-financial rewards – linked to performance is also becoming more common.

Case study: University of Hertfordshire

In light of its new corporate strategy to become more business-focused, the University of Hertfordshire is reviewing all its reward structures to ensure that it is rewarding the sort of activity and behaviours it wants to support. The university is also amending its appraisal criteria to include the questions: ‘What have you delivered on behalf of your business unit?’, and ‘What contribution have you made towards the institution’s change focus and business agenda?’

The outcome of a HEFCE-funded project examining the performance management of clinical academic staff at the HE/NHS interface\(^{215}\) suggests that it will be important for HEIs to consider how managers should assess the performance of work undertaken by staff both individually and as part of a team (for example on research projects); this point is relevant for all academic and professional and support staff, not just clinical academics. In these cases it will be important for any performance management system to allow an equitable and transparent analysis of an individual’s contribution to the performance of a team. This means developing performance management approaches that support, encourage and reward collaborative behaviours, as there is good evidence that the more people are rewarded for individual performance, the worse team performance can become\(^{216}\). A report by Educational Competencies Consortium Ltd (ECC)\(^{217}\) identifies team performance as a key design principle for a framework approach to performance management based on values and principles, in addition to establishing mechanisms that connect individuals to team and institutional goals. Currently, many traditional performance management measures focus on the outputs of individual academics; the development of meaningful team metrics is still in its infancy. Internationally, there is a growing trend towards recognising and monitoring both individual and team performance, and their contribution to achieving institutional goals\(^{218}\).

Effective performance management needs to become a key focus for all institutions, and people need to be able to see the direct contribution they are making to a particular strategy.

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PA Consulting has identified examples of the basis for effective performance management (Table 26) relating to the institutional strategic profiles exemplified earlier in this report.

Table 26: Performance management suggestions for institutional strategic profiles

<table>
<thead>
<tr>
<th>HEI strategic profile</th>
<th>Performance management basis</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary research</td>
<td>Effective performance management should be based on research outputs – the key criteria would be quality and innovation, which could see young academics promoted quickly</td>
</tr>
<tr>
<td>Research-led teaching</td>
<td>Performance management should be based on the combination of research outputs and the provision of a good learning experience for students</td>
</tr>
<tr>
<td>Professional formation</td>
<td>Performance management should be based on both the quality of the teaching and its currency in relation to developments in the world of practice</td>
</tr>
<tr>
<td>Research-based solutions</td>
<td>Performance management should be based around the ability to provide innovative, research-based solutions, and individuals’ contribution to maintaining a flow of project-based income</td>
</tr>
<tr>
<td>Specialist institutions</td>
<td>Performance management should be based around maintaining and growing their reputation as a centre of excellence in their particular niche sector</td>
</tr>
</tbody>
</table>

7.3 Employee engagement

UCEA notes that successful resolution of some key challenges for people management in HE, such as employee relations or pensions reform, hinges on the sector’s ability to engage effectively with its workforce. The CIPD defines employee engagement as:

‘...a combination of commitment to the organisation and its values plus a willingness to help out colleagues (organisational citizenship). It goes beyond job satisfaction and is not simply motivation. Engagement is something the employee has to offer: it cannot be ‘required’ as part of the employment contract.’

A 2009 report to BIS strongly advocated effective employee engagement as a path to improved employee performance:

‘Levels of engagement matter because employee engagement can correlate with performance. Even more significantly, there is evidence that improving engagement

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219 CIPD, employee engagement factsheet (November 2009), see [www.cipd.co.uk/subjects/empreltns/general/empengmt.htm](http://www.cipd.co.uk/subjects/empreltns/general/empengmt.htm)
correlates with improving performance – and this is at the heart of our argument why employee engagement matters to the UK.\textsuperscript{220}

Staff surveys and a culture of continuous improvement are two ways in which HEIs can engage with their workforce. The use of internal staff surveys has grown across the sector, with the majority of institutions running either a survey every two years, or more substantive and less frequent surveys to identify staff satisfaction levels and wellbeing. HEFCE’s self-assessment tool for people management in HEIs\textsuperscript{221} required institutions to demonstrate evidence of improvement in seven dimensions of people management\textsuperscript{222}. It is clear that most HEIs using the tool were engaging in some form of staff surveying, to understand staff perceptions and target areas for improvement.

There is already some evidence that employee engagement can have positive effects, for example:

- 84 per cent of highly engaged public sector workers in the UK believe they can have an impact on the quality of the organisation’s work – this is nearly three times the number of disengaged workers saying the same\textsuperscript{223}
- 86 per cent of engaged employees say they very often feel happy at work, versus 11 per cent of disengaged workers\textsuperscript{224}
- engaged workers are more likely to act as organisational advocates than disengaged employees, and therefore may have a powerful part to play in promoting their organisation to potential customers and as an employer of choice\textsuperscript{225}

Effective employee engagement can enable HEIs to collaborate in a genuine partnership with their staff to make changes and work together positively towards shared goals. For instance, in a more pressurised climate, effective employee engagement would help an institution to manage performance more confidently, retain more high-quality staff (who would feel more engaged with their work and their institution) and achieve the intended outcome of a positive impact on institutional performance.

