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Evaluation of the impact of public policy and investments in human resource management in higher education since 2001

**A report to HEFCE by Oakleigh
Consulting Ltd**



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1. Selected glossary

AHUA	Association of Heads of University Administration
ALT	Association for Learning Technology
AUA	Association of University Administrators
CETLs	Centres for Excellence in Teaching and Learning
DPA	Data Protection Act
ECU	Equality Challenge Unit
EO	Equal opportunities
HE	Higher Education
HEFCE	Higher Education Funding Council for England
HEFCW	Higher Education Funding Council for Wales
HEI	Higher Education Institution
HESA	Higher Education Statistics Agency
HRM	Human resource management
LGM	Leadership, Governance and Management Fund
LFHE	Leadership Foundation for Higher Education
MIS	Management information systems
OPM	Office for Public Management
PDR	Personal Development Review
PVC	Pro Vice Chancellor
R&DS	Rewarding and Developing Staff initiative
SCONUL	Society of College, National and University Libraries
SFC	Scottish Funding Council
SMART	Specific, measurable, attainable, realistic and time-bound
TQEF	Teaching Quality Enhancement Fund
UCEA	Universities and Colleges Employers Association
UPA	Universities Personnel Association
UUK	Universities UK
VC	Vice Chancellor

2. Executive summary

2.1. Introduction

This report was commissioned by HEFCE to evaluate the impact of public policy and investments in Human Resource Management (HRM) in English Higher Education (HE) since 2001. The research leading to the publication of the report was completed in the latter half of 2008.

2.2. Principal findings

Human resource management (HRM) practice across the English HE sector has been transformed since 2001.

The concerted and co-ordinated strategy pursued by HEFCE, the Universities and Colleges Employers Association (UCEA) and the sector at large has, for the most part, enabled the system wide improvements that were identified as necessary in 2001. Individually, institutions have put significant effort and resources into the modernisation of HRM. The major developments since 2001 include:

- Increasingly effective approaches to performance management for individuals, teams and organisations.
- The recognition of the criticality of effective HRM resulting in it now being a key component of institutional planning.
- Significantly enhanced institutional human resource (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 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 capacity and resilience of the sector 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.

The overarching strategy developed by HEFCE in the period (in close partnership with the sector and key bodies such as UCEA) was timely and generally well received by the sector. Together, the key components of the Rewarding and Developing Staff Initiative (R&DS) and National Framework Agreement represented *the* major investment in sector modernisation in this period.

It is clear that many individual institutions would have enhanced their approach to HRM in this period without the benefit of the investment released by R&DS – or the systems and processes required to meet the objectives of the framework. Indeed it is clear that substantial progress was being made in a minority of HEIs before the advent of either initiative.

However, it is also evident that the majority of the sector would have struggled to find the resources necessary to implement and sustain the major improvements in their approach to HRM that R&DS enabled. This is as true of small and specialist institutions with a very limited resource base as it is of many larger teaching and research-focused universities.

R&DS enabled the sector to invest in and build up its capacity to effectively develop modern HRM practice at a pace that for many institutions would not otherwise have been sustainable. This is the particular *additionality* of R&DS most commonly cited by the sector: its direct value as an investment in capacity coupled with the catalytic effect of the framework HEFCE mandated for its implementation.

Consequently we conclude that R&DS has proven to be, on the whole, a well-configured strategic intervention in a sector that by and large welcomed both its premise and execution. Institutions were for the most part able to make effective use of the investment it offered and the framework for its use was generally well aligned with the inevitably diverse needs of what is by definition a heterogeneous sector.

Turning to the present day, it is clear there remains an extensive range of emerging and evolving HRM challenges to be overcome. In character, they are generally less systemic (at a sectoral level) than those faced in 2001 and typically require institutions to develop very contextual solutions to such issues as:

- Leadership development, particularly for ‘middle management’, by building upon the valued support of the Leadership Foundation for Higher Education, institutions’ own programmes and such schemes as HEFCE’s Leadership, Governance and Management Fund (LGM) initiative.
- Developing coherent career progression routes/pathways for academic and professional staff alike that encompass the needs of groups such as contract researchers and blue collar staff.
- Establishing approaches to talent and succession planning at all levels of the organisation, not least to reinforce and accelerate progress in respect of equality and diversity across the workforce.
- Securing a genuinely pervasive approach to effective performance management throughout all levels of the institution and for staff in all roles, including dealing with poor performance. Translating policy into embedded and effective practice remains an ongoing challenge, and unevenness in the application of effective practice is a preoccupation shared by many institutions.
- Accelerating the transformation of HR into a function that is structured and delivered as a genuine ‘business partnership’ with academic and professional departments thus ensuring it can maximise its contribution to the realisation of the institution’s goals.
- Developing the capacity and capability to support shared services and outsourcing where these are being pursued by the institution.

The key ‘systemic’ issue giving rise to concern is that of aligning sector ‘conversations’ about pensions and pay and the future of national pay bargaining.

3. Background to study

This is the final report on the evaluation of the impact of public policy and investments in Human Resource Management (HRM) in English Higher Education (HE) since 2001. The study was conducted between August and December 2008.

The primary purpose of the study was to:

- Evaluate the impact of the last two years (2004-2006) of the Rewarding and Developing Staff in HE initiative (R&DS).
- Assess the relationship between the R&DS initiative and other key changes to HRM practice for the HE sector in England since 2001, and evaluate the level of influence of these on the capacity and capability of the current HE workforce.
- Provide a formative analysis of the current state of HRM within English HE.

Some of the key evaluation questions to be explored included:

- How does HRM in HE look and feel now, compared with what was happening in 2001?
- What have the various HRM initiatives and other key changes occurring during this time achieved in terms of building the capacity and capability of the English HE workforce to deliver the HE required now?
- How well are HEIs' human resource (HR) strategies aligned to their organisational strategies?
- To what extent have the investments and initiatives created movement – and momentum – towards the changing requirements placed on our HE system?
- Have these initiatives had the required impact?

The steering group established to direct the review was concerned to ensure the evidence base used by the consultants was robust and broadly reflective of stakeholder interests. Consequently the preparation of this report has involved extensive and systematic consultation with:

- Vice Chancellors and their senior management teams including Deans of School, Heads of Faculty and HR professionals.
- Front line teaching staff and professional services staff.
- Sector agencies and representative bodies including national trades union representatives.

This engagement was supplemented by an extensive literature review, multiple institutional surveys and a major sector-wide survey of HR professionals involving some 59 individual institutional responses. Appendices A and B provide comprehensive details.

We are enormously grateful to all those who contributed to the review and the various professional bodies (in particular UPA and Guild HE) that facilitated the process of consultation.

4. Key findings

4.1. HRM in HE in England – current state

How does HRM in HE look and feel now, compared with what was happening in 2001?

Stakeholders and institutions have confirmed that the last seven years have seen the sector and its workforce benefiting from significant investment, both in terms of targeted funding towards the modernisation of HRM practice and in actual levels of remuneration.

The 2008 the Joint Negotiating Committee for Higher Education Staff (JNCHES) review of HE finance and pay data notes that *“institutions have been investing in staff at a higher rate than the increase in public funding”* and that *“overall, significant progress has been made in addressing the issues identified by both the earlier Dearing review and the Bett report”*, and our findings have broadly supported this.

Several consultees have however identified an uncertainty in the extent of continued available investment in the future – that the past trajectory may not be able to be maintained and this will be further constrained by the present economic climate.

Nevertheless, a favourable shift in attitudes towards the perceived status and purpose of people management within the institutional context has been noted by a significant proportion of the sector bodies and institutions that contributed to this review. Many senior managers have 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]

4.2. Alignment of HR and institutional strategies

There is clear evidence of development in the structure and remit of HR service teams across institutions towards models of service aimed at representing and supporting staff in a way which mirrors institutional organisational structures, notably in the targeting of advisory support at the faculty and school level. This has been cited as a positive development by many staff working within institutions, with one Heads of Schools group confirming the effect of this change within their own institution as “hugely beneficial” for their own areas. Evidence has also been seen in several institutions interviewed for the study of the greater resource commitment towards some of the strategic elements of people management, such as the appointment of specialists in areas such as equality and diversity and in staff development.

“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.” [Post-92 institution]

“[On institution’s approach to managing staff under-performance] Processes in place but more support for managers needed.” [Senior manager, Post-92 institution]

We have identified an emphasis within the HE sector on identifying and building on expertise found from within other sectors in seeking to modernise the HR function. This was corroborated by a number of institutional consultees, including some VCs, who noted that the opportunity for the institution to benefit from cross-sectoral expertise was one deciding factor in the appointment of HR professionals. Other consultees observed however that institutions only benefited from such appointments where HR professionals were able to adapt approaches to the particular circumstances and needs of their institution and its workforce.

The extent to which institutions have sought to understand the effectiveness of investments made in HRM remains variable, with some institutions expressing a keen interest in exploring this area further, and there is evidence of some institutions making progress in this area.

Evidence from staff working within the sector indicates that expectations of line managers to take responsibility for people management issues, including the management of performance (both addressing shortfalls and rewarding good performance) are still perceived to be highly variable, even between schools, faculties and departments within the same institution in some instances. This is perceived by many to be an area over which core HR teams may – still – have limited influence.

[On how well their institution supports their own people management priorities] “In principle it does, through statements of mission and values etc. In practice there are significant gaps – for example provision for professional development, commitment of resources to align with strategic plans, joined-up thinking and ownership by senior team of priorities.” [Staff consultee, Post-92 institution]

4.3. Achievements and lessons learned

What have the various HRM initiatives and other key changes occurring during this time achieved in terms of building the capacity and capability of the English HE workforce to deliver the HE required now?

Findings from evidence provided through consultee institutions show that the sector-wide initiatives, including R&DS, the Framework Agreement for Modernisation of Pay, and the formation of sector representative bodies including the LFHE and ECU have had a broadly positive impact on institutions’ abilities to develop effective practices across a range of people management priorities.

We have also found, for example, evidence to suggest that the R&DS initiative had a positive impact both on institutions starting from a lower base and institutions that had already made substantial progress prior to 2001 in developing HRM strategies, structures and practice to fit institutional need.

“Prior to R&DS we were working hard, on a shoestring budget, to improve necessary practice. When the R&DS funding came through, it proved to be a genuinely transformative investment that gave pace, direction and momentum to our existing efforts to modernise HRM.” [Pre-92 institution]

“This institution is a very different place to what it was like in 2001. I think the initiative enabled us to think differently about what HR could offer and by targeting funds at those areas where the greatest returns could be made has supported a change agenda which otherwise would have taken far longer.” [Post-92 institution]

Members of senior executive teams we spoke to were less likely than HR directors to place the R&DS initiative at the core of wider institutional changes to people management practices over the period. Consultees from representative stakeholder groups, including institutional senior team members, viewed the initiative as one of a number of substantial drivers behind changes to HRM structures and practices, alongside the implementation of the pay Framework Agreement and wider staff development activities.

The view of some stakeholder groups (for example, institutional directors of finance) is of the critical importance of high quality HR leadership in maximising the value of investments made.

There is some evidence to suggest that other institutions within the wider UK HE sector have seen similar progress over the period, albeit without the same directed funding stream in the case of R&DS. It is of note that Scottish institutions have received over the period a higher ‘per head’ teaching funding than England and the Scottish Funding Council used the outcomes from R&DS to develop an HR strategy approach for their institutions.

The Framework Agreement was consistently cited by the majority of institutions consulted (across the UK) as an initiative with a particularly positive impact on HRM practices. The level of resources required to implement this at the local level was confirmed as considerable – described by a number of institutions as “intensive”. As noted by one institutional senior manager: *“It has created a wider debate about what was needed going forward for HRM development, i.e. a baseline for change.”* There are clear synergies between this and the R&DS initiative. We have also identified a range of consultees, both within institutions but also selected trade union representatives, who have cited the Framework Agreement as a positive influence on partnership working between institutions and the unions.

However, certain legislative changes within the period have had a more mixed reception. Whilst the range of employment equality legislation has been generally favoured as a positive influence on practice, other legislative changes have been cited both in terms of positive and negative impact:

“The dispute resolution regulations have had a very negative influence, with many managers feeling that the adversarial approach has damaged relationships between managers and staff.” [Pre-92 institution]

“Fixed-term worker regulations have been a mixed blessing. On the one hand, abuses of individuals have been alleviated; on the other hand there is

now too much pressure on institutions to have permanent staff in place and that reduces the capacity to innovate and experiment in new fields and markets.” [Post-92 institution]

The earlier formative evaluation of the R&DS initiative by KPMG found that stakeholder views on the importance and effectiveness of monitoring by HEFCE were polarised, and this has been echoed in our findings. Whilst some institutional consultees commented on the funding council’s ability to respond to issues initially raised in the first round of the initiative; *“very good at receiving feedback and adjusting accordingly”*, others felt that the monitoring approach taken was disproportionate to the scale of the investment. Equally, union stakeholders were concerned that the funding council was less able to track spend following the mainstreaming of funding. Whilst several institutional consultees were ambivalent about the move to mainstream the funding into block grant, others confirmed that this had worked to wider advantage:

“We now compete for funding with other parts of the institution during the budget round. This has brought a far better commercial discipline to the table. HR now has to make a business case for its activities and work hard to demonstrate the impact we can have on performance. I think this is a more engaging and has also resulted in the function being taken more seriously by the Leadership group.” [Post-92 institution]

4.4. Future challenges – the issues

To what extent have the investments and initiatives created movement – and momentum – towards the changing requirements placed on our HE system?

