

# Higher Education at the Crossroads

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A Blueprint  
for  
HR Development

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## ~ A Blueprint for HR Development ~

**'My experience of commerce and the university is that an institution which aspires to greatness among its fellows and even more so one that aspires to the opportunities of the next decade, which will be increasingly international rather than national in its thinking requires inspired leadership which in a University means the progressive creation of a shared vision and commitment across the faculties, departments and administrative centres.'**

Lord Dearing  
Chair, UK Review of Higher Education

Many universities and higher education institutions are at the crossroads in terms of their future development. Moving ostensibly from institutions that enjoyed heavy government subsidy, outdated and protected work practices that functioned on the quaint concept of collegiality, they have suddenly found that the structures and processes that served them so well in the past are no longer relevant in the new world order of e-commerce, street smart and fickle students who demand high quality and progressive and flexible teaching and learning practices that will provide them with the edge upon graduation. This paper attempts to identify the Human Resource initiatives that are required to effect change in a competitive and complex environment. However, before doing this it is necessary to identify the influences that are driving institutions to re-evaluate their HR practices.

### **1. EFFECTS OF GOVERNMENT POLICY**

The last decade has generally seen a decline in government funding. As a result of this administrative costs are constantly scrutinised. Clear value is expected in terms of investment outlaid and services provided must be cost effective, relevant and efficient.

Yet despite decreased funding, higher education institutions are increasingly under review in terms of their operation through various government funding models or quality audit programs. The current one size-fits-all funding arrangements tend to normalise institutions and provide few incentives to encourage innovation and differentiation.<sup>1</sup>

To overcome funding shortfalls, higher education institutions have embarked on a drive for revenue growth. Students are now seen as an economic force critical for economic wellbeing. Yet the heterogeneous fee and non-fee paying student body derived from school leavers, mature age, minority groups and from overseas are better informed on making choices about what institutions can deliver on their individual needs. The result is that there are no longer any guarantees that the best students will study at their local higher education institution.

The effect this has had is that institutions:

- must become more market focussed;

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<sup>1</sup> *Higher Education at the Crossroads: An Overview Paper* Department of Education, Science and Training (Australia), Paragraph 75.

- must be able to respond quickly to changing demands;
- can no longer be insular - must think globally;  
and
- must be innovative and creative

if they are to acquire new markets/students and customers.

## 2. GLOBALISATION

Globalisation is the process of growing and integration of capital, technology, and information across national boundaries in such a way as to create an increasingly integrated world market, with the direct consequence that more and more countries and firms have no choice but to compete on the global economy.<sup>2</sup>

Technology has made the world both smaller and faster. Video conferencing, email, the Internet and intranet, while now the standard tools of trade, are also the technical tools that are spawning the development of the virtual higher education institution. Ideas and information are in constant motion.

Significantly, as physical distance becomes less of a barrier, the leading and innovative higher education institutions of any country can decide to open a branch anywhere in the world or to reach out across borders using the internet or transmitting courses via satellites, effectively competing with any national higher education institution on its own territory. In a recent example of this, the President of the University of Maryland wrote an article of complaint in the Washington Post vehemently protesting against the opening of a branch of the University of Phoenix in Maryland.<sup>3</sup>

Faculties and Schools now have to respond more quickly to the environment they operate in as the potential student base are bombarded with a range of options on not only what course they wish to pursue but also the medium in which it will be delivered. Academic Heads must balance the demands of thinking globally while acting locally, i.e. they have to move people / ideas / information / etc. around the world, which must be tailored to meet local needs. An example is Monash University in Australia that has:

- Two (2) 'fully fledged' campuses in South Africa and Malaysia offering Arts, Business and IT at both, PLUS very successful Science and Engineering in Malaysia.
- Two (2) 'centres' in London (in partnership with Kings College) and Prato (near Florence in Italy).

It is also currently seeking a presence in North America.

The major purpose is to build linkages and alliances in research and teaching. Such alliances also facilitate Australian students to have an 'international study experience', e.g. law students are now offered the opportunity to do one or two semesters at Kings College. Art and Design students have the same opportunity at Prato.

Globalisation in higher education requires universities to increase their ability to collaborate and to manage diversity, complexity and ambiguity. Higher education institutions, like multi-national companies such as General Motors and Coca Cola, now have to contend with volatile political situations, fluctuating exchange rates, unfamiliar cultures and different industrial frameworks.

