



# Evolving HR capability for a new world in HE

An inquiry



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*Summary of inquiry by The Change Able Partnership for UHR  
Directors's Development Day on 22<sup>nd</sup> June 2012*

## Background

At the beginning of 2012, The Change Able Partnership volunteered to conduct an inquiry, supported by UHR, to explore key capabilities needed in HR in the changing HE sector.

We wanted to help identify the key capabilities which may need to be strengthened or developed afresh in individual HR practitioners and the collective 'profession' to meet new sectoral and institutional challenges. The aim was to present headline findings at the UHR Conference in Ashford on the 17<sup>th</sup> June and to follow this with discussion of possible actions the HR Directors Development Day on 22<sup>nd</sup> June.

Our inquiry process was informed by work with a number of HE clients in the sector over recent years – both on HR transformation projects but also more widely with senior leadership/governor teams and academic schools seeking to enhance teaching and research performance and to improve the quality and speed of core business processes and decision making. We framed the inquiry around a number of observations that we were interested to test.

## The challenges for HE ... and HR

It is worth restating our starting premise that - more than ever - in a challenging economic context we all desperately need the continuous innovation, knowledge and capability building which is provided by the HE sector.

- The new fees regime means HE institutions are becoming more like commercial businesses – with the opportunities and challenges this presents. Whilst changes to funding are intended to provide a financially viable future for HE it is still early to judge the impact on student numbers in the longer term
- Students are expected to increase their demands for a high quality, value for money experience, and to have a return on their investment (employment prospects in a high unemployment market)
- In tight economic conditions competition for research funds is more intense than ever and demands greater innovation, flexibility and cross-boundary working to demonstrate research impact across big societal, environmental, health themes etc
- Institutions need to be flexible to refine and change their offer in response
- Employees are critical – in their capacity to provide client service at every level of the institution, to innovate (in teaching, research and organisational processes) and to cope with the change that arises
- The employee (and student) engagement and well-being agendas have a generally high profile in HE and are converging with the message that

there are opportunities to increase people's overall flourishing and contribution at work and to tackle relatively high reported rates of stress and sickness in HEIs

- The power of new technologies offers opportunities for faster, high impact communication/learning approaches and internal management/administrative processes.

The challenge of change is significant and exciting but leadership, management and change skills are very mixed across the HE sector. The employee relations climate is fragile in quite a number of HEIs which makes institutional change processes slow and at times highly adversarial.

Senior leaders and academics are looking to HR to advise and support them in this context. Line managers often do not know what they do not know. As well as seeking practical advice on the issues which arise they are seeking an HR team able to help them think creatively around their people strategy and challenges.

### **Progress already made in HR...**

Against this wider backdrop we began the inquiry with a number of assumptions based on our observations of HR transformation work with a number of HR teams across the UK:

- Many HE institutions have reengineered - or are in the process of reengineering - their HR functions; typically this involves moving towards the business partnering model
- Efforts are being made to make HR processes and technology more streamlined

- HR policy capability is well developed – HR teams are good at responding to legislative and sectoral change
- But many HR advisors (and some HR Directors/senior managers) spend a significant proportion of their time dealing with difficult case work (grievances, discipline etc) which reduces capacity to deal with the root causes of these. These are energy draining rather than energising and enabling activities
- HR functions are trying to improve performance management in their institutions – typically with heavy emphasis on providing underpinning tools and frameworks
- High quality organisational and leadership development support is in demand - and some HEIs have made significant investment in leadership development in recent years; but there is much still to do and the impact of the investment feels light at this point (though it may be too early to judge).

In summary we felt there are many opportunities and challenges for HR – but also a risk that many functions remain predominantly caught in the role of 'small HR' (policy and casework) rather than 'big HR' ( supporting strategic developments, building leadership capability at every level and improving employee engagement).

### **The inquiry process**

The aim has been to gather a wide range of views from across the sector and has involved over 100 HEIs through a series of workshops, interviews and an on-line survey – mainly targeted at senior HR practitioners but also seeking the views of

HR's clients including members of leadership teams (Pro Chancellor, VC, DVC, Professors, Registrar, Head of Finance etc). A list of participants is attached at Appendix 1. The main themes were presented and discussed at two seminars at the recent UHR conference in Ashford on 17 May 2012.