We have identified a number of common preoccupations across sectoral bodies and institutional consultees about the future challenges – both short and longer term – to be faced by the sector, and the extent to which HRM strategies are supporting institutions to be ready for these. These are summarised below.

4.4.1. People management and institutional cultures

Senior institutional managers confirmed the ongoing challenge in creating institutional wide changes in people management practice across prevailing academic cultures of loyalty towards discipline boundaries and peer review based promotions. This is also echoed by some institutions (for example one identifying in its Self Assessment Tool review that *“whilst the university has made very significant progress since 2002 in embedding performance management at institution level... it is not altogether clear how effective a process it is. There is also strong evidence (the Staff Opinion survey) to suggest that managers are better at recognising and rewarding good performance (e.g. through Contribution Based Rewards and academic promotion) than they are at dealing with poor performance”*).

4.4.2. Aligning sector ‘conversations’ about pensions and pay

One view cited by stakeholders is that the sector is now well aware of the nature of issues in this area, but that it is still a long way from achieving an optimum state. There is a risk perceived by some in the sector that future cost pressures, for example around affordability of pensions and growing pressure for sector-wide

dispute over pay, may offset the otherwise positive trajectory achieved in other areas of HRM development.

However, there is a counter-argument (and an emerging view noted amongst some consultees) that cost pressures and current economic volatility place even more emphasis on the need to invest effectively in developing and supporting the current (and future) workforce.

“HR Management has come a long way since 2001 and further investment and development is essential to equip professional HR staff with the additional skills, resources and confidence to contribute towards their institutions’ long-term strategic development.” [Specialist institution]

A number of senior institutional consultees identified that their institutions could be looking at a move away from national pay bargaining.

4.4.3. Career progression routes

This refers to creating routes where these do not exist and better clarity and visibility where they already do. We have identified a shared concern amongst some stakeholders that support staff including manual ‘blue collar’ workers are less visible in the HRM agenda; also concerns relating to the role of research support staff and systems and policies for their personal development. The perception by some is that development for these groups of staff has suffered in comparison with developments for academics. This is countered by some evidence seen in some of our case study institutions of concerted efforts to target these staffing groups (for example, establishment of achievement awards for staff in administrative support functions for ‘blue collar’ workers at one Russell Group institution, which have proved popular amongst staff).

Nevertheless, career development pathways were identified by some consultees as an area that they would wish to see prioritised going forward. For example, one staff group noted that at certain grades, opportunities for progression were seen to be limited, resulting in the potential for staff repeatedly applying for positions over some time without success becoming complacent in their work. They felt that HR could be playing a more proactive role in advising managers on this issue.

4.4.4. Leadership and management capability-building

Whilst we have found a range of evidence to show that good progress has been made in many areas of the sector in this area, stakeholders cited the residual resistance to leadership and management capability-building in some quarters as being an ongoing challenge.

Leadership capability-building also featured strongly across many institutional conversations with staff. A particular view noted across some staff groups (e.g. school and faculty heads) was a wish to see leadership training cascaded down to middle management levels, where this had not already been done.

4.4.5. Talent and succession planning

One perspective is that talent and succession planning are key areas for the sector in attracting, retaining and developing staff, but that institutions are still variable in how they are planning for this. A view held by some is that there appears to be a lack of development of the 'internal supply chain' (i.e. building talent internally). However, we have seen 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 raised the query 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 (i.e. non-financial benefits such as additional time available for research or pursuit of individual practice). This is seen by some as an essential part of embedding reward and recognition practices.

4.4.6. HRM and management information

Better, more advanced use of HRM data and review of existing systems to provide data via self-service routes were cited by a number of institutions as shorter or medium term priorities, with the overarching aim of enhancing decisions made at the individual manager, but also school/faculty and even committee levels.

The position on the national pay spine, as agreed by JNCHEs, is already recorded by HESA and from 2008/09 HESA will additionally record grade and salary data related to individual institutional grades and salary bands, which will enable better understanding of local institutional career and pay structures.

Stakeholders have identified the dependency on good data in meeting future challenges in respect of establishing more sophisticated approaches to equality and diversity, including:

- Addressing entrenched issues around the gender pay gap and continuing barriers to entry into higher level positions.
- Changing demographics of the student population, and corresponding expectations of the skills and knowledge of the HE workforce.

4.4.7. External drivers and workforce implications

The next period can be expected to bring a range of other external pressures on institutions. In their study on the future workforce for HE, PA Consulting identify four key types of impact on institutions arising from the multiplicity of drivers for change in the next 10 to 15 years:

- Greater diversification of and competition within the market for HE services, where HE institutions will become one group amongst many competing for students, contracts and revenues;
- Reduced dominance of public policy and associated funding; with this becoming more closely tied to impacts and benefits that institutions can contribute to social and economic outcomes;

- Student and business needs and preferences playing a greater (and more volatile) role in determining patterns of demand and substantive requirements for institutional services; and
- Technological advances changing public expectations for accessing and sharing knowledge.

These can be expected to “*shape the context and conditions for success for HE institutions, and hence the workforce capacities and capabilities they will need in the future*”.

4.5. Future challenges – institutional responses

Several institutions consulted for this study have shown 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’.
- Focus on specific staff roles for development activity and support, e.g:
 - Leaders and senior managers and to an increasing extent middle managers.
 - Contract research staff (although there is a perception amongst some research personnel that this group is still under-represented in the roll-out of performance appraisal processes).
 - Professional support staff – an area which as we have outlined above many consultees are concerned needs to be of greater priority going forward.
- Work to fully embed HRM strategic considerations at the heart of institutional strategies. We have observed this with both pre and post-92 institutions. Some institutions are using cross-cutting strategies as leverage to draw together different aspects of people management (for example, as identified in a recent study on Organisational Development in English HE, led by José Chambers, who observes:

“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.’”

4.5.1. Role of sector bodies in supporting institutional approaches

Consultees noted the usefulness of ongoing work on specific themes led at the sector level (e.g. HEFCE’s focus on workforce planning). Several consultees emphasised the importance of continued prioritisation of HRM by HEFCE in its

communications with VCs and Principals, to underline expectations that institutions will continue to make investments in HRM over the next period:

“The importance of HR needs to be supported by HEFCE – all the RDS funding could be 'lost' if VCs are not reminded from 'above' the importance of good HR practices.” [Post-92 institution]

“The HE sector has a fantastic opportunity to apply sophisticated HRM to maximum effect. It needs to be brave and face down some of the traditionally conservative lobbies. It also needs to introduce more pace or risk being overtaken and weakened. HR has a great opportunity and needs high-quality people to make this happen. So we do need to look after the career paths of people in HR as well” [Post-92 institution]

“I'd like HR to be a source of competitive advantage for the university, not just be a custodian of procedures”

“HR could lead the debate about the type of workforce we need in the future” [Senior staff consultees, Post-92 institution]

4.6. The experience of other sectors – health and local government

Health and local government have clearly shared many of the HRM priorities and preoccupations of HE in the period subject to review. These include leadership development, recruitment and retention, the establishment of competency-based appraisal systems and talent management. However, the very different structures and machinery of government preclude a meaningful comparison of the different strategic initiatives adopted by each sector.

What is more useful to consider are those HRM issues that have arisen within health or local government that may now be emerging as challenges for HE (and which may therefore merit consideration by HEFCE as it develops the sector's workforce strategy). These include:

- The HRM implications of outsourcing. This has become a particular requirement in local government. It seems likely HE will need to develop a more enhanced capacity to address the real and complex issues that outsourcing will likely generate in the coming years.
- The adoption of the 'business partnering' model in parts of the health sector combined with the focus on cost and performance management has resulted in the need to recruit or develop a new type of HR professional – one with complementary finance, business and IT skills. This may become an increasingly significant requirement for HE where many institutions are embracing business partnering but are at the early stages of implementation and have yet to realise the promised benefits.
- The implications and opportunities offered by shared services. Not wholly distinct from outsourcing in terms of organisational implications, shared services offer different and possibly innovative models of service delivery for HRM that many HEIs may wish to consider.

- The development of consistent and transparent career frameworks for all staff. A particular priority for many HEIs consulted for this study, it is also evidently one shared by both health and local government as those sectors have sought to tackle particular issues of supply and demand for scarce skills that are often also in demand by other sectors (including private industry).

The next section briefly outlines the policy landscape for HRM in English HE since 2001.

5. The policy landscape

5.1. Bett, Dearing and R&DS

The last seven years has been a period of considerable contextual policy and legislative change, including substantial sector-wide investments in HRM within the English HE sector. The start of the period is primarily defined in the context of the Dearing Report (1997) and, following on from this, the Bett Review of pay and conditions (1999)¹, the outcomes from which had raised awareness, across institutions, funding agencies and other sector stakeholders, of the need to prioritise improvements in HRM and to modernise the personnel function within institutions.

In response to this review, the Secretary of State for Education confirmed in HEFCE's grant letter of November 2000 an additional £330 million to be made available over three years to improve HRM within HE in England. This was intended to assist recruitment and retention of staff and to modernise management processes for human resources in institutions, as well as to seek improvements in the availability of equal opportunities for HE staff and ensure compliance with significant changes to employment legislation.

Following consultation with the sector, HEFCE announced its plans for releasing funding to English HE institutions through the 'Rewarding and Developing Staff' initiative (R&DS), on a "something for something basis".

Full details on the R&DS initiative can be found in section 6.

5.2. Scotland, Wales and NI

HE institutions in Scotland, Wales and Northern Ireland did not receive an equivalent tranche of special funding to address targets for HRM modernisation. However, the Scottish and Welsh HE funding councils did provide for specific conditions of mainstream grant requiring institutions to address improvements in HRM within the period.

For example, in its notification to institutions on additional funding for implementation of the HRM element of the new condition of main teaching and research grants (in January 2002), the Scottish Funding Council (SFC) confirmed an additional allocation of £0.5 million (equating to £20K per institution) *"to assist in the implementation of the element of the condition of grant relating to human resource management and to ensure that the new condition of grant can be expected to bring about real improvements in human resource management"*². This funding was to be used prior to the end of the academic year 2001-02. Additionally, the SFC used the outcomes from the R&DS initiative in England to develop an HR strategy approach for their institutions.

¹ National Committee of Inquiry into Higher Education chaired by Sir Ron Dearing in 1997 and Independent Review of Higher Education Pay and Conditions chaired by Sir Michael Bett in 1999.

² Scottish HE Funding Council: Circular letter HE/06/2002 (January 2002).

Similarly, in 2003³ Welsh HE institutions were provided (through HEFCW) with independent consultancy advice from OPM on the development of HR strategies and revised HR strategies were required to be submitted to HEFCW in summer 2004. Following this, in spring 2005, HEFCW confirmed the further commissioning of feedback to be provided to each individual institution on its submitted HR strategy.

From 2006-07 onwards, the SFC provided Scottish institutions with a recurrent grant to assist them with implementation of the new Framework Agreement. SFC's main grant letter for 2006-07 set out conditions of grant and confirmed that institutions' own share of £25 million mainstreamed in that year could be clawed back if the institution had not implemented plans to determine an approach to HRM modernisation. This was further clarified in SFC's circular of February 2007 which required institutions to publish and provide SFC with their HR strategies, along with end-of-project evaluations of the pay modernisation process. In May 2007, SFC published its evaluation of HRM modernisation in the Scottish HE sector⁴.

5.3. Framework Agreement for modernisation of pay structures in HE

If the R&DS initiative reflected one important aspect of the Government's response to the Bett Review, one other major outcome was the establishment in 2001 JNCHES, a replacement for (the then) ten separate bargaining arrangements with one single national bargaining forum for the UK HE sector. This included representation from the Universities and Colleges Employers' Association (UCEA) and the main HE unions. One key objective underpinning the formation of this group was the creation of a new framework for pay and conditions, including a single pay spine covering the full HE workforce up to the level of professor, and revised grading structures to achieve 'equal pay for equal value' for all.

The Framework Agreement formed the final output of JNCHES negotiations and comprised a 51-point pay spine covering the majority of staff working within HE, thus providing the basis for individual institutions to develop local pay and grading structures in accordance with the agreement's principles. This was finally agreed and signed by all parties in March 2004.

The original timetable for implementation of this framework was for institutions to initiate introduction of new pay arrangements from 1st August 2004 subject to funding arrangements by the four funding councils, with the final deadline for implementation set as August 2006 (although this was not contractually bound). In practice, two key pay disputes (by the Association of University Teachers (AUT) in 2004 and the Universities and Colleges Union (UCU) in 2006) have affected the speed of final implementation in a number of institutions.

The key sector-wide outcomes intended from the introduction of the national Framework Agreement can be summarised as:

- Improving recruitment and retention.

³ Higher Education Funding Council for Wales: Circular letter W03/12HE (7th March 2003)

⁴ SFC: 'Evaluation of Human Resources Management Modernisation in the University Sector – Sector overview report' (OPM, May 2007)

- Ensuring equal pay for work of equal value.
- Tackling the problem of low pay.
- Rewarding and recognising individual contribution.
- Underpinning opportunities for career and organisational development.

These are outlined in UCEA's evaluation of the implementation of the Framework Agreement in 2008⁵, which found that institutions broadly confirmed these in terms of local implementation projects, and identified that they expected to achieve most of these objectives, although few institutions had formally agreed local objectives to improve performance management, increase productivity or improve service standards in respect of the Framework Agreement.