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<sup>2</sup> Salmi J., *Facing the Challenge of the 21<sup>st</sup> Century*, Perspectives Vol 6 #1 2002. Page 9.

<sup>3</sup> Salmi J., *Facing the Challenge of the 21<sup>st</sup> Century*, Perspectives Vol 6 #1 2002. Page 10.

### **3. STRATEGIES AND LEADERSHIP**

Competitive advantage has to be at the heart of any strategy. Simplistically, there are two (2) basic types of competitive advantage, lower cost and differentiation.

Unfortunately many higher education institutions are not able to make the transition from a time where higher education institutions were able to be all things for all people. Suspended in a time warp, they offer neither low cost nor differentiation. Therefore, by definition, being stuck in the middle is a recipe for strategic mediocrity and below average performance.<sup>4</sup>

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<sup>4</sup>Pickett L. and Porter M., *Operations Overwhelm Strategy*, HR Monthly. Page 20.

The questions that senior management must ask in determining the future of the higher education institution are:

- Which of our courses/programs/services are the most distinctive?
- Which of our courses/programs/services are the most profitable?
- Which of our students/clients are the most satisfied?
- Which student/partnerships/consultancies are the most profitable?

Then, having done this analysis, the leadership must provide the discipline to decide which changes are necessary and what client base it will respond to while avoiding organisational distractions and maintaining the higher education institution's distinctiveness.<sup>5</sup>

#### **4. NEW TECHNOLOGY AND CHANGE MANAGEMENT**

The introduction of multi-functional Management Information Systems has only highlighted the problems that higher education institutions have in responding to rapid change. The stories of major cost over-runs, corrupted data and security issues particularly in Student Record Systems are legendary across the sector. Yet, like taxes and death, the inevitabilities are that change is non-stop. To be competitive, change must be embraced across the higher education institution. Staff must not only learn rapidly but also continuously.

#### **5. THE EMPLOYMENT RELATIONSHIP**

It is a tired cliché that an organisation's best resource is its staff. Yet many institutions fail to recognise, through their recruitment and human resource policies, the significant changes that are occurring across the higher education sector.

Higher education institutions are moving from an environment where the workforce is static and long serving to one where careers are adaptable and long-term *employability* replaces life-long *employment*. The composite of the workforce, like the student body, is also more heterogeneous. Higher education institutions are more likely to have a large proportion of both academic and non-academic staff in part-time and or fixed term positions to provide staffing flexibility.

Staff, through both a combination of cultural and legislative changes, now have greater expectations in terms of their career management. Furthermore they have more options if they are disgruntled. Legislative changes, particularly in the fields of occupational health and safety and equity and diversity have seen the onus increasingly resting with the line managers to not only comply but also be pro-active in these areas.

And yet, complex as the management of staff is at present, it will become even more critical in the next decade due to the impact of demographic and economic trends on staffing needs for higher education.

The effects of demographics in the Western world means that the employment pool for replacement staff is getting less as the first of the baby boomers leave the sector. This is further compounded by:

- The prospects of an increasingly international labour market for academics and senior administrators, involving greater cross-national flows of highly trained individuals and consequently greater competition between countries;

*and*

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<sup>5</sup> Pickett L. and Porter M., *Operations Overwhelm Strategy*, HR Monthly. Page 19.

- Increased competition between academic institutions and other sectors, business and industry and government.<sup>6</sup>

The reality is that the wealthy adaptive higher education institutions are more likely to win the war for research talent rather than the impoverished higher education institutions.

Knowledge acquisition and retention provide a direct competitive advantage. Successful higher education institutions will be the ones who are able to attract, retain and train individuals who can drive global organisations that are both responsive to their students/staff/partners/ customers and the expanding opportunities of technology. The challenge therefore is to find, assimilate, develop, compensate and retain these exceptional staff

## **THE HUMAN RESOURCE AGENDA**

**In many organisations today, the wake of downsizing and global competition has left employees feeling more like a depreciable rather than appreciable asset. Employees often feel less loyalty, commitment and engagement. In organisations tomorrow, intellectual capital must become an on-going investment where employees are constantly learning, challenging, and reinventing themselves and their organisations. HR in the future should play a central role in acquiring, nurturing and investing in intellectual capital.**

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<sup>6</sup> Kogan M, Moses I and El-Khawas E, *Staffing Higher Education* Page 94.