## Identifying strengths and gaps

We began by asking HR Directors and clients to rank sixteen HR capabilities - indicating how important they will be in the new world in HE and also how well developed they are at present. There was a very high degree of consistency between the rankings of HR Directors and clients which enabled us to position the capabilities in four quadrants:

<p><u>Seen as important / under-developed capability 'the change family'</u></p> <p>Leadership development          Planning and implementing change          Communication and engagement          Workforce planning          Shaping values          Innovation and creativity</p> <p style="text-align: right;"><b>Action?</b></p>	<p><u>Seen as important / well-developed capability</u></p> <p>People strategy          Employee relations</p> <p style="text-align: right;"><b>Vigilance?</b></p>
<p><u>Seen as less important / under-developed capability 'the transactional efficiency family'</u></p> <p>Information gathering/analysis          Project management          Process efficiency          Using technology well</p> <p style="text-align: right;"><b>Worry?</b></p>	<p><u>Seen as less important / well-developed capability</u></p> <p>Staff development          HR Advice          Policy Development          Promoting well-being</p> <p style="text-align: right;"><b>Maintenance?</b></p>

## Strengths (right hand quadrants)

- The top right quadrant showed that *People Strategy* and *Employee Relations* were seen as important capabilities which are currently well-developed. This would suggest that these need 'vigilance' but are not a current development priority for development
- The bottom right quadrant showed that *HR Advice*, *Staff Development*, *Policy Development* and *Promoting Well-being* are seen as less important in the new context and currently well-developed. Our sense from the interviews was that these should be maintained – and in no way should areas such as Staff Development and Well-being be treated with complacency. But areas such as HR Policy and routine HR Advice might be consuming a disproportionate amount of resource.

## Development areas (left hand quadrants)

- The top left quadrant 'change family' appears to be the most critical development area – showing capabilities which are both important but currently underdeveloped. This highlights the opportunity for further capability development in relation to *Leadership Development*, *Planning and Implementing Change*, *Communication and Engagement*, *Workforce Planning*, *Shaping Values* and *Innovation and Creativity*. We believe HR teams should be encouraged by a number of comments showing the appetite from senior managers for HR to make its impact felt more strongly.

As one HR Director told us

‘The VC and top team are definitely looking for a more strategic input from me and the function – in particular, new ideas about employee engagement, leadership development and improving performance’.

And as a Professor put it

‘HR should be an equal partner at the table’

- We believe there is some cause to be troubled by the bottom left ‘transactional efficiency’ capabilities. The results here were less positive than we had expected at the outset of the inquiry. Interviews with both clients and HR Directors indicate less developed capabilities in *Information gathering and analysis, Project Management, Process Efficiency and Using technology well* which result in reduced credibility, too much HR time spent on routine matters, too much resource spent on administration and a lack of high quality data and analysis to inform workforce and change planning. Whilst these are not seen as important as the change capabilities we believe there is an inter-relationship which may be hindering progress in the quadrant above.

## Moving into action

We followed the first inquiry stage with an online survey to HR Directors to test:

- whether the quadrant analysis felt right
- what they would do to address potential development issues

Key survey questions confirmed findings from the earlier workshop and interview stage:

- A resounding **95%** of respondents strongly agree or agree with the statement ‘It is a priority to build HR capability across the change family’.
- Questions around current transactional efficiency measures highlighted a very mixed picture across the sector. e-recruitment systems are in fairly widespread use. However for on-line processing of routine HR transactions almost **50%** of respondents rated themselves right at the bottom of a 10 point scale. Intranet usage is patchy.
- **86%** of respondents agree with the statement ‘I would like to work more intensively with HR colleagues across the sector to build our professional capability’
- There is interest in different development approaches with a preference for seminars/masterclasses, demonstration projects and coaching networks (over webinars or longer development programmes)
- There were many comments on the need to seek good practice examples from outside the sector.

A range of comments on development ideas are shown at Appendix 2 with one quote appearing to capture a general view that any development ....