5.4. Other important initiatives and influences

Whilst the R&DS initiative and the Framework Agreement were certainly major enabling initiatives for HRM in English HE in this period they have been accompanied by an extensive range of other significant developments, including legislative changes, new agencies and funded initiatives that have sought to influence key aspects of institutional approaches to HRM strategies, structures, priorities, practices and cultures. Selected examples include:

- The establishment of the Equality Challenge Unit and the Leadership Foundation for Higher Education.
- The Leadership, Governance and Management Fund.
- A wide range of legislative developments including those addressing dispute resolution, employment equality, fix-term employees and part-time workers.

These (and others) are fully detailed in Appendix C.

Stakeholders have also identified a number of other broader contextual developments across the period which will have – to a greater or lesser degree – had some influence on institutional HRM strategies and practices. These include:

- Preparations for the 2008 Research Assessment Exercise.
- Impact of student fees.
- Specific work of sector representative bodies already in place prior to the start of the period, including: the Association of Heads of University Administration (AHUA); the British Universities Finance Directors' Group (BUFDG), etc.

Further details on these and other major initiatives are shown in Appendix C.

The next section presents a detailed summative assessment of the R&DS initiative.

⁵ UCEA: 'Review of the implementation of the Framework Agreement for the modernisation of pay structures in higher education' (September 2008).

6. Summative assessment of R&DS

6.1. Introduction

This section provides a summative assessment of the influence and impact of the Rewarding and Developing Staff initiative on HRM within the English HE sector over the period.

6.2. Key findings

6.2.1. Added value of the initiative

The majority of institutions have confirmed that the R&DS initiative has provided added value to their own efforts in modernising HRM practice. In the HR Director Survey, for example, respondents were largely very positive towards the added value impact of the R&DS initiative. All respondents either agreed (46%) or strongly agreed (54%) that *'The R&DS initiative enabled my institution to undertake a greater number of actions/initiatives in a broad range of areas that would not have been achieved otherwise.'*

"This institution is a very different place to what it was like in 2001. I think the initiative enabled us to think differently about what HR could offer and by targeting funds at those areas where the greatest returns could be made has supported a change agenda which otherwise would have taken far longer."
[Post-92 institution]

"It would have been hugely difficult to secure similar levels of investment from internal resources." [Pre-92 institution]

The view of some stakeholder groups (for example, institutional directors of finance) is of the critical importance of high-quality HR leadership in maximising the value of investments made.

6.2.2. Strategic 'fit'

A view voiced by some sectoral stakeholders was that the six priority areas within the initiative were too prescriptive for institutions to match to their own priorities for HRM within the period. We have not, however, found this view to be shared by the majority of institutional consultees interviewed for this study, who have confirmed that the priority areas were generally a 'good fit' with their own institutional priorities.

6.2.3. Impact on the HR function

Institutions varied in their views on the extent to which the initiative had directly influenced the size and shape of the HR function. Whilst R&DS was viewed as an enabler by institutions in this regard, a more direct influence was the strategic direction taken by the HR director (and by extension, the institution as a whole) where a specific decision had been taken to reshape the form and function of HR services. Where growth could be attributed directly to R&DS monies, typically this took the form of particular specialist appointments linking to one or more of the six priorities; for example, an Equalities and Diversity officer.

6.2.4. Impact on HRM practice across the six R&DS priority areas

Recruitment and retention: Survey respondents reported a generally (and fairly consistent) positive level of influence on addressing staff shortages, addressing staff retention, and recruiting quality academic, professional and support staff.

Staff development and training: The perceived influence of R&DS on different areas of practice was more variable across responses than for other priority areas. However, 57% of survey respondents felt that the initiative had had a significant positive influence on their institution's ability to provide opportunities to address staff training and development.

Equal opportunities, equal pay and job evaluation: A large majority of survey respondents reported that the initiative had had some or significant positive influence on their institution's ability to develop effective practices in the areas of 'Developing and enhancing equal opportunities policies' (86%), 'Developing monitoring activities' (84%), and 'Awareness-raising activities with staff' (90%). However, responses were more marginal in respect of the impact of the initiative on addressing gender and ethnic minority imbalances of senior staff.

Workforce planning and reviews of staffing needs for the institution: The most positive influence on institutional practices was identified in respect of 'Embedding of HR planning within institution's strategic planning framework' (31% of survey respondents viewed the level of positive influence to be 'significant' and a further 52% viewed the initiative to have had at least some positive influence on this area).

Regular performance reviews for all staff: As for 'Recruitment and retention', survey respondents indicated that for the majority of respondents' institutions R&DS had had some or significant positive influence on institutional practices across this area, although the relative impact on "Developing staff competency frameworks' was felt to be more marginal.

Managing poor performance: The majority of respondents confirmed that across this area, R&DS had had some or significant positive influence on their institution's ability to develop effective practices. The area of practice showing strongest positive influence of the initiative was 'Improving capability of people in their roles', and a notable majority of respondents also felt that R&DS had had some or significant positive influence on 'Improving the range and quality of support services', 'Training staff in handling poor performance' and 'Improving processes related to discipline and grievance'.

6.2.5. How funds were invested

We have identified sensitivity amongst some sectoral stakeholders in relation to the targeted use of R&DS funding; for example one view was that the monies were used by many institutions to build the capacity of HR functions with limited direct impact for the wider workforce. Evidence from our case study institutions, and from high-level analysis of institutional investment plans for the second round of the initiative, indicates that in fact monies were used both to 'pump prime' capacity and capability in HRM expertise, but also were directed towards staff development and modernisation of pay, terms and conditions, amongst other areas.

Analysis of institutional investment plans for R&DS funding supports stakeholder perceptions of a strong synergy between the initiative and the implementation of the Framework Agreement for pay modernisation. The 'order of magnitude' of planned spend shows a strong bias towards activities to support pay and conditions modernisation. This indicates that the findings from the formative evaluation in respect of the challenge presented by implementation of the Framework Agreement have borne out and appear to be reflected in institutions' dedication of resources to this area.

The area of 'Staff development and training' shows the greatest frequency of reported activities across all institutions, with activities that could be seen 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).

6.2.6. Changes to funding arrangements over the period

Institutions and survey respondents were asked to comment on the impact of HEFCE's decision to roll R&DS funds into the core teaching grant, or 'mainstream' them, from 2006 onwards. Institutional views on this point were mixed; we noted a range of views across case study and survey consultees about the relative importance and merit of 'retaining' funding within HR budgets. Many institutions did not view the change in arrangements for earmarking the funding to have adversely impacted on their ability to make continued investments in areas identified in HR strategies. However, several commented that funds now need to be secured through competition with other functional areas of the institution, and that this had had some negative impact. Conversely, a number of respondents identified that their institution is as a result more able to focus on institution-defined priorities:

"I now have to bid for funding; ring fenced funding was much easier to control, manage and use to fund HR initiatives. I now spend a lot of my time justifying why I need the funding – very frustrating." [Post-92 institution]

"The transfer of R&DS funding to the block teaching grant has enabled the institution to take a longer term view on a number of projects designed to effect cultural change." [Post-92 institution]

6.2.7. Views of senior institutional teams

Members of senior executive teams consulted were less likely than HR directors to place the R&DS initiative at the core of wider institutional changes to people management practices over the period. Consultees from representative stakeholder groups, including institutional senior team members, viewed the initiative as one of a number of substantial drivers behind changes to HRM structures and practices, alongside the implementation of the pay Framework Agreement and wider staff development activities.

6.3. Background to R&DS

HEFCE's R&DS initiative was originally set up in response to the Bett review of pay and conditions (1999), and was targeted at the modernisation of university HR and personnel practices. Funding was offered initially to institutions on a 'something for

something' basis⁶; specifically, it was available on receipt of a three-year HR strategy (2001-02 to 2003-04), within which the institution would be able to target progress in six priority areas: recruitment and retention; development and training; equal opportunities; staff planning; performance review and poor performance management.

In the first round of funding, £330 million was invested in activities across HE institutions in England.

Institutions were, for the first round of funding, invited to submit either 'full' or 'emerging' strategies by 1st June 2001, for the period 2001-02 to 2003-04. These were subject to independent review by the Office for Public Management (OPM) as commissioned by HEFCE. Where institutions were confirmed as having a 'full' HR strategy in place (i.e. one that addressed all six priority areas), funding was released for the full three-year period. Institutions with 'emerging' strategies were funded for one year and further funding was released on receipt and approval of a 'full' strategy by June 2002.

For the second round of the initiative (R&DS Round 2), as part of the 2002 Spending Review, the Government announced additional resources (£167 million over two years from 2004-05) to help institutions recruit, retain and develop staff, as well as helping to modernise management processes. This second round of R&DS provided ring-fenced funding to institutions for the years 2004-05 and 2005-06 on receipt of revised HR strategies or investment plans over this period, which demonstrated continued evidence of identifiable additional investments made by institutions across the priority areas.

The Government's 2003 HE White Paper⁷ provided a key additional driver for the second round of the initiative, with particular emphasis placed on demonstration of institutional strategies to tackle: implementation of institution-wide job evaluation; performance review; flexible reward; the development and reward of teaching progression; and support and development of young researchers, staff on fixed term contracts and part-time staff, and professionalisation of support staff.

Additionally from 2004-05, HEFCE consolidated £170 million of R&DS funds (already identified for 2003-04) within the HEFCE block teaching grant. Institutions received release of R&DS Round 2 funds, plus confirmation of consolidation of their R&DS allocations from 2004-05 following submission to HEFCE of evidence of:

- Their revised HR strategy or extended investment plan for 2004-06.
- A summative statement of investment for the three years 2001-02 to 2003-04.

Funding for staff recruitment incentives (golden hellos) was also added to R&DS funds for 2004-05 and 2005-06, as was £10 million of HEFCE funding for the Promising Researcher Fellowship Scheme.

⁶ As per HEFCE's invitation to institutions to apply for special funding under the R&DS initiative (HEFCE 01/16, March 2001)

⁷ The Future of Higher Education (Department for Education and Skills, January 2003)

Finally, HEFCE confirmed that it would roll R&DS funds 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, such as Investors in People or the European Foundation for Quality Management model (EFQM), to provide assurance that institutions were identifying and seeking continuous improvement in HRM.

In 2005, KPMG were commissioned by HEFCE to undertake an interim evaluation of the R&DS initiative, for the first three years (2001/2; 2002/3 & 2003/4) – assessing the impact of this first funding round on the development of HRM in HE within England.

This study is therefore intended to follow on from and build upon this earlier evaluation, but also to consider HRM in English HE from a broader perspective.

6.4. Findings of the KPMG evaluation

The principal findings of the interim KPMG evaluation of the first round of the R&DS initiative are summarised below.

6.4.1. Evidence of impact

This earlier study found that significant progress had been made by all institutions in developing and improving HRM, at a time of considerable change within the HE sector, albeit that some institutions had demonstrated progress at a more advanced rate than others.

It identified a commonly held perception amongst both institutions and sector stakeholders that the profile of HR had increased over the period, particularly that of HR functions, which had developed a more transformational approach to HRM over the period of the first phase of R&DS.

The evaluation considered the additional impact enabled through the initiative and concluded that whilst changes in key areas of HRM targeted by R&DS would have occurred in the absence of the initiative, organically and over time, particularly in areas linked to compliance with new legislation, the pace of change would have been considerably slower and the sector-wide approach would not have been evident.

6.4.2. Areas of activity funded through the initiative

The study confirmed that the first round of R&DS funding acted as an enabler to build HRM within English HE institutions and that the structure of the funding, which focused on six core priority areas, was intended to recognise that different institutions were at different stages of implementing HR strategies and practices.

The evaluation found that a considerably broad range of activities had been set in train by institutions through the application of R&DS funds.

It was noted that activities and corresponding spend had been particularly focused around the first three priority areas: recruitment and retention, staff training and development, and equal opportunities, with many institutions targeting resources at 'building block' activities, including the development of policies and implementation of initiatives at the institutional level.

Impacts on the implementation of job evaluation (delayed through negotiations in relation to the Framework Agreement), performance review and action to tackle poor performance were identified as less in evidence from the first round. Variances in interpretations of 'performance management', for example in respect of appraisal and performance review, were noted but not resolved.

6.4.3. Wider impacts and issues

The earlier evaluation identified qualitative evidence across individual institutions and sector stakeholders of the positive impact since 2001 of enhanced HRM on institutions' ability to meet student needs and recruit and retain staff. Additionally, the study noted an increased awareness across the sector of the importance of strategic HR to institutional success.

The study also found evidence of links between HRM improvements and organisational performance, including:

- Overall preparedness of institutions and the sector to address forthcoming HE challenges.
- Enhancements to institutions' ability to achieve research excellence and to deal with structural and strategic changes in the short and medium term, such as the achievement (for some institutions) of full university status, degree-awarding powers and university title.

6.4.4. Expectations of the next phase

The study observed that in moving to the next phase of the initiative, institutions would face a number of key challenges, including:

- Taking forward the (then) new Framework Agreement for pay, including the implementation of job evaluation. This area was identified as potentially the most significant HRM-related challenge faced across the sector at that time.
- Addressing cultural barriers to successful implementation of fit-for-purpose performance management frameworks.
- Building on the momentum of change already evidenced in HR within the sector, particularly following on from the mainstreaming of R&DS funding into core HEFCE grant.

6.5. Detailed findings of the summative review

6.5.1. R&DS Round 2 – desired outcomes

The second round of the R&DS initiative aimed to build on the achievements of the first, with the overarching aim of helping institutions recruit, retain and develop staff, as well as helping to modernise management processes.