In the further analysis of the recent Changing Academic Practice study, commissioned by HEFCE\textsuperscript{226}, key differences were discerned in satisfaction and levels of engagement among

\begin{footnotesize}
\begin{itemize}
  \item \textsuperscript{220} David MacLeod and Nita Clarke, ‘Engaging for success: enhancing performance through employee engagement’, BIS (July 2009).
  \item \textsuperscript{221} For more information see www.hefce.ac.uk under Leadership, governance & management/Human resources management/Rewarding and developing staff.
  \item \textsuperscript{222} Remuneration and fair employment; staff recruitment and retention; size and composition of the workforce; staff development and skills needs; leadership, involvement and change management; occupational health, staff welfare and health and safety; and performance management: linking people management to organisational performance.
  \item \textsuperscript{223} Civil Service, ‘Making the case – employee engagement’ (2008).
  \item \textsuperscript{224} See footnote 223.
  \item \textsuperscript{225} CIPD, ‘CIPD annual survey 2006 – how engaged are British employees?’ (2006).
  \item \textsuperscript{226} See www.hefce.ac.uk under Publications/Research & evaluation/Research and evaluation in progress.
\end{itemize}
\end{footnotesize}
academics at different stages of their careers. Higher proportions of established academics at professor level believed they have personal influence in shaping key academic policies. Much fewer mature (aged over 40), established academics who had not reached professor level felt this way, and younger academics perceived themselves as having the least personal influence. The group of mature, established academics (below professor level) also expressed the least satisfaction with the leadership competence of top-level administrators. They were also the most critical of facilities, resources and personnel to support individual work, especially support for research. The CAP analysis identified this group as being at most risk of being or becoming disaffected or potentially disengaged from the institution, and recommends that efforts to enhance employee engagement should include a focus on this particular group.

This report has emphasised the need for the HE sector in England to become more flexible and ultimately more diverse to be sustainable for the future. Employee engagement can enable HEIs to make these fundamental changes while retaining the goodwill, talent and excellence of their workforce. HEFCE has recently funded, through its Leading Transformational Change Programme, a project led by the Universities of Leeds and Bristol227 that will link the good practice work around staff wellbeing to employee engagement and institutional performance. The aim is to fully understand the business benefits of such interventions. The HEFCE-funded project at Liverpool John Moores University, 'Taking the pulse of an institution', aims to give HEIs a simple, effective way of engaging with their employees.

Case study: Liverpool John Moores University
During 2008-09 this project, led by Liverpool John Moores University, has piloted the 'Taking the pulse' technique as a means of securing good quality feedback and improvement. The other HEIs involved in the project are the Universities of Bradford, Gloucestershire and Winchester, and Manchester Metropolitan University. Most HEIs survey staff in depth every three years, producing large quantities of information they do not always follow up consistently. The 'Taking the pulse' technique begins with a facilitated workshop to gain staff's views about what the key issues are, followed by surveying segments of staff using no more than 10 questions. There is then feedback to that staff sample, addressing their issues; follow-up action is a key part of the project. The data received can be used to drill down into key issues relevant to particular institutions.

7.4 The policy landscape for HRM in HE
The last decade has seen considerable change in the policy context, including substantial sector-wide investments in HRM within the English HE sector. The start of the decade was primarily defined in the context of the Dearing Report (1997); following on from this, the

227 ‘Delivering sustainable high performance through an engaged, resilient workforce’, led by the Universities of Leeds and Bristol. For more information see www.hefce.ac.uk under Leadership, governance & management/LGM Fund/Leading transformational change.
outcomes of the Bett Review of pay and conditions (1999)\textsuperscript{228} raised awareness across institutions, funding agencies and other sector stakeholders of the need to modernise pay determination arrangements, prioritise improvements in HRM and modernise the personnel function within institutions. The period was further defined by a new employment relations landscape, with the constitution of the Joint Negotiating Committee for Higher Education Staff in 2001, the move to single-table bargaining under New JNCHES in 2008, and the negotiation of the 2004 Framework Agreement for the Modernisation of Pay Structures in HE.

Individually, institutions have put significant effort and resources into modernising HRM. The major developments since the beginning of the decade include\textsuperscript{229}:

- increasingly effective approaches to performance management for individuals, teams and organisations
- recognition of the criticality of effective HRM, resulting in its now being a key component of institutional planning
- significantly enhanced institutional HR strategies that are now much more closely aligned with and integral to the overall institutional strategy
- sustained investment in the development of leaders and leadership teams
- the establishment of much less complex, more equitable and more transparent pay and reward mechanisms
- an increase in the capacity and capability of HR professionals within institutions to effectively support and contribute to the performance and development of their organisation
- an underpinning increase in the sector’s resilience and capacity to manage HR strategically and operationally. Given the ongoing widespread economic turbulence touching all parts of the economy and society, this is a particularly significant policy outcome.

\textbf{7.4.1 Structure of HR functions and current state}

This section describes the structure of the HR function in HE as well as its governance and the visibility of HR at senior management team level. Key developments such as outsourcing, business partnering and professionalisation of the HR role are also discussed. Findings from the Oakleigh study\textsuperscript{230} show that sector-wide initiatives, including R&DS, the Framework Agreement for the Modernisation of Pay Structures and the formation of sector representative bodies (including LFHE and ECU) have had a positive impact on institutions’ abilities to develop effective practices across a range of people management priorities.


\textsuperscript{229} Oakleigh Consulting, ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001’ (June 2009).

\textsuperscript{230} See footnote 229.
Structure and strategy

Strategy development

Key stakeholders take the view that the quality of institutional HR strategies has developed significantly over the last five years. This is related at least in part to the requirements placed on institutions to develop full HR strategies to demonstrate ongoing eligibility for funding under our R&DS initiative.

However, the role played by the HR function in the wider institutional planning and monitoring process is more clearly delineated in some institutions than in others. Oakleigh Consulting (in its evaluation of public policy and investment in HRM in HE since 2001) asked consultees about the role of HR within the institutional planning process and how, when and where the HR implications of corporate decisions were considered. Some institutions have a well-established approach: for example, one (pre-1992) institution had set itself a series of KPIs derived from its strategic performance targets and linked to nationally recognised indicators (for example, performance in the National Student Survey and RAE). The HR team played a central role in developing and monitoring targets relating to people management and in support of academic schools responsible for reviewing progress against targets at school level.