Having identified the factors that need to be considered in facing the challenges what are the specific human resource initiatives that are required to effect change. The fact is it is not rocket science. It does, however, require a substantial effort in both time and resources.

## **STEP ONE**

Ensure your Human Resource Plan is linked to where you want to go.

Before the Human Resource Plan is formulated, a higher education institution must be clear on what path it is pursuing in seeking competitive advantage, i.e. low cost or differentiation. Human resource management affects competitive advantage in any firm through its role in determining:

- the skill and motivation of employees;
- the cost of hiring and training.<sup>7</sup>

A key to this is to ensure Human Resource policies are tailored to fit the competitive strategy that has been chosen. In broad terms this means that if a higher education institution is following a strategy of cost leadership the HR policies underlying this approach must facilitate a culture of frugality, discipline and attention to detail. Alternatively a strategy of differentiation requires HR policies that encourage innovation, individuality and risk taking.

## **STEP TWO**

Develop a Human Resource Plan.

The cost of not having a human resource plan is:

- loss of efficiency
- substantial cost to the organisation through:
  - (i) unstaffed vacancies
  - (ii) expensive replacement training
  - (iii) over hiring
  - (iv) fragmented career management
  - (v) expensive retrenchment programs<sup>8</sup>

An effective human resource plan translates the organisations objectives into terms of the workers needed to meet the objectives. In this context it is important that the policies and procedures cascading down from the human resource plan are interlinked and mutually support the higher education institutions strategic objectives

Given the themes expressed previously in this paper the HRP needs to cover the following areas:

### **The organisational structures that will be required for the future:**

- Does the structure of your organisation reflect its strategic intentions and equip it to be able to respond to changes in the operating environment?
- Do you have the structures that give you the flexibility and interrelationships that the strategy direction requires (e.g. a traditional compartmentalised structure may make it difficult to run a Masters degree across several disciplines)?
- If you are developing flatter structures, do you have the culture and the policies that empower individuals?

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<sup>7</sup> Picket L and Porter M. *Operations Overwhelm Strategy*, HR Monthly Page 21.

<sup>8</sup> Nankervis A, Compton R, McCarthy T, *Strategic Human Resource Management* Page 79.

- Does your committee structure represent a collegial or a managerial culture?

## **Development of an effective staffing strategy**

An effective staffing strategy must provide not only for the recruitment, retention and development of staff but also the planned separation of those staff whose skills are no longer relevant to the higher education institution. As the war for talent intensifies career management of staff will become increasingly important to all higher education institutions

The recruitment strategy must have the following elements:

- selection criteria must be accurately defined, not necessarily in terms of current roles but in terms of future demand;
- be capable of identifying the best available talent;
- allow quick and efficient action to secure that talent;
- attractive remuneration packages incorporating financial and non financial benefits to attract the best staff;
- incorporate best practice in terms of removal and relocation services including customised arrangements for the appointee's personal and family circumstances.

A comprehensive training and development plan is critical in terms of developing staff to both meet their personal objectives but also the goals of the higher education institution. Such a plan must clearly articulate the roles and responsibilities of the central administration, the faculties and departments and the individual staff member

## **SO WHAT ROLE CAN THE CENTRAL ADMINISTRATION PLAY?**

The central administration must:

- provide staff with the skills they require in the new environment;
- support staff to do what they are paid to do;
- in an environment of change, provide the support mechanisms for the staff to maintain their own employability over a working life.

### **.... AND THE FACULTY/DEPARTMENT?**

Create an environment that encourages and nurtures both the individual's development and the collective development of the discipline/department/faculty as a whole.

### **..... AND THE EMPLOYEE?**

- accept responsibility to maintain their own employability over a working life;
- undertake career long learning with motivation and enthusiasm;
- develop their own program of assessing, upgrading and implementing employment skills.

### **....AND COLLECTIVELY?**

Working in isolation in taking responsibility for their careers, it is difficult for the individual to ensure they can meet their role as a knowledge asset of the higher education institution. Therefore there has to be recognition that the development of a career is a joint venture with clear communication of this expectation between the parties. The result will be that a career management partnership will enable a higher education institution to maximise the working relationship with valuable employees as well as giving individuals the tools to utilise for long-term career success.