A particular driver behind (and focus of) the further ring-fenced funding specified through the second round of R&DS was the Government's HE White Paper (2003). This was reflected in HEFCE's January 2004 Circular (04/03) on R&DS Round 2, which confirmed that institutions would be required to *"demonstrate how [they are] addressing the HR challenges set out in the White Paper, while continuing to address existing priority areas"*.

Criteria set out for institutions in respect of R&DS Round 2 and coverage of issues in the White Paper included the following:

- Explicit approaches to teaching career progression, including specific recognition schemes.
- Addressing the following areas in proportion to their own institutional priorities:
 - Development of young researchers.
 - The professionalisation of support staff.
 - Staff on fixed-term contracts.
 - Part-time staff.
- The revised HR strategy or a statement of investment should continue to provide evidence that:
 - The HR strategy remains supportive of the institutional strategy.
 - Investment is additional to, or an extension of, existing investment.
 - The additional investment can be identified as specified activities that can be monitored and reported.
 - The SMART targets already provided are updated and/or extended to cover 2004-06, especially in the area of equal opportunities.
- HEIs continue to work towards implementing and modernising the following systems within the next three years:
 - Institution-wide job evaluation.
 - Annual performance review.
 - Flexible reward systems.

6.5.2. Priority areas – strategic ‘fit’

A view voiced by some sectoral stakeholders was that the six priority areas within the initiative were too prescriptive for institutions to match to their own priorities for HRM within the period. We have not, however, found this view to be shared by the majority of institutional consultees interviewed for this study, who have confirmed that the priority areas were generally a ‘good fit’ with their own institutional priorities, and flexible enough to allow institutions to develop their own HR strategies ‘in tune’ with those provided by R&DS.

The HR Director Survey asked those respondents who confirmed that their institutions were in receipt of R&DS funds if any of their institutional HRM priorities were not supported by the R&DS initiative. Of the respondents, 11% answered in the affirmative. Specific areas reported by respondents included:

- Management of organisational culture and behaviours.
- Managing change.

- Addressing IT and business process improvement.
- Revision of the employment statute.

Other respondents noted that R&DS monies were targeted at particular areas, e.g. at comprehensive implementation of pay and reward modernisation, and other HR priorities were supported and funded internally. One respondent noted difficulty in attributing significant progress made over the period on developing equal opportunities objectives to either R&DS or relevant legislative changes.

6.5.3. Overview of activities and use of funds

We have identified sensitivity amongst some sectoral stakeholders in relation to the targeted use of R&DS funding; for example one view was that the monies were used by many institutions to build the capacity of HR functions with limited direct impact for the wider workforce. Evidence from our case study institutions, and from high level analysis of institutional investment plans for the second round of the initiative, indicates that in fact monies were used both to ‘pump prime’ capacity and capability in HRM expertise, but also were directed towards staff development and modernisation of pay, terms and conditions, amongst other areas.

Several institutions interviewed provided overviews of how the balance of R&DS funds over the full period since 2001 were targeted within their institutions.

One HR director observed, for example, that initial funding was utilised to “prime” the institution’s ability to respond to key people management challenges on equality and diversity issues, including concerns about the transparency of the reward structure, equal pay and the lack of diversity within the workforce. These included:

- Implementation of a new HR database (tendered from 2003/4, purchased in 2005/6 and implemented from this point). The aim of this was to provide the institution with better management information for decision-making purposes (i.e. improved quality of ethnicity data; more robust information on part-time versus full-time staff; etc).
- Introduction of a post for an Equalities Officer (funding for this post has since been mainstreamed).

Another institution confirmed that its own investment in HRM modernisation matched (and in fact exceeded) R&DS monies over the period since 2001; thus the R&DS funding provided important ‘seed capital’ for development. This included for example £520k towards pay reward costs for ILT teacher accreditation, aimed at rewarding staff for obtaining teacher accreditation and being in good standing professionally.

One HR director observed that R&DS Round 2 has, from 2004-05, helped the university shape its new structures for people management, in particular around investments in leadership & management development, an area on which they are continuing to build.

Institutions interviewed were also asked to identify the extent of influence of the R&DS initiative on the size and shape of the current HR function.

Some institutions confirmed that the initiative had had a direct impact in this area:

“R&DS established the HR function in the university.” [Post-92 institution]

Other institutions noted that whilst R&DS could be viewed as an enabler in this regard, a more direct influence was the strategic direction taken by the HR director (and by extension, the institution as a whole) where a specific decision had been taken to reshape the form and function of HR services. Several institutions observed that where growth could be attributed directly to R&DS monies, typically this took the form of particular specialist appointments linking to one or more of the six priorities; for example, an equalities and diversity officer. This is consistent with the findings from the earlier interim evaluation of R&DS, which detected a trend for the identification of specialist posts dealing with HR policy issues and identified that in ten of the twelve institutions visited, the R&DS Round 1 initiative had been used to fund some of these posts within HR.

6.5.4. Evidence from institutional investment plans and HR strategies

We provide in this section an analysis of the range of activities, and where identified an associated allocation of funds, as reported by HE institutions during R&DS Round 2. This is based on the findings of our review of institutional submissions of either revised HR strategies, or updated investment plans, in response to HEFCE Circular 2004/03.

This analysis is intended to follow on from that provided in the earlier R&DS Round 1 evaluation. However, it is important to note the differences in available source data from that available to the previous evaluation team, so we summarise below a number of key caveats for this analysis, to enable findings to be understood in context:

- The form for institutional reporting on progress changed from 2004-5, and institutions were no longer required to submit full details of spending/activities against investment plans for R&DS via their Annual Monitoring Statements (AMS), following on from HEFCE's 'reducing bureaucracy' initiative. The earlier evaluation used the AMS as the most concise (and consistent) review of activities undertaken and funding spent over the three-year period – this was not available for the two subsequent years of R&DS Round 2. This means that information from institutions has been compiled, for the purposes of this analysis, from individual institutional documents (which are highly variable in format), submitted in the form of revised HR strategies or investment plans for 2004-05 and 2005-06. As in the earlier evaluation, we have made informed subjective decisions about which priority area certain activities fell under, where this has not been made explicit through institutional submissions. We note that, in some cases, institutions have identified planned activities with more than one priority area, and we have sought to maintain a consistent approach when applying activities to priority areas. Thus, our analysis is based on a substantive retrospective fit of activities to priority areas, where this has not already been clearly mapped by institutions.
- Information collected from each institution on spend for R&DS Round 2 has been based on data on planned investments across activities as reported in

either investment plans for 2004-05 and 2005-06, or where provided within the body of updated HR strategies. We note that:

- There is variation in the reported planned spend – for example, 19 institutions have provided only total planned expenditure over the 2-year period, and have not provided a breakdown across activities. These have therefore been excluded in considering the scale of planned investments across the six priority areas.
- As in the earlier evaluation analysis, in some cases, total planned spend reported across all the priority areas exceeded institutional allocation, indicating that institutions had provided financial planned investments which reflected (in part) where additional institutional funds had been used to support the initiative.
- Institutional planned spend in some cases reflects some monies carried forward from R&DS Round 1, as it was not possible to differentiate between this when uploading and analysing data.

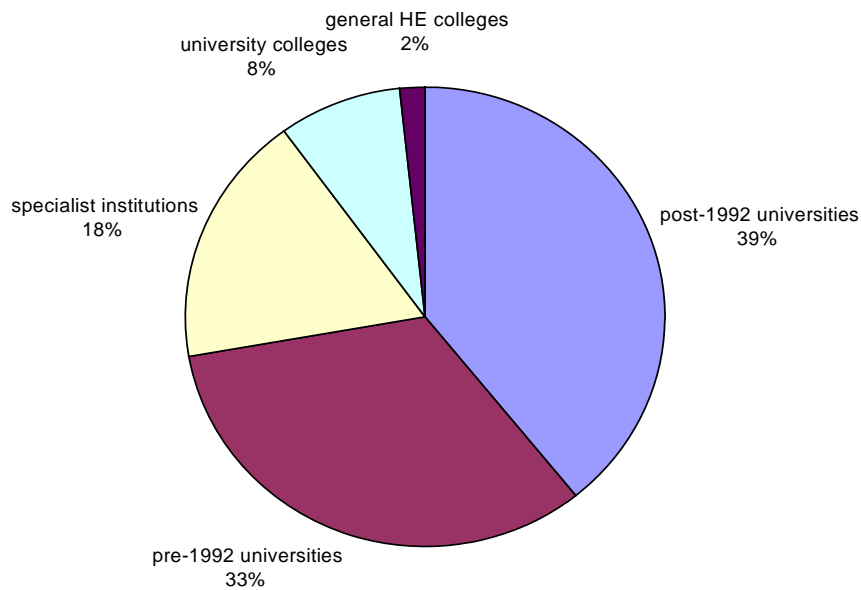
The information is therefore useful in providing an overall picture of the range, frequency and type of activities planned by institutions in deploying R&DS Round 2 funds and building upon existing activities already initiated through R&DS Round 1. It also provides an overview of the ‘order of magnitude’ of investment planned by institutions across the six priority areas (and activities within these areas) during the second round.

In summary, it provides an indication of institutional ‘inputs’ and ‘outputs’ in respect of the second round of the initiative.

6.5.5. Analysis of institutions

Figure 1 shows a breakdown of institutions in receipt of R&DS Round 2 funding by type. This shows a moderate change in institutional type from the earlier round, reflecting the range of institutions who achieved full university status within this period.

Figure 1 R&DS Round 2 institutions by type as a percentage of the English HE sector⁸



6.5.6. Range of reported activities by priority area

Our analysis of activities considers the range of activities reported by institutions, identified against the six priority areas. Figure 2 summarises the key categories for type of activity identified from our analysis and shows these across all priority areas.

⁸ Notes: Source – Oakleigh analysis of 130 institutions based on HEFCE records, using UUK and GuildHE classifications

Figure 2 Types of activities reported across the 6 priority areas

Action to tackle poor performance	% HEIs ⁹	Annual performance review	% HEIs	Equal opportunities, equal pay and job evaluation	% HEIs	Recruitment and retention	% HEIs	Review of staffing needs (also relates to workforce planning)	% HEIs	Staff development and training	% HEIs
Review/implement policy/procedure e.g. modification of probation arrangements	11-20%	Amend/develop appraisal/performance management system	21-30%	Job evaluation/salary restructure e.g. implementation of National Framework/job evaluation/enhancing pay and conditions for specific staff groups	61-70%	Financial rewards/benefits/frame works e.g. golden hellos, market-related payments	41-50%	HR strengthening/new staff/systems e.g. improvement of staff development MIS, additional staff with a role in this area	21-30%	Management/leadership activity e.g. leadership development programmes	31-40%
Support training/development e.g. stress management support, training to managers in the area of dealing with poor performance	1-10%	Performance-related awards/pay e.g. performance-related pay, recognition awards for academic and other staff	1-10%	Policy/procedure development/implementation e.g. flexible working/work-life balance arrangements, implementing plans/strategies	41-50%	Recruitment training/support/tools/marketing/processes e.g. improved marketing campaigns, training for those making recruitment decisions	31-40%	Data collection/research e.g. staff surveys in this area, benchmarking activity	11-20%	HR provision improvement/infrastructure/policies/procedures/review/implementation e.g. additional staff with role in this area, training and development strategy implementation	31-40%

⁹ % HEIs shows proportion of institutions reporting 1 or more instances of activities within this category

Action to tackle poor performance	% HEIs	Annual performance review	% HEIs	Equal opportunities, equal pay and job evaluation	% HEIs	Recruitment and retention	% HEIs	Review of staffing needs (also relates to workforce planning)	% HEIs	Staff development and training	% HEIs
Monitoring activity/procedures e.g. sickness/absence monitoring, identifying poor performance	1-10%	Competency/capability/assessment criteria e.g. development of a competency framework or statements	1-10%	Awareness raising/training/officer recruitment e.g. equality and diversity training, recruitment of staff with a role in this area, promotion of issues	31-40%	Non-financial benefits/conditions/awards e.g. teaching awards, improved conditions (e.g. childcare arrangements)	21-30%	Projects/schemes to improve staff conditions e.g. workload models, work-life balance schemes	11-20%	Other training activity/schemes e.g. teambuilding, ICT related activity	31-40%
Other e.g. non-specific action to tackle poor performance	1-10%	Training/support for appraisers/appraisees	1-10%	Data gathering/information use e.g. diversity audits, staff attitude surveys	11-20%	Career development tools/support e.g. schemes targeted at research/academic staff, recognition of teaching qualification	21-30%	Organisational/staff restructuring e.g. reorganisation of posts/responsibilities	11-20%	Teaching targeted activity	31-40%
		Other e.g. highly specific/generalised entries	11-20%	Targeted recruitment campaigns/training/community engagement e.g. consultation and engagement with minority groups, targeted recruitment and staff development	11-20%	Modification to HR management including additional staff resource/infrastructure/process improvements e.g. development of MIS, additional HR staff with roles in this area, implementation of strategies	11-20%	Activity/strategies to address staff needs e.g. teaching and learning strategies, schemes to develop support/research staff	1-10%	Career development tools/support e.g. definition of progression pathways, professional accreditation, support activities (e.g. coaching)	31-40%

Action to tackle poor performance	% HEIs	Annual performance review	% HEIs	Equal opportunities, equal pay and job evaluation	% HEIs	Recruitment and retention	% HEIs	Review of staffing needs (also relates to workforce planning)	% HEIs	Staff development and training	% HEIs
				Other e.g. highly specific/generalised entries	21-30%	Data gathering/information use e.g. staff attitude surveys, making better use of existing recruitment management information	11-20%	Other e.g. highly specific/generalised entries	1-10%	Research targeted activity e.g. support to young researchers	21-30%
						Other e.g. highly specific/generalised entries	21-30%			Support staff targeted activity e.g. induction programmes, support to gain professional qualifications	21-30%
										Other e.g. highly specific/generalised entries	31-40%

This analysis also shows the percentage of institutions (of the total 130) reporting one or more instances of activities, subsequently allocated in our data analysis to each category across each priority area.