Other institutions have seen a more recent re-evaluation of the relationship between corporate and HRM strategic plans, to good effect. One (post-1992) institution had, within the last 12 months, introduced an initiative to involve local HR business partners in developing school business plans, and had changed the timing of the HR and school planning processes to allow workforce planning to become better established at this level. A key outcome has been greater reliability and robustness of changes to staffing headcounts made at school planning level. This has developed as a complementary exercise to the ‘top down’ development of an HR strategic framework that encompasses the broader ‘people’ agenda including, but not limited to, activities within the remit of the HR function.

Representation at senior management team/board level

Our stakeholders at all levels have expressed in strong terms that HR needs to be a whole-organisation responsibility. BUFDG commented that: ‘senior management teams need to more readily recognise the need for this [HR] to be an agenda or set of issues that needs regular top table attention.’ AHUA stated that:

‘We believe that people management must be seen as a corporate leadership issue where HR professionals are seen as experts and enablers, but where the responsibility for driving culture and change is seen and acted upon as an executive and line management issue.’

Nevertheless, in the Oakleigh report a significant proportion of sector bodies and institutions noted a favourable shift in attitudes towards the perceived status and purpose of people
management within the institutional context\textsuperscript{231}. Many senior managers confirmed the growth in status and visibility of HR and people management issues within senior teams, although the formalisation of the senior HR role as a strategic position (i.e. executive team membership) remains variable across individual institutions.

‘Although the volume of work remains primarily transactional there has been recognition of the importance of, and a shift towards greater emphasis being placed on, the tactical and the strategic. The function has been reorganised and staff changes made to support this. After a difficult period of initial change, a more mature HR function is beginning to emerge.’ (Specialist institution) from Oakleigh

Research commissioned by LFHE\textsuperscript{232} has shown that HR directors’ membership of senior management teams within HEIs varies according to the size of the team and the length of time they have been in post. HR directors are more likely to belong to the senior management team if the team is large (around 12 or more members), compared with a team of eight or fewer. HR directors with less than three years’ experience in the job are significantly less likely to be part of the senior management team than those with 5.8 or more years in the job.

The DLA Piper HR benchmarking study\textsuperscript{233} found that HR was represented on the board (i.e. most senior operational management team) in 63 per cent of HEIs contributing to the study (87 institutions), compared with 58 per cent of public sector bodies\textsuperscript{234}. HR representation on the board was slightly higher in pre-1992 institutions (66 per cent) than in post-1992 institutions (58 per cent).

A number of institutions have identified a key milestone in step changes for HRM development with a change in leader where the new leader has placed strategic emphasis on modernising people management. Equally, a view of governing bodies is that the role of the vice-chancellor (or equivalent) has a ‘huge impact on how HR is perceived within the university’\textsuperscript{235}. Other stakeholders have linked this to the importance of the quality of HR leadership and perceived status of the HR director role – not only in terms of recognition and influence across the institution, but also in enabling the value of investments (including external funding streams) in HRM activities to be maximised. This is not simply interpreted in terms of control from the centre, but in leading by example.

\textsuperscript{234} Public sector bodies employing 1,000 or more employees, including local authorities, government service bodies and HEIs.
\textsuperscript{235} Oakleigh Consulting, ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001’ (June 2009) page 93.
Size of institution versus HR numbers

The DLA Piper benchmarking study shows that the ratio of HR staff to employees within the HE sector is on average 1:76 (this figure includes all staff working on learning and development, health and safety, occupational health and pensions administration as well as core HR work). This compares with 1:44 in central Government. In general within the HE sector, more support staff (including administrators, advisers, assistants and consultants) are employed within the HR function than managerial/professional staff. On average, there is one member of HR managerial/professional staff to 213 employees, compared to one member of HR support staff to 142 employees.

Research by Guest and Clinton shows that the ratio of HR specialists to total university staff relates strongly and positively to size of HEI, and suggests that larger universities have a proportionately smaller number of HR specialists. Differences are also found across HEI types, with proportionately fewer HR specialists in pre-1992 universities (1:222) compared with post-1992 universities (1:170) or very new HEIs (1:123).

This is reflected in the Oakleigh Consulting survey results, where respondents reported that the balance of service provision through HR functions is now seen as being more fit for purpose to meet institutional needs than was perceived to have been the case in 2001.

Business partnering

The concept of business partnering emerged in the mid-1990s. It was one of a number of key HR roles that Dave Ulrich proposed as necessary for HR to transform itself into a ‘value adding’ function. In his initial work, ‘Human resource champions’, Ulrich referred to the role as that of ‘strategic partner’. In essence, the role involves working closely with senior business leaders on executing strategy, in particular designing HR systems and processes that address strategic business issues. This is a big departure from the administrative responsive approach adopted in the past. Most commentators agree that today’s HR function needs to be much more business-focused; in practice, this means being more customer-focused, cost efficient, innovative and structured in such a way that it can respond quickly to changing priorities.

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The business partner role, however, cannot work in isolation. The majority of institutions consulted as part of the Oakleigh evaluation\textsuperscript{241} had established an HR consultancy or advisory function directed at (or located physically within) schools, faculties and equivalents, with a direct or ‘strongly dotted’ reporting line to the core HR function. In some institutions, this reflected part of a wider change agenda for delivering support services to its staff. For example, two (post-1992) institutions had developed faculty or college-facing ‘business partner’ support teams encompassing HR, finance, estates and other support services.

Another (post-1992 institution) head of faculty consultee in the Oakleigh evaluation confirmed the positive impact of changes to his institution’s HR function, including dedicated HR professionals working within his area:

‘Everyone in a management position at the institution now sees HRM as part of their own job and sees HR professionals as key contributors to all aspects of the university’s business.’