**'needs to be practical and relevant, avoid introspection and theorising and focus on delivery'**

Workshops at the UHR conference were used to discuss the inquiry findings and brainstorm ideas for future development. Ideas were varied and included the following suggestions for focus:

- Better business cases for technology investment in the HR function
- Greater embedding of HR in faculties and departments
- Continuing to strengthen leadership and management skills at every level so HR is not a 'dumping ground' for problems
- Questioning of the way in which HR services could be delivered in future including the possible outsourcing of back-office activities
- Bringing more client/academic perspectives into any HR development activity so it is externally focussed.

## Next steps

The final stage of the inquiry takes place at the UHR Directors Development Day on 22<sup>nd</sup> June when the aim is to focus on some of the major capability development areas and agree specific actions in a way which:

- builds appreciatively on progress being made by individual institutions and through the ongoing work of UHR
- looks for challenging ideas from outside the function and sector to supplement this
- is creative and free thinking about best value, high impact actions for the future.

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## Appendix 1 – Inquiry participants

### UHR workshops/interviews – HR Directors/Deputies

Susan Edwards – University of Greenwich

Mike Moore - University of East London

Gill Hemus – Manchester Metropolitan University

Malcolm Willis – University of Winchester

Jane Embley – Northumbria University

Nick Rogers – University of the Arts, London

Jan Cheetham – University of Bath

Jayne Dowden – Cardiff University

Guy Gregory – University of Bristol

Naomi Holloway – University of Hertfordshire

Paul Stephenson – University of Surrey

Sarah Gray – Leeds Metropolitan University

Juliet Amos – Teesside University

Emma Wilkens – York St John University

Philip Ratcliffe – University of York

Joanna Race – University of Durham

Lesley Lee – Northumbria University

A Walters – University of Sunderland

Phill Dixon – Sheffield Hallam University

Tracy Wray – University of Sheffield

Matthew Knight – University of Leeds

Linda Mortimer Pine – University of Leeds

Veryan Johnston – University of Newcastle

Peter Brook – University of Portsmouth

Naira Patel – Birkbeck, University of London

Peter Warwick – King’s College London

Chris McLlelland – London School of Economics

John Kempton – Institute of Cancer Research

Anne Beesley – University of Westminster

Margaret Bird – University of West London

Theresa Staddon – University of Hertfordshire

Caroline Melrose – Royal College of Art

Charles Oboh- UCL

Claudia Otoo – University of the Arts London

Anjuum Saad – The Courtauld Institute of Art

Wendy Gay – St George’s University

D Morley – Kingston University

Kim Frost – University of London

David Williams – University of Swansea

Janice Donaldson – University of Southampton

### On-line survey respondents – HR Directors

Cathy Abu – University of Bedfordshire

Pamela Milne - University of Dundee

Rachel Libby-Chiaa- St Mary’s University College

Andrew Snowden – University of Hull

David Williams – Swansea University

Mairi Stewart – University of St Andrews

Alun Reynolds – University of Leicester

Mary Luckiram - City University London

Malcolm Willis - University of Winchester

Naomi Holloway – University of Hertfordshire

Jackie Russell – Royal Conservatoire Scotland

Jackie Bisson – Kingston University

Ian Darker - Royal Veterinary College

Martyn Holden - Derby University

Matthew Knight – University of Leeds

Alison Smith - UCLan

Declan Vaughan – University of Birmingham

Ian Black - University of Glasgow

Veryan Johnston - Newcastle University

Iain Grant - University of the West of Scotland

Guy Gregory – University of Bristol

Margaret Ayers – University of Kent

Andrew Dodman – University of Sheffield

David Briggs - Robert Gordon University

Bob Price - Oxford Brookes University

Andrea Walters – University of Sunderland

Martyn McCrindle – University of Stirling

Janet Whitworth – University of Cumbria

Janice Donaldson - University of Southampton

Peter Mitchell - SOAS

Julie McClelland - University of Huddersfield

Steven M Bloor – Southampton Solent University

Mark Adderley – Heriot Watt University

Jayne Billam – University of Lincoln

Brent Dempster - King’s College London

### Interviews – Clients/Other

Paula Shelley – UCEA

Prof Michael Arthur – Vice Chancellor University of Leeds

Linda Pollard – Pro-Chancellor University of Leeds

Prof Gwendolen Bradshaw - Head of the Division of Midwifery and Reproductive Health University of Bradford