For example, almost 70% of institutions reported activities explicitly linked to job evaluation and/or salary restructure. This can be compared with the patterns of implementation of the Framework Agreement, as reported in UCEA's review of the implementation of the Framework Agreement. This found that of 112 surveyed respondents (UK wide), between 51% and 53% of institutions had implemented the agreement for both academic and support staff by August 2006. The UCEA study also found that a further 30% of institutions had implemented for both groups of staff by August 2007.

Our analysis also shows that a substantial proportion of institutions had reported planned activities which could be broadly categorised as 'Policy or procedural development and implementation' (including for example, flexible working arrangements), relating to the priority area 'Equal opportunities, equal pay and job evaluation'.

Additionally, a significant percentage of institutions had identified and planned for activities relating to a range of financial reward and benefit schemes and frameworks, including within this market-related payments, and golden hellos.

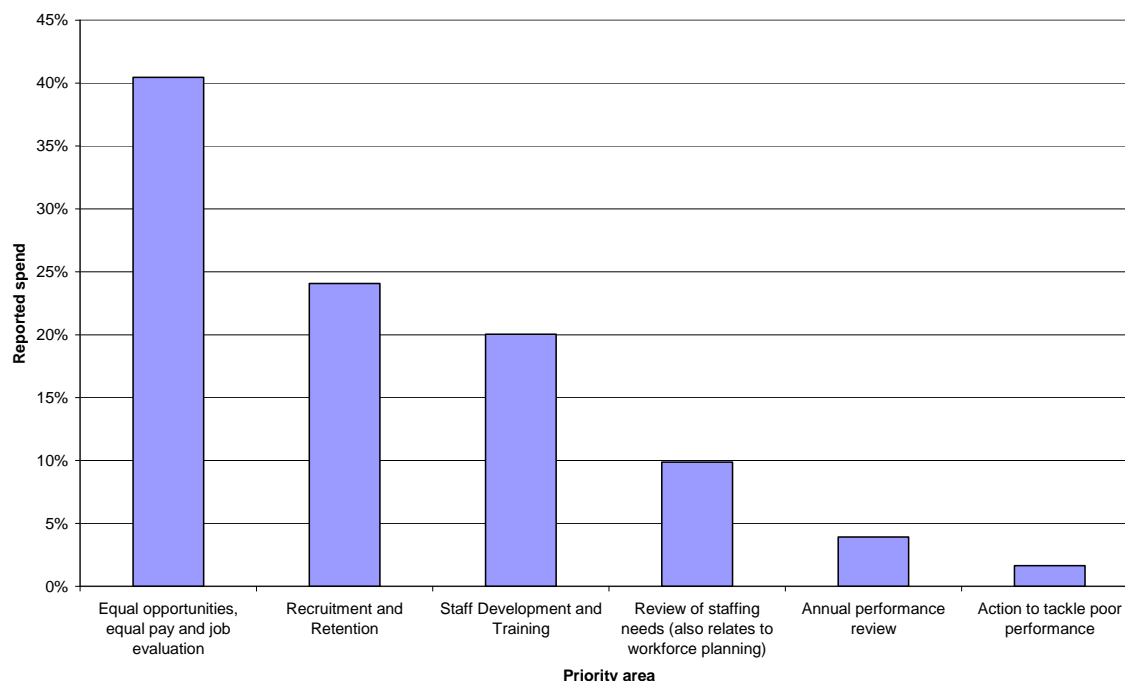
The area of 'Staff development and training' shows the greatest frequency of reported activities across all institutions, with activities that could be seen to be linked explicitly with particular staff groups featuring within institutional plans. These include: management and leadership activity, as well as activities targeted at teaching, research and support staff.

6.5.7. Reported planned spends for R&DS Round 2

For R&DS Round 2, institutions were required at the outset to provide either a statement of planned investment over the two years 2004-05 and 2005-06 or an updated HR strategy. Where institutions provided the latter, the majority have also provided information on planned R&DS Round 2 investment across areas of activity. For the purposes of our analysis, we have excluded 19 institutions for whom a spread of funds across activities had not been provided in submissions to HEFCE.

The figure below shows the summary analysis of reported planned spend across activities, by priority area. The caveats noted in section 6.5.4 above should be taken into account in viewing this analysis.

Figure 3 Total reported planned spend across all activities, by R&DS Round 2 priority area¹⁰



It should be noted that the total reported planned spend per priority area provides an indicative rather than precise summary of proportionate investment inputs by institutions during R&DS Round 2.

Nevertheless, this suggests that the pattern of investment noted in the earlier evaluation, where some 74% of funding was used to address the priority areas of ‘Recruitment and retention’, ‘Staff development and training’, ‘Equal opportunities, equal pay and job evaluation’, and ‘Review of staffing needs’, is broadly reflected in a similar pattern for R&DS Round 2, with the notable change that the area of ‘Equal opportunities, equal pay and job evaluation’ shows the largest overall planned investment over the second round. The analysis indicates that:

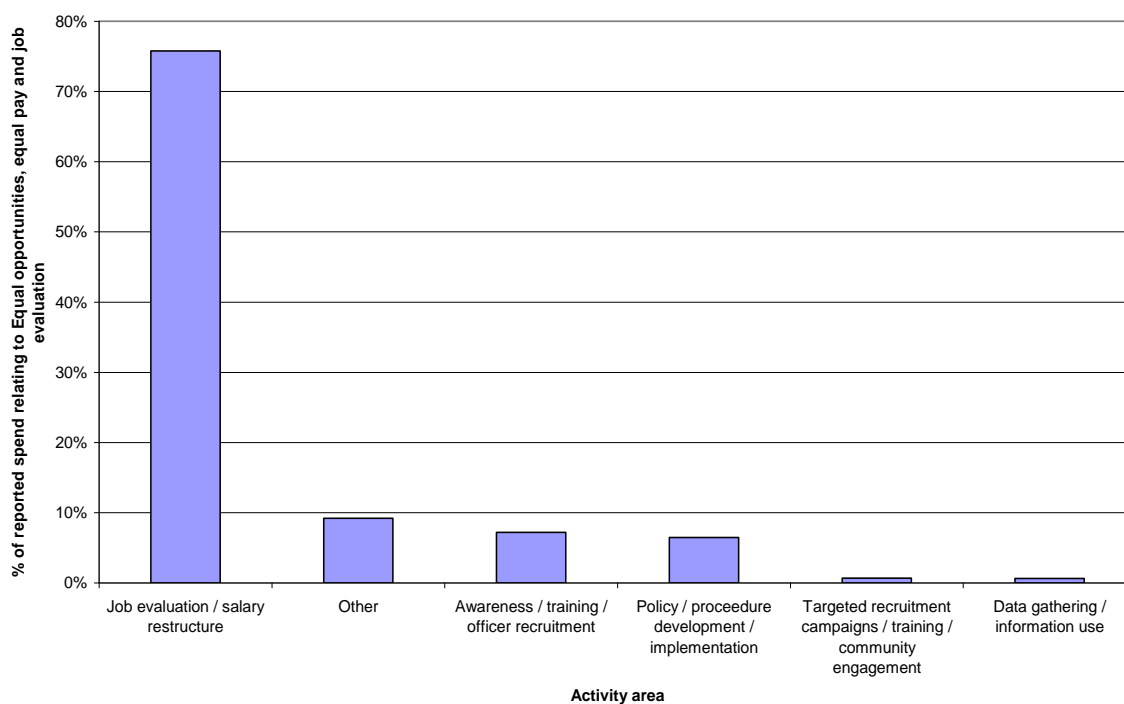
- Activities able to be attributed to ‘Annual performance review’ or ‘Action to tackle poor performance’ showed the lowest overall evidence of directly attributable planned spend, at 4% and 2% of the total planned spend, respectively.
- The area of largest reported expenditure in the first round, ‘Staff development and training’, remained a significant overall proportion of planned institutional investment for the second round.
- The order of magnitude of investment made in relation to the priority area of ‘Equal opportunities, equal pay and job evaluation’ was 40% of total planned

¹⁰ Source – Oakleigh analysis of 130 institutions based on HEFCE records.

spend, compared to the next highest proportionate area, 'Recruitment and retention', at 24%. This is analysed further below.

The figure below provides a further breakdown of the spread of reported planned investment in activities which could be attributed to the priority area of 'Equal opportunities, equal pay and job evaluation'.

Figure 4 Spread of reported planned investment in activities within the area 'Equal opportunities, equal pay and job evaluation'



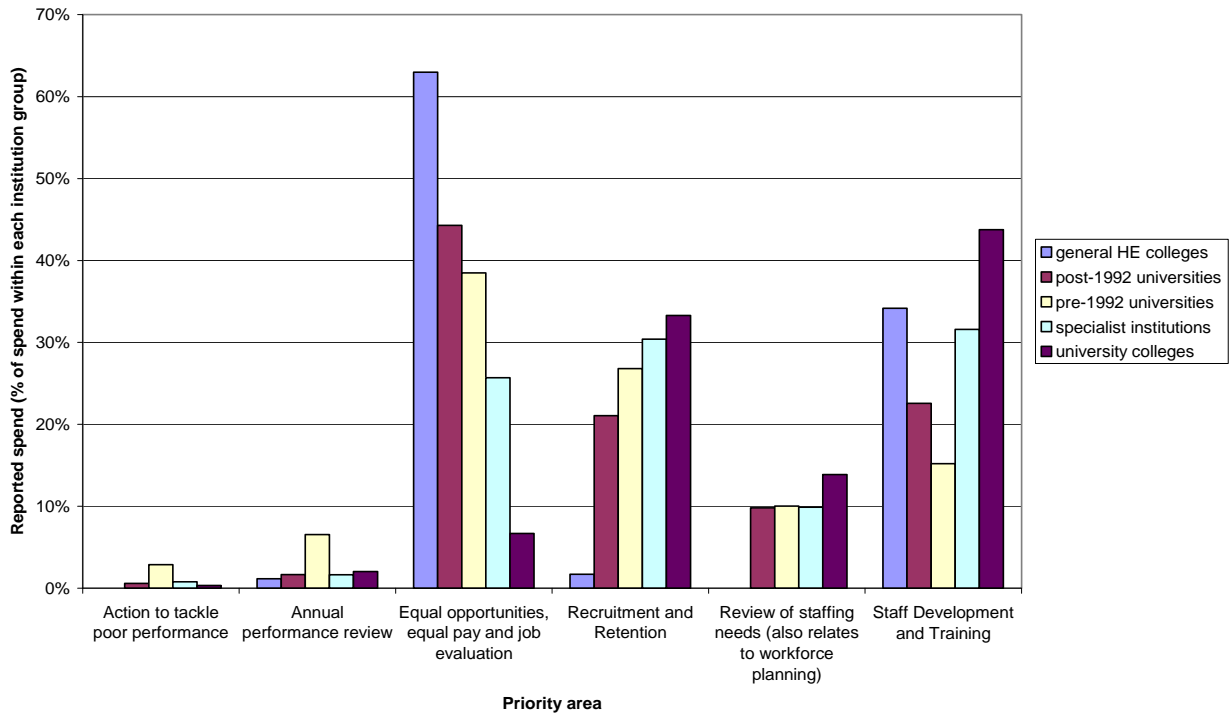
This clearly shows that over 70% of the reported planned expenditure within this area could be attributed to activities relating to job evaluation and/or salary restructure. Our findings from the analysis show that the majority of activities reported which related to this activity category appeared to be linked to implementation of the Framework Agreement for pay, i.e. implementation of job evaluation schemes, such as Higher Education Role Analysis (HERA) and the Hay job evaluation system, new grading structures in accordance with the Framework Agreement, equal pay audits and support for associated costs.

This indicates that the findings from the formative evaluation in respect of the challenge presented by implementation of the Framework Agreement have been borne out and appear to be reflected in institutions' dedication of resources to this area. This can be corroborated with UCEA's evaluation of the Framework Agreement (2008), which found that "most English HEIs had used the special 'Rewarding and Developing Staff' funding available from HEFCE for part or all of the costs". This review also noted that project management costs were the largest part of many institutions' budgets for this area.

6.5.8. Variation across institutions by type

The analysis of investments planned across each of the priority areas can be shown in terms of how each institutional group (by type) reported the distribution of funds. The figure below shows the results of this:

Figure 5 Reported planned spend distributed across all priority areas, per institutional type



The notable findings from this can be summarised as:

- General HE colleges reported planned investment on activities within the priority area of ‘Equal opportunities, equal pay and job evaluation’ at a proportionately higher level compared to other priority areas than the average across all types of institution.
- Both HE colleges and universities reported a higher proportionate planned spend on staff training and development activities, compared to other priority areas than did other types of institution.
- Pre- and post-1992 institutions showed a comparable balance of planned investments in activities attributable across the priority areas; for example, ‘Equal opportunities’, ‘Recruitment and retention’ and ‘Staff development and training’ being the areas of greatest investment. However, pre-1992 institutions reported the largest proportionate investment in activities attributed to ‘Annual performance review’, compared to all other types of institution.