Internationally, the way in which the HR function interacts with the rest of the organisation is changing in terms of both the content of the work and its place in the institutional structure. Participants from nine out of 10 locations studied in our ‘International experiences of HRM in HE’ project\textsuperscript{242} made observations on this theme. In Germany and India we see the setting up of new centralised HR roles or units, with the objective of developing a framework of systems and processes that will promote more effective management. But more of the interviewees touched on the concept of HR personnel acting as ‘business partners’ for the rest of the organisation – thus injecting the HR dimension into all business decision-making. This took the form of:

- advising the senior management team more effectively, sometimes through new strategies or structures (Canada, New Zealand, South Africa)
- devolving more decision-making power to faculty level, perhaps through permanently locating HR personnel in or dedicated to faculties, alongside the continued presence of core HR experts at the centre of the organisation (Australia, Ireland, Malaysia, US).

Development of the concept of the ‘business partner’ role for HR often co-existed with the view that more HR personnel need to enhance their capacity to think strategically, and from a more customer-service perspective, while moving away from the rule enforcement culture consistent with managing processes. New-style HR units need enhanced capacity in, for example, analysis of complex workforce data, job redesign linked to organisational development, and acting as change agents (Australia, Canada, Ireland, United States). A few interviewees

\textsuperscript{241} Oakleigh Consulting, ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001’ (June 2009), page 64.

touched on the problem of recruiting and retaining HR staff with this type of skill base, and/or the difficulties of persuading HR personnel with mainly transactional experience to upskill.

The HR cadre

AHUA has highlighted the increased recruitment to HR (and other professional functions) from outside the HE sector which has taken place in recent years and which is having an impact in bringing new expertise and expectations to bear on this professional area. This comment is echoed in the findings from the Oakleigh Consulting HR director survey, in which all of the respondents (56 HR directors) reported working within other sectors. Oakleigh commented that this trend suggests a particular emphasis within the HE sector since 2001 on identifying and building on expertise found in other sectors in seeking to modernise the HR function.\(^{243}\)

Of the remit, size and structure of the HR function within institutions in 2001, HEIs reported (in the Oakleigh evaluation) that many HR functions had limited numbers of professionally qualified HR/personnel staff; staff development functions in a number of institutions tended to be only ‘reactive’ in focus, rather than responding to the strategic developmental needs of the organisation; and the strategic development of institution-wide targets and staff support frameworks around equality were not always established. Some institutions, however, had already begun to change the essential shape of the HR function before 2001, including in at least three HEIs the creation of a core administrative HR team and HR professional advisers based within faculties and schools.

Similarly, Oakleigh identified across institutional interviewees a range of common areas of change to HR functions over the period. These typically included:

- **Growth, in real terms, of the size of the HR function** – in several institutions, growth in the HR function had occurred through restructuring and broadening the HR functional remit to include service areas such as organisational and staff development and occupational health.

- More significant than growth in numbers was the changing nature of the HR function. For example, several institutions had made targeted appointments and developed HR staff to reflect professional capability, thus increasing the numbers of professionally qualified staff.

- **Development of the HR ‘specialist’ role within the broader HR function** – for example, in one institution, the HR director had restructured the HR function since 2001 to include, inter alia, an HR strategy team including specialists in equality and diversity, with a specific ‘horizon-scanning’ remit to assess the relevance of forthcoming legislative and policy changes to the institution’s strategic approach to people management.

\(^{243}\) Oakleigh Consulting, ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001’ (June 2009), Section 7.5.2.
Growth in the professional HR ‘generalist’ role – the majority of institutions consulted had established an HR consultancy or advisory function directed at (or located physically within) schools, faculties and equivalents.

Figure 14 depicts the shift from the ‘transactional’ form of HR to the ‘transformational’, and demonstrates the change that HRM in HE is aiming for.

**Figure 14: Shift from transactional to transformational role in HR**

Transaction role | Strategic and transformational role
---|---

Migration of the HR role

- HRM
- HRD
- OD

- Total system information
- Focus on variables affecting human enterprise (system and processes)
- Twinned with strategy to deliver effective performance to remain relevant in its context
- It focuses on improving organisational health ventures

Focus on all activities to ensure the people aspects are well managed to support organisational effective performance.

Source: Leadership Foundation for Higher Education

**HR outsourcing**

Outsourcing is being used more frequently as increasing numbers of organisations are exploring this as a potential delivery option for some of their activities. It can be defined as ‘the delegation of one or more business processes to an external provider, who then owns, manages and administers the selected processes based on defined and measurable performance metric’. Within the context of HR outsourcing, the specific processes included within any outsourcing arrangement will vary from organisation to organisation.

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244 UPA and CIPD, ‘Leading HR for high performance in HE’ (September 2008).
246 CIPD, ‘HR outsourcing’ (January 2009).
The DLA Piper study highlights the main reasons for outsourcing HR:

- increasing use of technology in HR operations
- time pressures
- lower service costs (economies of scale, efficiency gains)
- outsourcing traditional transactional HR function to enable in-house HR team to focus on core competencies and more strategic aspects
- improved employee satisfaction levels.

In HE, institutions most frequently cited occupational health as the area outsourced (10 per cent of HEIs in the sample were outsourcing all of their occupational health, and 25 per cent were outsourcing the ‘majority’ of their occupational health). Other popular areas for outsourcing were training and development, and recruitment and selection (although in the latter case, it was still a minority of an HEI’s activity that was outsourced)\(^{247}\).

An example from other sectors of particular interest to HE, we would suggest, is the development of shared services across health and local government. This may be in terms of whole services (as outlined in the following Southwest One case study example), or in sharing certain aspects of services, as in the Sunderland Primary Care Trust example (also in the case study).