Denise McConnell – Director of Finance University of Teesside

Prof Jeff Gold – Professor of Organisational Learning Leeds Metropolitan University

Dr John Hogan – Registrar, University of Newcastle

Prof Stevenson – PVC Planning and Resources, University of Newcastle

Prof Richard Williams – PVC and Head of the College of Engineering and Physical Sciences, University of Birmingham

Christopher Hallas – Director of Student Affairs, University of Greenwich

Matt Higgins – Deputy Finance Director, University of Surrey

James Newby – Director of Business Services, University of Surrey

Chris Cox – Nottingham Trent University

## Appendix 2 – Comments on development ideas/suggestions from on-line survey

- The questionnaire is, understandably, posed to HRDs in the first instance. We need to think carefully about the differing development needs of those who are not HR leads, but may be those of the future. We need to think about our attractiveness as a sector in drawing in talent from other sectors (danger of insularity, dead man's shoes, etc)
- I think there is a big role for cross-institutional HR capability building activity in the HE sector. This allows for efficiencies in scale and cost of activity and the ability to access a deep reservoir of expertise which an institution attempting to go it alone with this agenda could never match
- A move to e-transaction will free HR resources to work at a higher level and increase capability/capacity to respond to emerging needs
- I think that part of HR's role is to keep reminding our businesses that there is a world outside the university. Many of the problems that we are currently facing are not unique and have been experienced by other sectors in the not too distant past. Too often we are reluctant to take these learnings from outside and so end up re-inventing the wheel. In the new reality most of us will be occupying from next year I think this is a luxury we cannot afford. Look at what happened in the privatised utilities to see what is likely to happen in our new market based environment. One of the first things to go was the cosy collegiality between now competing businesses and so that is why I answered your first question with a disagree. I think we will all have to find ways of developing our resources ourselves rather than rely on interest groups like our own UHR
- Don't recruit from HR communities alone, accommodate the transfer of expertise from other disciplines - finance and operations management in particular. Focus less on HR specific skills and nurture deeper business understanding-context and changing dynamics of organisation in terms of finance, marketing, resource planning etc. Continue to build confidence and knowledge in financial literacy application and the use of technology to promote functional efficiency around people processes
- The Leadership Foundation ran a 'strategic exchange' exercise which took a group of senior HE leaders into other organisations and challenged them on critical issues in that organisation - I wonder if we could do something similar but from an HR perspective?
- Greater engagement with other professional bodies (eg CIPD)
- Consultancy skills, business planning, options appraisal and cost benefit analysis
- Greater use of interns (paid) and secondments to bring new ideas and challenges
- Other sectors are much more advanced, networking with HR professionals in other sectors would help
- 1. Although it might be heresy to dare to challenge the 'apple-pie-and-motherhood' view that we should all say 'yes' to more shared development activity across the sector, as a Director of HR I am also very keen that the HR team here benefits from exposure outside the inter-breeding HE sector. 2. My experience is that there are two increasingly potent (and very basic) training needs for HR professionals in the HE sector - a) ability with number, and evidence based practice b) ability to produce good quality written work, of different types and for different audiences
- Development programmes as described are less attractive due to the lack of control over design specific to the needs of the institution. However menu of development resources that can be commissioned and adapted to own programmes would be of higher value
- It is very difficult to release staff for any length of time and so short intensive sessions would suit us best
- Masterclass events that are 'case study' based specifically from outside of HE
- Depends on individual learning styles and capacity within teams. Some of it is about shifting mind sets from traditional HR paradigms to a broader strategic context for HR in leading and supporting change. All of the above have their place but it depends on the diagnostic as to which is the most appropriate intervention. If we are looking at intensive support, I would seek to appoint a new person as "change champion" to introduce new ideas, lead by example and support others. The other suggestions above would be useful to address knowledge and skills gaps for individuals once they have recognised the need to change