6.5.9. 'Order of magnitude' of investments made – summary

We would reiterate the findings from the earlier R&DS Round 1 evaluation that indicative information on reported funding inputs provides only part of the picture of the time and effort devoted by institutions to particular activity areas.

Activities designed to support a number of priority areas may not necessarily have been reported in a way which clearly demonstrates this. For example, one institution reported in its returns to HEFCE activities described as 'Implementation of revised grading, pay and reward structures', identified within the priority area of 'Equal opportunities, equal pay and job evaluation' in our data review. However, in consultation with the institution, and from further analysis of their Self Assessment Tool report, it was confirmed that these activities have included a significant proportion of resources devoted to building upon initial implementation of the pay framework to develop a planning and performance review and appraisal scheme for all staff. This scheme includes an explicit component on managing poor performance and on rewarding high performance – the scheme has been rolled out to all staff in summer 2008 and the institution is currently planning a first-year review of the outcomes of the scheme.

6.6. Impact and outcomes of R&DS

In this section we consider the level of influence of the initiative on people management within the English HE sector.

6.6.1. 'Additionality' of the investment

The HR Director Survey asked respondents to identify how far they agreed or disagreed with a series of statements in relation to the added value of the initiative, namely:

- The R&DS initiative enabled my institution to effect positive changes in areas of HRM practice that would not have been achieved otherwise.
- Activities supported through R&DS funding have had a significant positive influence on the capability of the HR function that would not have been achieved otherwise.
- Activities supported through R&DS funding have had a significant positive influence on the status of HR management within the institution that would not have been achieved otherwise.
- The R&DS initiative enabled my institution to undertake a greater number of actions/initiatives in a broad range of areas than would have been achieved otherwise.

Respondents were largely very positive towards the added value impact of the R&DS initiative. All respondents either agreed (46%) or strongly agreed (54%) that 'The R&DS initiative enabled my institution to undertake a greater number of actions/initiatives in a broad range of areas than would have been achieved otherwise.' Respondents were least positive towards the statement 'Activities supported through R&DS funding have had a significant positive influence on the status of HR management within the institution that would not have been achieved

otherwise.’ However 59% of respondents either agree (44%) or strongly agree (15%) with this statement.

Analysis of respondents by institution type is limited by the size of each sample, although this shows that the pre-92 institution group were marginally more positive in relation to the first two statements. For example, 50% of the pre-92 respondents strongly agreed that ‘The R&DS initiative enabled my institution to effect positive changes in areas of HRM practices that would not have been achieved otherwise’, compared with 26% of the post-92 group.

Comments from respondents to contextualise their responses were largely positive statements referring to the value of the R&DS initiative from the perspective of the responding institution.

“The additional resources were a significant boost which accelerated existing plans. As the Framework Agreement came along midway through the delivery of HR strategies, it caused delay and distraction from original plans.”
[Post-92 institution]

“While I think initiatives would have been undertaken anyway at some stage, the R&DS initiative and funding acted as a catalyst and resulted in two key things – enhanced HR staffing (as well as other areas) and a planned strategy and action plan to address the RDS key issues.” [Post-92 institution]

“This institution is a very different place to what it was like in 2001. I think the initiative enabled us to think differently about what HR could offer and by targeting funds at those areas where the greatest returns could be made has supported a change agenda which otherwise would have taken far longer.”
[Post-92 institution]

Similarly, institutional interviewees and sector stakeholders were asked to consider the following questions:

- Has R&DS helped the institution to effect positive changes in any of the key priority areas that would not have been achieved otherwise?
- Do they concur with the view identified in the earlier evaluation that “whilst change would have occurred, particularly in areas linked to compliance with new legislation, the pace of change would have been considerably slower, and the sector-wide approach would not have been evident [if the R&DS initiative had not been in place]”?

The majority of institutions interviewed have confirmed an affirmative response to both of these questions. Institutions identified examples of changes implemented more rapidly as a result of access to R&DS funding, such as:

- Significant reward funding for teaching accreditation made available, complemented by funding available through the HEFCE Teaching Quality Enhancement Fund (TQEF) and for the implementation of Centres of Excellence in Teaching and Learning (CETLs).
- Sabbatical schemes for staff.

- Key developmental support for in-house leadership development programmes.

One (pre-92) institution noted for example that whilst it would have funded many of its HRM activities over the period even if the R&DS initiative had not made additional funding available, it was confirmed that:

- Pay modernisation would have been much more difficult to achieve without R&DS funding.
- The institution benefited from the R&DS funding in implementing roll out of their personal development review (PDR)/performance appraisal system across schools and faculties, as they were able to utilise R&DS monies to provide incentive staff development funding (per employee) to encourage implementation at the local level. This also allowed the institution to demonstrate to its local unions that training and development monies were being made available directly for staff.
- R&DS funding used for leadership and management training and executive coaching had a positive impact on raising levels of awareness and understanding amongst 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”*.

Another HR director for a (pre-92) institution observed that the monies appeared to have a greater impact on his current institution compared with his previous employer (a post-92 institution); that without available funding, his current institution would have *“struggled to effect change”*. This was echoed by the HR director at another pre-92 institution:

“Prior to R&DS we were working hard, on a shoestring budget, to improve necessary practice. When the R&DS funding came through, it proved to be a genuinely transformative investment that gave pace, direction and momentum to our existing efforts to modernise HRM.” [Pre-92 institution]

However, one (post-92) institution observed that the initiative appeared to have limited impact on their work to modernise HRM at the institution. They perceived the main influence on HR during this period to be the failure to deal well with a series of redundancies, which made managers realise they needed better support.

Comparatively, several institutions also cited a more general positive effect of the initiative:

“R&DS triggered change in the culture of the institution by stimulating important changes in practice and how we organised ourselves to deliver key services.” [Pre-92 institution]

“It would have been hugely difficult to secure similar levels of investment from internal resources.” [Pre-92 institution]

“R&DS was immensely useful in enabling the university to kick-start changes to its people management approaches.” [Post-92 institution]

“R&DS gave a focus and direction to our institution.” [Pre-92 institution]

6.7. Effect of mainstreaming the funding

Institutions and survey respondents were asked to comment on the impact resulting from HEFCE’s decision to roll R&DS funds into the core teaching grant, or ‘mainstream’ them, from 2006 onwards.

Thirty survey respondents chose to comment on this question. Approximately half of these were accounted for by responses indicating that no discernable effect has been identified, or that it is too early to comment since this change has taken place:

“No discernable effect yet, but it is early days.” [Post-92 institution]

Several respondents commented that funds now need to be secured through competition with other functional areas of the institution, and that this may have had some negative impact:

“Major – I now have to bid for funding; ring fenced funding was much easier to control, manage and use to fund HR initiatives. I now spend a lot of my time justifying why I need the funding – very frustrating.” [Post-92 institution]

“Although my institution continues to support HR strategic initiatives I would have preferred to see RDS monies continue to be specifically ring-fenced for investment in HR workstreams.” [Post-92 institution]

“[Effect] on institution: probably none. [Effect] on HR, quite significant, because having earmarked funding for HR initiatives was very positive.” [Pre-92 institution]

However one respondent reported that this scenario has resulted in positive benefits:

“We now compete for funding with other parts of the institution during the budget round. This has brought a far better commercial discipline to the table. HR now has to make a business case for its activities and work hard to demonstrate the impact we can have on performance. I think this is a more engaging and has also resulted in the function being taken more seriously by the leadership group.” [Post-92 institution]

A number of respondents also commented that the institution is more able to focus on institution-defined priorities:

“This has had a positive impact on HR as a function as this has enabled the function to focus on those areas of people management that the university has identified as key to its own strategy, rather than having to demonstrate the achievement of specific external objectives.” [Post-92 institution]

“The transfer of RDS funding to the block teaching grant has enabled the institution to take a longer term view on a number of projects designed to effect cultural change, such as approaches to reward and recognition, leadership and management development and the strengthening of the HR function within the University” [Post-92 institution]

We noted a range of views across case study institutions about the relative importance and merit of ‘retaining’ funding within HR budgets. Some institutions

confirmed that funds had been held within HR budgets. Others countered that *“there was never an attempt to hardwire the funding”* in this way.

On balance, institutions did not view the change in arrangements for earmarking the funding to have adversely impacted on their ability to make continued investments in areas identified in HR strategies. In one case, the 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 circa 10% of funding being provided specifically for the HR function within this.

6.8. Impact and outcomes across the six priority areas

The analysis of activities reported across all institutions in respect of the second round of R&DS (shown in section 6.5.6 above) provides across each of the priority areas an indication of the breadth of activities being undertaken.

Survey respondents were asked to provide an assessment (on a semantic differential scale from ‘Significant negative influence’ through to ‘Significant positive influence’) of the perceived influence that the R&DS initiative has had on their institution’s ability to develop effective practices in a range of areas relating to each of the six priority areas.

Full results of the survey responses are shown in Appendix F.

6.8.1. Priority 1 – recruitment and retention

The areas of practice for consideration were:

- Addressing staff shortages.
- Addressing staff retention.
- Recruiting quality academic staff as required by the institution.
- Recruiting quality professional and support staff as required by the institution.

Respondents reported a generally (and fairly consistent) positive level of influence across all four areas of practice, with the positive influence of R&DS rated marginally higher on the successful recruitment of academic staff (86% of respondents identifying some or significant positive influence) compared with professional and support staff (81% of respondents identifying some or significant positive influence).

The area showing a marginally lower score for ‘significant positive influence’ was ‘Addressing staff retention’: 7% of respondents, compared with 12%, 14% and 17% for the other three areas, rating the influence of R&DS as ‘significant(ly) positive’.

6.8.2. Priority 2 – staff development and training

The areas of practice for consideration were:

- Identifying staff training and development needs.
- Providing opportunities to address staff training and development.
- Ensuring adequate take-up of training and development opportunities by staff.

- Ability of the institution to identify staff training and development needs.
- Evaluating effectiveness of staff training and development opportunities in addressing development needs.

Compared with the first priority area, the perceived influence of R&DS on different areas of practice in relation to staff training and development was more variable across responses. A majority (57%) of respondents felt that the initiative had had a significant positive influence on their institution's ability to provide opportunities to address staff training and development, and a further 38% felt that it had had some positive influence in this area. Comparatively, only 10% of respondents felt that R&DS had had a significant positive influence on the evaluation of effectiveness of staff training and development opportunities at their institution, although a majority (60%) of respondents perceived the initiative to have had at least some positive influence on this area.

The area in which R&DS was felt to have had the lowest overall positive influence was 'Ensuring adequate take-up of training and development opportunities by staff', although a majority (71%) still felt this had had at least some or significant positive influence. A small minority (2%) felt that the initiative had had a significant negative influence in this area, although this was not commented upon by respondents.

6.8.3. Priority 3 – equal opportunities, equal pay and job evaluation

The areas of practice for consideration were:

- Developing and enhancing equal opportunities policies.
- Developing monitoring activities.
- Awareness-raising activities with staff.
- Developing targeted recruitment campaigns.
- Increasing the representation of women in senior roles.
- Increasing the representation of BME (Black Minority Ethnic) men and women in senior roles.
- Increasing the representation of disabled people in the workforce.
- Implementing job evaluation and supporting implementation of pay structures.

A large majority of respondents reported that the initiative had had some or significant positive influence on their institution's ability to develop effective practices in the areas of 'Developing and enhancing equal opportunities policies' (86%), 'Developing monitoring activities' (84%), and 'Awareness-raising activities with staff' (90%). All respondents perceived the initiative to have had some or significant positive influence on their institution's ability in the area of 'Implementing job evaluation and supporting implementation of pay structures' and 79% of respondents felt that the initiative had had a significant positive influence in this regard. This reflects the results of our data and investment plan analysis above, in which 60% to 70% of institutions had reported activities planned under R&DS in this area.

A marginal majority of respondents felt that R&DS had had some or significant positive influence on their institution's ability to develop effective practices in the areas of 'Increasing the representation of women in senior roles' (57%) and 'Increasing the representation of disabled people in the workforce' (52%).

The initiative was felt by the majority of respondents to have had no influence (positive or negative) on institutional practice in the areas of 'Increasing the representation of BME men and women in senior roles' and 'Developing targeted recruitment campaigns', although 41% and 34% of respondents perceived R&DS to have had some or significant positive influence on these areas respectively.

6.8.4. Priority 4 – workforce planning/reviews of staffing needs for the institution

The areas of practice for consideration were:

- Identification of over- and under-resourced areas within the institution and actions required to address these.
- Embedding of HR planning within the institution's strategic planning framework.
- Developing approaches to workforce planning that meet the current and future needs of the institution.

All three areas were reported by the majority respondents as having benefited from some or significant influence from R&DS, with the most positive influence being identified over institutional practices in respect of 'Embedding of HR planning within institution's strategic planning framework' (31% of respondents viewed the level of positive influence to be 'significant' and a further 52% viewed the initiative to have had at least some positive influence on this area).

74% of respondents felt that the initiative had had some or significant positive influence on their institution's ability to develop effective practice in 'Developing approaches to workforce planning that meet the current and future needs of the institution'.