**Case study: Local government and health sectors**

Shared services for HR provision are of ongoing interest to the local government sector, with a small number of local authorities having developed shared services and over 50 per cent considering doing so. An example is Southwest One (SW1), a joint venture company established between Somerset County Council, Taunton Deane Borough Council, Avon and Somerset Constabulary and IBM, launched in September 2007. SW1 was set up to deliver a range of backroom support services – ICT, finance, human resources, property, facilities management, revenues and benefits, a customer call centre and procurement – along with five transformation projects and services designed to improve service delivery to the public.

Sunderland Primary Care Trust has undertaken joint training with Sunderland Social Services to improve and co-ordinate the training provided to staff working in adult care. Although the main aims of the programme focused on improved services to clients and patients, there were additional financial benefits from sharing the costs of training\(^{248}\).

\(^{247}\) DLA Piper, ‘HR Benchmarker 2008: HR performance and indicators report’ (2008), Section 4.7.1.

Governance of HR

HEI governing bodies have responsibility for their institution’s human resource and employment policy. The LFHE’s guide for governors\textsuperscript{249} identifies the main responsibilities of governing bodies in relation to HR to be:

- approving an HR strategy and ensuring that not only is it consistent with and supports overall institutional mission, vision, values and strategies, but also that it is implemented
- appointing and setting the terms and conditions for the head of the institution and other senior posts, and ensuring that performance review arrangements are in place
- ensuring that arrangements are in place to comply with the HEI’s duties as a public body in relation to equality
- ensuring that pay and conditions of employment are determined
- oversight of other HR-related policies, for example those affecting public interest disclosure, discipline and dismissal, and so on
- ensuring the health and safety and wellbeing of employees.

A governing body’s responsibilities in relation to HR are no different from those in any other area (for example, general oversight, risk management, offering independent and objective advice), given the very significant proportion of an HEI’s expenditure – averaging 58 per cent in 2008 – on staffing. Perceptions from representatives of governors interviewed as part of the Oakleigh evaluation were that before the start of the period covered, governing bodies had viewed the HR function as something of a ‘Cinderella activity’, and as a result it had been less visibly scrutinised in terms of its performance\textsuperscript{250}. However, HRM is now recognised as a key component of institutional planning.

The CUC guide for members of HE governing bodies\textsuperscript{251} advises that governing bodies should ensure that the HR function is fully equipped in skills and resources to respond to the increasing demands placed on it in several areas:

- the continuing modernisation of pay arrangements
- greater competition for staff and the need to market HEIs as employers of choice
- new areas of enterprise and project management
- rising levels of regulation and litigation
- the need to ensure that the institution’s workforce has the necessary new skills and experience
- the need for greater levels of leadership and management skills.

\textsuperscript{249} Hall A, ‘Getting to grips with human resource management: resources for members of the governing body of UK universities and higher education colleges’, LFHE (2009).
\textsuperscript{250} Oakleigh Consulting, ‘Evaluation of the impact of public policy and investments in human resource management in higher education since 2001’ (June 2009).
\textsuperscript{251} CUC, ‘Guide for members of higher education governing bodies in the UK’ (HEFCE 2009/14).
In 2006, the CUC produced a guide for governors on monitoring institutional performance and using KPIs, in which institutional performance is summarised in 10 high-level indicators, including one on staff and human resource development. The guide suggests that key questions of interest to governors in this area include:

- Do we have the right staff in the right places?
- Are we providing support and leadership to them?
- Are we managing performance in appropriate ways?
- Are our staffing costs out of line?
- Is our HR strategy effective and relevant?
- Do we have adequate professional HR capability?

### 7.4.2 Capacity and capability for the future

#### A commitment to continuous improvement

The self-assessment tool for people management in HEIs was developed jointly by the (then) Universities Personnel Association and the (then) Standing Conference of Principals' Personnel Network, with financial support from us, and made available to English HEIs from 2006. The tool divides people management practice into seven areas of work:

- staff remuneration and fair employment
- staff recruitment and retention
- size and composition of the workforce
- staff development and skills needs
- leadership, involvement and change management
- occupational health, staff welfare and health and safety
- performance management – linking people management to organisational performance.

We confirmed that we would remove conditions of R&DS funding and roll it into the core teaching grant after 2006, on condition that institutions undertake the process of self-assessment (demonstrated through the self-assessment tool or an externally recognised equivalent process), to provide assurance that they were identifying and seeking continuous improvement in HRM.

On balance, institutions did not view the change in arrangements for earmarking the funding to have had an adverse impact on their ability to make continued investments in areas identified in HR strategies. In one case, an HR director observed that many of the areas being funded via R&DS were already being directed towards other budget areas across the institution (albeit in relation to areas identified in the people management strategy), with no more than around 10 per cent of funding being provided specifically for the HR function within this.

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HEIs had three years (from 2006 to 2008) to undertake the self-assessment process. By June 2008, all HEIs in England (in receipt of R&DS funding) had completed self-assessment, and we had reviewed their processes and outcomes. A core component of that review was the HEI’s commitment to continuous improvement. A range of structures and processes were observed to either continue/repeat the self-assessment tool processes on a regular, fixed basis, or to embark on an alternative method of quality enhancement (for example, Investors in People).

**A new self-assessment framework for people management**

Universities Human Resources (UHR, the organisation for HR professionals in HE, formerly UPA) worked in partnership with us during 2009 to create a new framework to assess and demonstrate the impact of HRM on institutional performance. The framework’s aims are to:

- measure progress and demonstrate the impact of people management, development and leadership on the HEI’s strategic direction and its continuous improvement
- provide assurance to us about the quality and effectiveness of people management in HEIs
- enhance the current HRM KPIs for governors, to enable better understanding, performance management and assurance of HRM in HEIs
- enable HEIs to gauge the effectiveness of their people management
- enable benchmarking across HEIs and (potentially) other sectors
- encourage the measuring of progress or distance travelled in HRM (completion of the tool can be repeated at intervals and a baseline established).