### **STEP THREE**

Human Resource Management System (HRMS)

**If you have a system that is not functional,  
you can't blame the driver if they don't win.**

Underpinning any Human Resource Plan is the need to have quality data that will provide the statistical and qualitative information for effective decision-making. A system needs to be in place to capture data on:

- The staffing profile, segmented by different disciplines and career stages of staff. This would account for the changing characteristics of academic staffing, within disciplines, age groups and qualifications.
- A needs analysis of different categories of staff in terms of likely trends in student demand.
- A microanalysis of the nature of academic tasks to get a better sense of what academics do and what the balance is of different tasks performed.<sup>9</sup>
- Wastage rates.
- Where future skills are required.
- Where your future staff will come from.
- The effectiveness of training and development versus the cost of recruitment and what method produces the best results.

### **STEP FOUR**

**Development of Policies and Procedures**

**HR is no longer the domain of HR professionals,  
however you can't expect to transfer day-to-day accountability  
for staff management to line-managers without a vibrant,  
contemporary and competitive set of HR Policies that are understood.**

As noted previously HR policies must be congruent with the strategic and human resource management plans. Particularly, they must be consistent in recognising the level of risk taking and flexibility the prevailing culture allows through an appropriate level of delegation.

<sup>9</sup> Kogan M, Moses I and El-Khawas E. *Staffing Higher Education* Page 120

Importantly, levels of delegation must also be supported with relevant training and staff development so that responsibility is not divorced from accountability. Policy development must also be done with full consultation of staff so that they not only understand the reason for the policy but also accept some ownership of the policy outcomes.

At my University, we are moving to a process where the actual policy is short and succinct but is supported by guidelines and tool kits. This format gives managers empowerment through devolved delegations, flexibility as a result of guidelines and through the tool kits a framework for decision-making.

## **STEP FIVE**

Develop a Communication Strategy

Change cannot be implemented unless you have communication processes that engages, educates and allows for feedback of staff. Some practical ways of achieving this are:

- Have regular forums to discuss what you are going to do and why. This is especially important when going through major organisational change or policy development. Critically ensure staff have an opportunity to comment and contribute.
- Have decent information systems to capture and process data in an easily accessible and understood form.
- Ensure your web pages are interactive and easy to navigate and where possible standardised in format and branding.
- Develop review planning/career development or performance management processes to ensure staff know what the institutions expectations are and how it will assist them in both meeting those expectations and developing their own careers.
- Ensure that your committee structures are still relevant and accountable. In particular that the membership is communicating both up and down the line.
- Develop good induction processes so that new staff quickly understand their rights and responsibilities and get a sense of the culture and norms of the institution.
- Understand that individuals have preferred learning styles, so offer a variety of methods of training delivery eg
  - Mentoring
  - On-line
  - On-the-job
  - Workshops
  - Seminars
  - Retreats

## **The Required Competencies of the Human Resource Professional in the future**

A modern day Human Resource department should no longer be involved solely in processing routine personnel tasks like leave, payroll and recruitment etc. HR can and should play a strategic role in attracting, developing and retaining good staff and developing policies and procedures that enhance the higher education institution and its staffs ability to achieve both organisational and individual goals. To do this, the HR Professional needs four (4) major competencies:

1. Knowledge of the business of the organisation including strategy, operations and finance.
2. Knowledge of both the theory and the practical aspects of the profession including an appreciation of leading edge HR tools.
3. An understanding of change management in the context of the prevailing culture.

4. Personal credibility through the accuracy of their work and the intimacy of their relationships.<sup>10</sup>

## **CONCLUSION**

I commenced this paper with a quote from Lord Dearing that said a University that aspires to greatness must progressively create a shared commitment across the faculties, departments and administrative centres. I believe the key to this and the challenge facing institutions in the management of its human resources is the development of a comprehensive HR strategy that incorporates development of effective structures and cohesive recruitment, retention and career planning processes that are supported with effective training and development opportunities and HR policies that are both relevant and understood.

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<sup>10</sup> Ulrich, D. *Long Live the New HR*. HR Monthly Page 10