6.8.5. Priority 5 – regular performance reviews for all staff

The areas of practice for consideration were:

- Developing staff competency frameworks.
- Developing performance management processes in respect of staff.
- Implementing regular reviews related to individual developmental needs for all staff groups.
- Implementing regular assessments of individual performance related to institutional goals.
- Developing performance related pay or merit/contribution schemes.

As for 'Recruitment and retention' this priority area showed a fairly consistent spread of responses indicating that for the majority of respondents' institutions R&DS had

had some or significant positive influence on institutional practices across these areas. The area for which respondents identified the highest positive influence was 'Implementing regular reviews related to individual developmental needs for all staff groups' (90% of respondents viewed the initiative to have had some or significant positive influence for this area of practice). This was closely followed by 'Implementing regular assessments of individual performance related to institutional goals' and 'Developing performance management processes in respect of staff' for which some or significant positive influence of the initiative on institutional practice was noted by 81% of respondents.

The area of 'Developing staff competency frameworks' was more marginal: 50% of respondents viewed R&DS as having some or significant influence on institutional practice for this area, whilst a further 50% felt that the initiative had had no influence.

6.8.6. Priority 6 – managing poor performance

The areas of practice for consideration were:

- Training staff in handling poor performance.
- Improving processes related to discipline and grievance.
- Improving the capability of people in their roles.
- Improving the range and quality of support services (e.g. counselling, occupational health).
- Addressing staff absence and sickness levels.

The majority of respondents confirmed that across all of these areas, R&DS had had some or significant positive influence on their institution's ability to develop effective practices.

The area showing strongest positive influence of the initiative was 'Improving the capability of people in their roles', for which 21% of respondents viewed R&DS to have had a significant positive influence on institutional practices and a further 69% to have had at least some positive influence. Comparatively, 36% of respondents felt that the initiative had had a significant positive influence on 'Improving the range and quality of support services', with a further 40% confirming that R&DS had had some positive influence on this area. Likewise, a majority of respondents viewed a positive influence to have been evidenced on 'Training staff in handling poor performance' and 'Improving processes related to discipline and grievance' (71% and 74%, respectively).

A smaller majority of respondents (57%) felt that the initiative had had some or significant positive influence on their institution's ability to develop effective practices for 'Addressing staff absence and sickness levels', whilst 40% viewed there to have been no influence on this area, and a small minority (2%) perceived the initiative to have had some negative influence in this regard (no additional comments were received on this).

6.9. Views of senior teams

Members of senior executive teams consulted were less likely than HR directors to place the R&DS initiative at the core of wider institutional changes to people management practices over the period. Where R&DS was cited by one institutional Head of Corporate Resources for example, it was viewed as an enabler to the institution's own fairly well-developed ambitions at the start of the period.

Institutional Directors of Finance in particular commented on the perceived importance of influential HR directors in driving through necessary changes supported through the use of R&DS funding. This group thus placed critical importance on the quality of HR leadership in maximising the value of investments made.

Consultees from representative stakeholder groups, including institutional senior team members, viewed the initiative as one of a number of substantial drivers behind changes to HRM structures and practices, alongside the implementation of the pay Framework Agreement and wider staff development activities.

The next section presents an assessment of the comparative and contextual impact of a range of other influences on HRM over the period.

7. How HRM has changed since 2001

7.1. Introduction

This section assesses how HRM in English HE has developed since 2001 and draws upon the following resources: results of the HR Directors' survey (full results in Appendix F); institutional 'case studies'; other sectoral stakeholder consultations; and relevant sector studies.

For the purposes of this review we have adopted the four components of HRM as outlined by David Guest and Michael Clinton in their report 'Human Resource Management and University Performance' for (LFHE) in November 2007¹¹. These (along with definitions developed for this study) are:

- **HRM priorities:** Defined broadly as the priorities for both institutions and the wider sector in seeking improvements in all aspects of HR management. Priorities will be closely related to desired outcomes: these will have been variously defined for both individual institutions and for sector-wide initiatives. Priorities for HRM may also be identified at the individual level, in the light of roles and responsibilities.
- **HRM strategy:** Defined as the institution's response to identified priorities – at the strategic level. The study has considered what changes institutions have made to their HR strategies over the period and what has driven these, including the identification and definition of corporate priorities.
- **HRM structures:** Defined as the form and function set out at the institutional level to deliver HR strategic plans. This will include: role of the HR director (or equivalent); the role and remit of the HR core team(s); and the role of HR support functions outside the core team across institutions.
- **HRM practices:** Defined as the operation of processes in practice, experiences, habits, tendencies of line managers and other key staff groups across institutions with regards to key areas of HRM (or 'people management') including those identified within the Self Assessment Tool¹²; this could otherwise be defined as the HRM 'culture' within an institution.

¹¹ Available from <http://www.lfhe.ac.uk/research/projects/guestkings.html/>

¹² The Self Assessment Tool (SAT) was developed jointly by the Universities Personnel Association (UPA) and the (then) Standing Conference of Principals (SCOP) Personnel Network, with financial support from HEFCE, and was made available to English HE institutions 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 & safety; and Performance management – linking people management to organisational performance.

7.2. Overview

7.2.1. Baseline at 2001

It is clear that institutions have started from a range of positions in respect of the relative maturity of their HRM or 'people management' strategies, structures and practices.

For a minority, significant work to change or 'modernise' HRM arrangements had already started before the beginning of the decade. Others had already started to restructure and reform their existing HR functions to better direct HR advisory expertise towards business needs across the organisation.

7.2.2. HRM priorities

Institutional priorities for people management development at the start of the period focused around the recruitment and retention of high-quality staff and staff development, linked to the identification of risks associated with a lack of managerial capacity and capability.

Staff development and preparation for implementation of pay modernisation also featured strongly across the majority of institutions as did the development and enhancement of performance management.

More recently, priorities around people management have shifted towards: continued work to develop the capabilities of current and emerging leaders and managers; desire for further refinement of performance management frameworks and support to managers in this regard; talent management; and greater visibility of reward, recognition and career progression pathways.

This is reflected in the results of the HR Director Survey, in which the most popular first priority choice currently for institutions was '*Developing staff for current and future needs of the organisation*', which accounted for almost half of the responses.

7.2.3. HRM strategies

There is extensive evidence that institutions have advanced the quality and depth of organisational HR strategies over the period. However the role played by the HR function in the wider institutional planning and monitoring process is uneven and in some institutions not clearly defined.

The majority of institutions have already made some use of external and internal mechanisms over the period to explore the effectiveness of HR service delivery, including service level agreements, Investors in People and the EFQM Excellence Model, as well as regular staff opinion surveys. A number are also participating in one or more benchmarking surveys, including the *DLA Piper HR Benchmarker* service, to supplement internal metrics of HR performance.

7.2.4. HRM structures

Strategic representation of people management issues in the reporting arrangements and structure of the senior management team (SMT) have developed significantly. Other common areas of change include:

- Identifying and building on expertise found within other sectors in seeking to modernise the HR function.
- Real term growth in the HR function.
- Targeted appointments and development of HR staff to reflect professional capability, and increases in numbers of professionally qualified staff.
- Development of the HR 'specialist' role within the broader HR function, for example specialists with a performance appraisal remit.
- Growth in the professional HR 'generalist' role – many institutions having established an HR consultancy or advisory function directed at (or located physically within) schools, faculties and equivalents, with either a direct or strong dotted reporting line to the core HR function. This has in some institutions developed into a model closer to that of the HR 'business partner' at the college, school or faculty, where HR forms a core part of the management team at this level.

7.2.5. HRM practices

All areas of HRM practice are reported as having developed since 2001.

Remuneration and fair employment is cited by the majority of institutions as benefiting from some of the most significant development, much of this linking directly to implementation of the Framework Agreement for pay modernisation within the period.

The two areas identified by survey respondents as starting from the lowest base at 2001 were: '*Workforce planning*' and '*Managing staff under-performance*'.

Developing the efficiency and effectiveness of recruitment processes is now coming to the fore as a priority, building on progress made by many institutions in ensuring equity through recruitment processes and policies.

Development of career pathways, workforce planning, talent management and succession planning were all areas identified as future targets by several institutions, cited by HR directors and senior executive team members, but also emerging in some institutions as a key developmental interest of the wider workforce.

Progress on equality and diversity has been seen most clearly in the following points: growth in numbers of specialist advisory appointments in these areas; greater strategic focus on equality and diversity targets and their monitoring; and visibility of equality and diversity issues within and outside the HR function.

Many institutions have reported making considerable in-roads into activities targeted at enhancing leadership and management capabilities, though this remains an area that the majority see as requiring further support through people management

strategic development, particularly in extending the reach of such activities to middle managers and better publicising of such support where this already exists.

'Performance management' in the context of people management practices across HE institutions reflects a number of inter-connected processes and behaviours. Where this has been viewed in holistic terms, and crucially where developments in performance management activity have been explicitly linked back to institutional strategic aims (for example: national and international positioning through the recruitment and nurturing of high-performing staff) this has been reflected in the most consistently positive perceptions of the value of investments in this area across different staff groups.

Finally, a number of respondents comment that although great progress has been made across HRM priorities, further development is still required:

"HR (people) management has developed significantly at the university since 2001. However, we are not complacent and realise that we still have a long way to go." [English post-92 institution]

The balance of this section explores these findings in detail.

7.3. HRM priorities

7.3.1. Baseline

It is clear that institutions have started from a range of positions in respect of the relative maturity of development of key elements of their HRM structures and practices.

Institutions consulted as part of our 'case study' visits and interviews gave us an overview of the key characteristics of their 'baseline' positions as at the start of the decade. For a minority of our consultee institutions, significant work to change or 'modernise' HRM arrangements had already started before the beginning of the decade. For example, one (post-92) institution identified that they had at that time already implemented job evaluation and had established a specialist equality and diversity post. Other institutions had already started to restructure and reform their existing HR functions to better direct HR advisory expertise towards business needs across the organisation. One HR director who had started in post mid-way through the decade observed that whilst the HR function at the institution had been restructured since 2001, reporting lines were not optimum, and not what they would have expected working in other sectors (arrangements were subsequently changed at this institution).

Some institutional consultees noted that at the start of the period there were specific shortfalls in key areas of HRM (for example, one HR director identified that recruitment, particularly of senior staff, gave minimal consideration to specific needs of the institution). Other consultees, including some staff groups, observed that many staff had limited awareness of what HR was for and what type of services it offered. They observed that many institutional managers would typically call on 'Personnel' only to deal with crisis issues and would habitually resist the involvement of HR in broader strategic discussions (i.e. *"What's this got to do with HR"*).

Some institutional consultees also identified that their institutions had seen limited changes to HR policies and practices prior to the early part of the decade, and had been restricted by cumulative under-investment in HRM.

7.3.2. Contextual changes – at the institution-level

Several institutions consulted for the study confirmed additional internal institutional changes over the period since 2001, against which developments in HRM need to be set in context. For example:

- Nine institutions have seen a change of (at least one) head of institution during the period; the majority of these acknowledged that this was a significant driver for changes to HRM practices.
- There has been a spectrum of restructuring or re-organisation across institutions consulted. For some this has been major, i.e. institutional mergers. For others, this has involved consolidation of faculties or colleges. This has for several institutions required substantial HRM input, including major change programmes, severance and redundancy programmes, etc.

7.3.3. Priorities at the start of the decade

We found that priority areas identified for people management in 2000/2001 were broadly consistent between heads of HR and senior teams.

Whilst these priorities reflected the variety of institutional strategic concerns, there are common features of note across the range of institutional types from our institutional case studies:

- Preparation for implementation of the single pay spine was mentioned by several institutions.
- Recruitment and retention of high-quality staff was a commonly cited priority: examples of preoccupations included the then ageing profile of the existing workforce for one (specialist) institution, with a significant number of academic staff who had reached or were close to statutory retirement age, combined with a growing realisation that the institution would need to compete internationally for senior appointments. Another institution – a pre-92 member of the Russell Group – was concerned with managing the expectations of overseas recruits for the employee ‘deal’, and had thus prioritised actions to address this, including for example: targeted relocation packages; a study assistance scheme; revised sabbatical leave policy; and a bridging funds review for contract research staff.
- Staff development also featured strongly across these institutions, ranging from actions to professionalise and accredit teaching staff in an institution with an historically predominant practice base of staff to the development of middle and senior management staff through an in-house management development programme in another (pre-92) institution. In one institution, the requirement to boost management capacity was attributed to the identification of lack of managerial capacity as a potential risk to successful institutional progress.

- The development and enhancement of performance management was identified as a priority area which gained gradual currency over the course of the period with some institutions. For example, one pre-92 institution had placed particular emphasis within the period on developing its approach to performance management and rewards linked to performance, and had chosen to direct specific resources towards the development of a performance-related pay mechanism (brought out originally in 2005, reviewed in 2006 and relaunched in 2007). This is now based on a 'balanced scorecard' approach (including individual performance linked back to organisation-wide targets, such as National Student Survey performance).

This is supported by the results of the survey, which asked HR directors to rank the top four areas of HRM in terms of their importance to their institution, as at 2001.

Of the first choices selected by respondents, the priority areas 'Modernisation of remuneration structures' and 'Addressing recruitment and retention difficulties' were markedly most popular, at 39% and 36% respectively. However, when all four choices were taken into account, the area 'Developing staff for current and future needs of the organisation' featured most prominently.

Respondents were also asked to identify any other priority areas not reflected in the given range that were of high importance to their institutions as at 2001. Nine respondents identified priorities including:

- A focus on reducing costs.
- Reviewing or adjusting HR strategy, policy or practice.
- Restructuring activity.