Incorporated in the project is an evaluation of the self-assessment tool as well as piloting and development of the new tool, which will be optional but hopefully flexible enough to encourage wide take-up across the sector. The new framework and associated guidance will be available in early 2010, and HEFCE and UHR will work together to promote its take-up and evaluate its usage.

**7.4.3 Future HR challenges**

Turning to the current situation, an extensive range of emerging and evolving HRM challenges clearly remain to be overcome. The Oakleigh evaluation, ECC’s 2009 report and submissions from sector organisations such as UHR, UCEA and ECU have all highlighted the challenges listed in Figure 15. In character, they are generally less systemic (at sectoral level) than those faced in 2001 and typically require institutions to develop very contextual solutions; the challenges are themed as those affecting organisational development, staff development and equality and diversity. The list does not repeat the issues already identified and discussed extensively in this report (for example, pay and pensions, national frameworks).

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253 ECC and Capita Resourcing, ‘Strategic HR issues in HE in 2009’ (January 2009).
### Figure 15: Key HR challenges of the future

<table>
<thead>
<tr>
<th>Key challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Organisational development</strong></td>
</tr>
<tr>
<td>• fostering more entrepreneurial cultures and embracing the concept of customer care regarding students and other key stakeholders</td>
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<tr>
<td>• continuing to raise the profile of teaching to achieve parity of esteem with research in people management policy and practice</td>
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<tr>
<td><strong>Staff development</strong></td>
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<tr>
<td>• leadership development, particularly for ‘middle management’</td>
</tr>
<tr>
<td>• developing coherent career progression routes/pathways for academic and professional staff</td>
</tr>
<tr>
<td>• establishing approaches to talent and succession planning at all levels of the organisation</td>
</tr>
<tr>
<td>• developing the capacity and capability to support shared services and outsourcing where the institution is pursuing these</td>
</tr>
<tr>
<td>• the requirement for new leadership skills across academic and professional groups in response to changing strategic models</td>
</tr>
<tr>
<td><strong>Equality and diversity</strong></td>
</tr>
<tr>
<td>• the need to achieve greater ownership, at all levels, of the equality and diversity agenda in order to foster truly inclusive cultures</td>
</tr>
<tr>
<td>• tackling remaining issues on the ‘glass ceiling’ for women in senior roles and sector-wide gender pay disparities</td>
</tr>
</tbody>
</table>

Several institutions consulted for the Oakleigh study showed that they have set in train or are developing a spectrum of approaches in devising organisational strategies and structures for HRM, to meet the anticipated challenges ahead. These include:

- growth in and changes to the nature of HR functions, including (for example) increased numbers of specialists and HR personnel as 'change agents'
- a focus on specific staff roles for development activity and support, such as:
  - leaders and senior managers and to an increasing extent middle managers
  - contract research staff (although some research personnel perceived that this group is still under-represented in the roll-out of performance appraisal processes)
  - professional support staff
- work to fully embed HRM strategic considerations at the heart of institutional strategies.

We have observed this with both pre-1992 and post-1992 institutions. Some are using cross-cutting strategies as leverage to draw together different aspects of people
management, for example as identified in our LGM Fund project on organisational development capability in English HE\textsuperscript{254}, led by Professor José Chambers, who observes that:

‘In choosing the student experience as a focus for organizational development (OD) ventures which sought to change staff behaviour, we observed that a number of universities were becoming more sophisticated in their OD practice, because this choice of focus enabled them to engage the full range of staff roles – and to focus on the particularities of how people in those roles perceive their responsibilities for aspects of the student experience. The specificity of this kind of focus, we observed, was more helpful than a generalised focus on “people management”.’

**International comparisons**

A 2009 HEFCE-commissioned research study on international experiences of HRM\textsuperscript{255} examines perceptions of recent, current and future challenges for HRM in HE outside the UK. Table 27 provides a crude summary of interviewees’ views on HRM priorities.

**Table 27: Summary of international interviewee priorities for HRM**

<table>
<thead>
<tr>
<th>Issue categories</th>
<th>Noted as area of achievement in recent years</th>
<th>Noted as a current priority</th>
<th>Noted as a likely priority in 5 years’ time</th>
<th>Total comments on each issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development of HR function</td>
<td>14</td>
<td>5</td>
<td>4</td>
<td>23</td>
</tr>
<tr>
<td>Recruitment and retention</td>
<td>3</td>
<td>11</td>
<td>6</td>
<td>20</td>
</tr>
<tr>
<td>Workforce planning</td>
<td>0</td>
<td>7</td>
<td>4</td>
<td>11</td>
</tr>
<tr>
<td>Leadership development</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>11</td>
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<tr>
<td>Organisational development</td>
<td>6</td>
<td>3</td>
<td>3</td>
<td>11</td>
</tr>
<tr>
<td>Performance management</td>
<td>6</td>
<td>3</td>
<td>1</td>
<td>10</td>
</tr>
<tr>
<td>Labour relations</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>7</td>
</tr>
<tr>
<td>Cost reduction</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td><strong>Total comments/question</strong></td>
<td><strong>35</strong></td>
<td><strong>38</strong></td>
<td><strong>25</strong></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{254} See [www.lfhe.ac.uk/networks/od/mapping/](http://www.lfhe.ac.uk/networks/od/mapping/)

When comparing the volume of discussion around these issues we also observe:

- the high level of current and future concerns around recruitment and retention
- the concentrated attention given to development of the HR function in recent years
- the recent appearance of workforce planning on the priority list
- the contrast between the priorities highlighted in England and those highlighted internationally, which showed far greater emphasis on developing the HR function and recruitment/retention (similar to the issues identified in 2001 by HR directors in the Oakleigh report, where recruitment and retention, staff development and reviewing HR strategy and practice were all listed as priorities at the start of the decade). This could signify that England’s HRM capacity and strategy is more developed than in comparator countries.
Section 8: Conclusion

In this report we have highlighted the key achievements of the HE sector, the most pressing challenges for the HE workforce and the conditions required for a healthy and sustainable workforce. This report is intended to provide evidence to inform future policy decisions and assist institutions in their strategic planning. It also raises a number of issues and questions that merit further debate and analysis within the HE sector in England. There are unlikely to be simple answers to the questions, or even widespread consensus, as HEIs are very diverse and their responses to these issues will vary. The key questions we would like to see debated within the sector are detailed below.

How can HE pay and reward remain competitive, adequately rewarding people for their contribution, and equitable while also being affordable and not threatening the sector’s future financial sustainability?
Since 2001, HEIs have invested heavily in pay to ensure that staff are rewarded competitively (the cumulative total of HE pay awards from 2001 to 2008 was at least 36.5 per cent). In the current economic climate there are considerable concerns about the impact of any future pay rises on HEIs’ expenditure. With staff costs typically being equivalent to an average of 57 per cent of total institutional expenditure, any reductions in HEIs’ income or further increases to pay would raise serious concerns about affordability. This has led to questions being raised by some HEIs about the future sustainability of the incremental pay increases (worth about 3 per cent each) that around two-thirds of HE staff on average receive annually in addition to the nationally negotiated increases to all points on the pay spine.

What is the optimum industrial relations model for the sector to create a real partnership where the sector’s sustainability and success are driven by a motivated, well-rewarded and engaged workforce?
National pay bargaining continues to receive broad support across the sector’s employers and trades unions, but its long-term future remains open for debate. HEIs and sector bodies continue to discuss the pros and cons of national negotiations. With the current and future economic uncertainty, local pay bargaining might be an opportunity for individual HEIs to renegotiate the entire employment relationship with their workforces and establish more sustainable and bespoke arrangements, providing them with more control and autonomy over their staff costs. However, this view is countered by the benefits of avoiding expensive pay ‘leapfrogging’ and pattern bargaining, saving management costs, ensuring consistency across the sector in the level of pay increase and being able to maintain good relations with local trade union branches.

How can the sector best support (and subsequently implement) the recommendations of the Employers’ Pensions Forum, resulting in sustainable pensions for the HE workforce in future?
Most of the different pension schemes operating in the HE sector in the UK provide their members with defined benefits. All of the schemes are under pressure and most are currently
in, or expected to be in, deficit by the end of the financial year 2009-10. At present, pension contributions are insufficient to meet the future liabilities arising from increased longevity, falling investment income and the current rate of increase in salaries. As pension costs increase in the future, either employer or employee contributions, or both, will need to rise, or benefits will need to be reduced. A sector-led review of pensions provision, led by the Employers’ Pensions Forum, is both required and already under way.

How can the sector become more flexible at a time of change while retaining the excellence and commitment of its people?
Future changes in the nature of the HE ‘marketplace’ and the consequent increase in institutional strategic diversity will require greater diversity in workforce requirements. Institutional strategies and financial models, and the workforce capabilities needed to sustain them, will be subject to continuous challenge and review, and must be agile and flexible to adapt to new conditions and demands. HEIs will need to consider how they can adapt to change while retaining their most important capabilities. Throughout our consultations with the sector, people have highlighted the need for HE staff to work more flexibly to enable HEIs to be more responsive to a variety of drivers, principally the changing needs of the student population. There needs to be more discussion and consensus around the increased demand for flexible working by employees against flexible, or simply different, modes of working to meet new strategic needs.

To what extent do existing academic contracts and university statutes require change to optimise performance management and workforce flexibility, and to enable institutions to meet the diverse expectations of staff, students and employers?
There are mixed views among post-1992 institutions about the extent to which the teaching contract is a barrier to greater flexibility, with some arguing that institutional culture and management capacity are more important than the detail contained in the contracts. Others strongly believe that the contract is a problem that must be solved to enable them to be flexible with teaching time and delivery. The employment conditions of academic staff within chartered (mainly pre-1992) HEIs are governed by an employment statute that can only be changed by application to the Privy Council. Changing Model Statutes has the benefit of enabling institutions to keep up to date with employment law, but requires time and can be a complex and expensive procedure requiring trade union agreement as well as Privy Council approval.

Summary of the key questions for debate arising from this report

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<table>
<thead>
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<tbody>
<tr>
<td>1.</td>
<td>How can the sector become more flexible at a time of change while maximising the talent and commitment of its people?</td>
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<tr>
<td>2.</td>
<td>How can HE pay and reward remain competitive, adequately rewarding people for their contribution, and equitable while also being affordable and not threatening the sector’s future financial sustainability?</td>
</tr>
<tr>
<td>3.</td>
<td>National pay bargaining has continued to receive broad support across the sector’s</td>
</tr>
</tbody>
</table>
employers and trades unions. What is the optimum industrial relations model for the sector to create an environment where the sector’s sustainability and success are driven by a motivated, well-rewarded and engaged workforce?

4. How can the sector best support (and subsequently implement) the aims of the Employers Pensions Forum to achieve sustainable pensions for the HE workforce in future?

5. To what extent do existing contracts and university statutes require change to optimise performance management, workforce flexibility and to enable institutions to meet the diverse expectations of staff, students and employers?

There is a clear public interest in supporting a sustainable and high-quality HE workforce that has the capacity and capability to maintain the English HE sector’s world-class performance. HE in England has delivered outstanding results at national and international levels, with the excellence, creativity and innovation of its workforce deserving considerable credit for this success. To maintain national and international excellence, it is essential to ensure that HEIs in England are able to attract, retain and motivate talented staff.

To remain successful, higher education and its workforce must respond and adapt to a changing environment, in particular one that is characterised by constrained public funding. The impact of public funding constraints will be felt by HE in a number of ways, not least the affordability of future incremental or other pay rises and employers’ pension contributions. In response to these pressures, HEIs will need to examine staffing structures and costs, while at the same time retaining the commitment and creativity of staff, and ensuring teaching and research excellence is maintained.

Effective human resource management can support HEIs to develop a sustainable, fit-for-purpose and high-quality workforce for the future, overcoming the challenges identified in this report and offering new and innovative solutions.

This report highlights a number of key issues and HE workforce challenges which are jointly owned by a broad range of stakeholders within an autonomous HE sector. In conclusion, we would like to invite the sector to decide how it would like to take these issues forward, and who might best facilitate this process.
List of abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tbody>
<tr>
<td>AHUA</td>
<td>Association of Heads of University Administration</td>
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<td>ASHE</td>
<td>Annual survey of hours and earnings</td>
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<tr>
<td>AURIL</td>
<td>Association for University Research and Industry Links</td>
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<tr>
<td>BIS</td>
<td>Department for Business, Innovation and Skills</td>
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<tr>
<td>BME</td>
<td>Black and minority ethnic</td>
</tr>
<tr>
<td>CIPD</td>
<td>Chartered Institute of Personnel and Development</td>
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<tr>
<td>CPD</td>
<td>Continuing professional development</td>
</tr>
<tr>
<td>DIUS</td>
<td>Department for Innovation, Universities and Skills</td>
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<tr>
<td>E&amp;D</td>
<td>Equality and diversity</td>
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<tr>
<td>ECC</td>
<td>Educational Competencies Consortium Limited</td>
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<tr>
<td>ECU</td>
<td>Equality Challenge Unit</td>
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<tr>
<td>E-learning</td>
<td>Electronic-learning</td>
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<td>EPF</td>
<td>Employers Pensions Forum</td>
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<tr>
<td>EU</td>
<td>European Union</td>
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<tr>
<td>FTE</td>
<td>Full-time equivalent</td>
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<tr>
<td>HE</td>
<td>Higher education</td>
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<tr>
<td>HEFCE</td>
<td>Higher Education Funding Council for England</td>
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<tr>
<td>HEI</td>
<td>Higher education institution</td>
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<tr>
<td>HEPI</td>
<td>Higher Education Policy Institute</td>
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<tr>
<td>HESA</td>
<td>Higher Education Statistics Agency</td>
</tr>
<tr>
<td>HR</td>
<td>Human resources</td>
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<tr>
<td>HRM</td>
<td>Human resources management</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and communications technology</td>
</tr>
<tr>
<td>IP</td>
<td>Intellectual property</td>
</tr>
<tr>
<td>IT</td>
<td>Information technology</td>
</tr>
<tr>
<td>JANET</td>
<td>Joint Academic Network</td>
</tr>
<tr>
<td>JISC</td>
<td>Joint Information Systems Committee</td>
</tr>
<tr>
<td>JNCHES</td>
<td>Joint Negotiating Committee For Higher Education Staff</td>
</tr>
<tr>
<td>KPI</td>
<td>Key performance indicator</td>
</tr>
<tr>
<td>LFHE</td>
<td>Leadership Foundation for Higher Education</td>
</tr>
<tr>
<td>LGBT</td>
<td>Lesbian, gay, bisexual and trans</td>
</tr>
<tr>
<td>LGM</td>
<td>Leadership, governance and management</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
</tr>
<tr>
<td>---------</td>
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</tr>
<tr>
<td>LGPS</td>
<td>Local Government Pension Scheme</td>
</tr>
<tr>
<td>LLUK</td>
<td>Lifelong Learning UK</td>
</tr>
<tr>
<td>MSC</td>
<td>Medical Schools Council</td>
</tr>
<tr>
<td>NHS</td>
<td>National Health Service</td>
</tr>
<tr>
<td>NUS</td>
<td>National Union of Students</td>
</tr>
<tr>
<td>ONS</td>
<td>Office for National Statistics</td>
</tr>
<tr>
<td>QR</td>
<td>Quality-related (research funding)</td>
</tr>
<tr>
<td>R&amp;DS</td>
<td>Rewarding and Developing Staff (initiative)</td>
</tr>
<tr>
<td>RAE</td>
<td>Research Assessment Exercise</td>
</tr>
<tr>
<td>SAT</td>
<td>Self-administered trust</td>
</tr>
<tr>
<td>SIVS</td>
<td>Strategically important and vulnerable subjects</td>
</tr>
<tr>
<td>STEM</td>
<td>Science, technology, engineering and mathematics</td>
</tr>
<tr>
<td>TPS</td>
<td>Teachers’ Pension Scheme</td>
</tr>
<tr>
<td>UCEA</td>
<td>Universities and Colleges Employers Association</td>
</tr>
<tr>
<td>UCU</td>
<td>University and College Union</td>
</tr>
<tr>
<td>UHR</td>
<td>Universities Human Resources</td>
</tr>
<tr>
<td>UKBA</td>
<td>UK Border Agency</td>
</tr>
<tr>
<td>UPA</td>
<td>Universities Personnel Association</td>
</tr>
<tr>
<td>USS</td>
<td>Universities Superannuation Scheme</td>
</tr>
<tr>
<td>UUK</td>
<td>Universities UK</td>
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