7.3.4. Current priorities for people management

Survey respondents were asked to identify the top four areas of HRM in terms of their current importance to their institutions, from the same range as before. The results showed that the most popular first priority choice was 'Developing staff for current and future needs of the organisation', which accounted for almost half of the responses. The second most commonly ranked priority areas, when taking all four rankings into account, were: 'Addressing the management of poor performance' and 'Workforce planning and staffing needs analysis'.

Other specific priority areas identified as being of high current importance to respondents' institutions included:

- Development of leadership and/or management capability.
- Supporting the management of change.
- Implementation of technology in support of HRM.
- Employee engagement.
- Reducing the amount of spend on pay.
- Improving employee conditions.

This is broadly consistent with our findings from institutional consultees, for whom emerging areas of greatest need included:

- Further refinement and development of performance management frameworks, including (for example):
 - Improvement in the delivery of performance management systems.
 - Development of desired competencies for new employees, rather than over-reliance on role definitions.
 - Training given to line managers in the deployment of current mechanisms for performance review and reward.
- Continued work to develop the capabilities of current and emerging leaders and managers.
- Talent management – some institutions acknowledged that they were starting from a ‘low base’; others had already developed more advanced approaches in relation to this area.
- Better and more comprehensive (and visible) reward and career progression structures (cited by one institution for example in enabling it to meet its strategic aim to maintain international competitiveness).
- Succession planning.
- Further development and professionalisation of the HR function. In one institution, for example, a priority aim expressed was to build upon work already achieved in creating faculty HR manager posts as ‘customer-facing’ functions and to further develop the capabilities and confidence of existing staff to build teams of ‘core specialists’ with strong oversight across the institution.
- Review of current systems and processes for the capture of management information in relation to HRM services.
- Staff communications: for example, improvements to the ‘visibility’ of senior teams, or to the development of two-way rather than top-down communications.

7.3.5. Changes to institutions’ approaches to identifying HRM priorities over the period

Survey respondents were asked to consider the development of people management at their institutions since 2001 in respect of setting HRM priorities and identifying desired outcomes.

Results of the survey showed that of 29 English respondents¹³, 82% rated their institution’s approach as at 2001 as ‘yet to be developed’ or at a low level of

¹³ HEIs in Scotland and Wales were also invited to complete the survey and their responses were treated as comparators.

development (ratings 1 or 2) in respect of *'Setting priorities for HRM'* and 76% at a low rating of 1 or 2 for *'Establishing targets and identifying improved outcomes for HRM'*. Comparatively, these same areas were rated in relation to the current state at levels 4 or 5 (reflecting a 'Well-developed' approach) by 89% and 86% of English respondents respectively. These results indicate a positive trajectory in the level of perceived development to English institutional approaches to the identification of HRM priorities.

7.3.6. Priorities identified in other sectors

Priority areas for the HE sector can be compared with those identified across other (public and private) sectors. For example, a survey carried out by the Chartered Institute of Personnel and Development (CIPD) in 2007¹⁴ identified those objectives most commonly cited in respect of the HR function across 787 respondents from a mix of public and private sector organisations. The most frequently identified were:

- Recruiting and retaining key staff.
- Developing employee competencies.
- Improving the management of people performance.
- Maximising employee involvement and engagement.

A similar survey carried out in 2003 by CIPD indicated that the objective of 'recruiting and retaining key staff' had remained a consistent key goal over this period.

7.3.7. Other UK HE

Similarly, there is evidence to suggest that many of the priority areas for the English HE sector in respect of HRM are common across UK HE.

In its 2005 national level analysis of HRM in the Scottish university sector¹⁵, the Scottish Funding Council identified that *"The challenges being faced in institutions appear to be fairly consistent across Scotland"*. In summary, these were identified (as at 2004/5) as:

- Modernisation of pay and reward in line with the implementation of the National Framework Agreement for the Modernisation of Pay Structures.
- Harmonisation of terms and conditions, movement onto a single pay spine through job evaluation, and the requirement to introduce a modern pay and reward system that recognises the acquisition of experience and contribution.
- Recruiting and retaining the best staff.

¹⁴ CIPD: The changing HR function – Survey report September 2007 (787 respondents in total reflecting a public/private sector split of 43:57).

¹⁵ Report commissioned from the then Head of Organisational Development at Glasgow Caledonian University. It was prepared following an analysis of the strategic plans that were current in summer 2005 and HR strategies as of autumn 2004 of all Scottish higher education institutions.

- Dealing with a significant retirement bulge of academic staff over the period to 2010-15.
- Effectively managing organisational change and corresponding need for increased capacity and capability in terms of leadership and management alongside skills in organisational development.
- Equality and diversity legislation – and delivering an adequately full response (linked to cost concerns and related areas (for example: Data Protection and Freedom of Information)).

Results of the survey from other UK HE HR directors (including eight Scottish institutions) showed that as for English institutions, a positive trajectory in institutional approaches to setting HRM priorities and identifying related outcomes was also perceived to have been in evidence over the period.

7.3.8. Health and local government

In the period covered by this review, the health and local government sectors shared many of HE's HRM challenges. However, the approach taken to overcome them necessarily differed, reflecting the very different levers of control and machinery of government available to policy makers.

In health, HRM priorities which were established as part of broader modernisation objectives at the start of the period were centrally driven through the Department of Health, reflected in national performance targets and in a range of nationally-led initiatives¹⁶, although the period has since seen a shift in emphasis from the national level to local partnership arrangements, i.e. between Strategic Health Authorities and trusts.

In contrast, local government did not at the start of the period have a single unifying framework for its HRM priorities. However, there were commonly shared priorities, some of which were informed by national frameworks including Best Value and Comprehensive Performance Assessment, leading to the introduction or development of existing performance management of services, including HR.

7.3.9. Shared and distinct challenges

It is evident that health, local government and HE have shared many common challenges in this period, including:

¹⁶ Health had its priorities articulated by means of a national plan - 'HR in the NHS'. The NHS National HR Strategy was developed with the intent to build on the commitments made in this plan and to set out how the NHS should become a model employer. It also provided a consolidation of all new and existing workforce targets in a single document and set out the intended 'direction of travel'. The plan aimed to increase the numbers of trained and qualified staff in the health sector to meet government targets for patient care. It set specific targets for health trusts in terms of numbers of staff, levels of training etc. Objectives were set for each pillar nationally and were interpreted locally. The 4 pillars of the plan were; making the NHS a model employer, ensuring the NHS provides a model career through the concept of the skills escalator, improving staff morale and building people management skills.

- Recruiting and retaining talent (for local government an issue particularly prominent in the south of the country in respect of specific skills areas such as planning, environmental health and social work).
- The development and enhancement of ‘people management’ capabilities across the workforce, particularly among staff with line management responsibilities.
- Management and leadership development.
- Addressing pay modernisation – and of note is that there is good evidence that the process in HE was both more streamlined and implemented more rapidly than in either health or local government¹⁷.
- Establishing cohesive performance appraisal systems.
- Addressing equality and diversity.
- In the health sector in particular, managing the demands and expectations of distinct workforce groups operating within institutions/health trusts.

Unsurprisingly, both health and local government also had (and continue to have) their own distinctive challenges:

- Health in seeking to achieve a series of challenging workforce recruitment targets (by 2008: 15,000 more consultants and General Practitioners, 35,000 more nurses, midwives and health visitors, and 30,000 more therapists and scientists than in 2001).
- Local government in respect of the management of service outsourcing (for example: leisure centres). This is one example of an area that appears to be neither typically cited or an overt preoccupation by HR professionals in HE though we note the increased emphasis on shared services initiatives in many parts of the sector, many of which are being ‘pump primed’ by HEFCE.

7.4. HRM strategies

7.4.1. Overview

A view held by some key stakeholders was that the quality of institutional HR strategies had developed significantly over the last five years, related at least in part to the requirements placed on institutions to develop full HR strategies to demonstrate ongoing eligibility for funding under the 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. We asked consultees about the role of HR within the institutional planning process and how, when and where HR implications of corporate decisions were considered.

¹⁷ UCEA’s evaluation of implementation of the HE Framework Agreement for pay concluded that “compared to similar pay modernisation exercises in local government and the NHS, the HE Framework Agreement has been implemented more rapidly and largely with fewer problems and delays”

Some institutions have developed a well-established approach to this: for example, one (pre-92) institution had set itself a series of key performance indicators (KPIs) derived from its strategic performance targets and linked to nationally recognised indicators (for example: performance in the National Student Survey and the RAE/REF). The HR team played a central role in the development and monitoring of targets relating to people management and in support of academic schools responsible for reviewing progress against targets at the school level.

Other institutions have seen a more recent re-evaluation of the relationship between the corporate and HRM strategic plans to good effect. One (post-92) institution had within the last 12 months introduced an initiative to involve local HR business partners in the process of developing school business plans, and had changed the timing of the HR planning and school planning processes to allow workforce planning to become better established at this level. A key outcome from this has been greater reliability and robustness of changes to staffing headcounts made at the school planning level. This has developed as a complementary exercise to the 'top down' development of an HR Strategic Framework, which encompasses the broader 'people' agenda, including but not limited to activities within the remit of the HR function.

For other institutions, whilst people management targets may have been linked back to strategic targets within the Corporate Plan, the active request and use of management information in respect of people management targets by senior teams was not always in evidence. One HR director observed that whilst the senior executive team has been supportive of HR in bringing about recent change, they would welcome a greater 'push' and challenge from the senior executive on people management issues.

One HR director acknowledged for example that in the earlier years of the period, and up until the last two years, getting HRM planning embedded in institutional planning had been a struggle. The institution has more recently (within the last two years) focused on getting HR and workforce planning embedded at faculty and school level.

Several consultees within institutions, including but not only HR directors, confirmed that a key test of the role of HR is the access of key HR personnel to the institution's top team, and the ease with which it is able to get strategic HRM decisions made. Visibility and regular presence of HR directors at council and committee sessions, as well as at weekly or monthly executive team meetings, were cited as positive indicators of institutional interest in people management strategy. We explore in more depth the role of the HR director in relation to the senior management team in section 7.5.3 below.

7.4.2. Understanding effectiveness of investments made in HR management development

Several institutions have already made active use of external and internal mechanisms over the period to explore the effectiveness of HR service delivery, including service level agreements, Investors in People and the EFQM Excellence Model, as well as regular staff opinion surveys. All institutions in England have, as of

2008, completed the Self Assessment Tool¹⁸, which was designed as a framework for institutions to self-assess the extent to which they were able to demonstrate achievement of outcomes across seven areas of people management.

Additionally, a number of institutions have developed a range KPIs for HR and related people management areas. For example, one specialist institution has a three-dimensional series of KPIs: relating to organisational health; organisational strategy; and relating to the HR function itself (e.g. number of HR staff that are professionally qualified; results of the annual customer survey). Another (post-92) institution is currently running a change programme that includes the application of a tool to measure organisational 'adaptability'. One (pre-92) institution produces performance data for a series of KPIs, which are reported to the senior executive team and the governing body. However, it was identified by this institution that its current indicators are primarily input rather than output or outcome-focused. This institution noted that it is currently seeking – in partnership with another – to develop more sophisticated metrics; for example, evaluation of staff development and training outcomes to supplement existing metrics for course take up numbers.

Several institutions are participating in one or more benchmarking surveys to supplement internal metrics of HR performance. For example, as at 2008, 87 UK (of which 65 are English) institutions have signed up to the *DLA Piper HR Benchmarker* service. The use of internal staff surveys has grown across institutions consulted, with the majority of institutions running either a biennial survey, or more substantive and less frequent surveys to identify staff satisfaction levels and well-being.

This is an area which is of ongoing interest to many institutions, and a minority have already devoted considerable resources to build upon existing methods for assessing performance (see example case studies below).

Figure 6 Institution case study – Bristol University

Bristol University has developed an institution-wide agenda to develop a positive working environment (PWE), with the overarching aim of 'making working life productive, rewarding, enjoyable and healthy' and has run two extensive staff surveys (in 2003, following the arrival of the then new VC, and again in 2007) to identify firstly the cross-cutting actions required to address workforce issues and secondly to assess the impact on staff perceptions of changes to their working environment.

The PWE agenda has been developed as a core element of the institution's People Strategy, and progress has been reported within subsequent Annual Reports since 2003/4. Work has been undertaken across five key commitment areas: Staff support and development; Leadership and management; Communication; Physical work environment; and Monitoring and evaluation.

Results of the 2007 survey show areas of noted improvement since 2003 as identified by staff, including: satisfaction with line managers (in terms of fairness and recognition of staff contributions); levels of communication between the university and staff; commitment to training and development for all employees; demonstration of value of the diversity of the

¹⁸ Since 2006, institutions in England have had the opportunity to have the conditions removed from R&DS funding ('mainstreamed' into core grant rather than 'ring-fenced') by going through a process of self-assessment. The Self Assessment tool (SAT) was developed by UPA and the SCOP Personnel Association (now Guild HE) in 2005 and institutions were invited to start using this in 2006.

workforce, amongst many others. The survey outcomes report notes “*It is encouraging to see that many improvements have occurred in areas that the PWE process has concentrated on in response to staff opinions*”. Areas for further development are also identified and form ongoing activities for the People Strategy.

Following on from this work, the institution has initiated together with the universities of Leeds, Birmingham, Derby and University College Falmouth, an HEFCE-supported project (‘Creating success through wellbeing in HEIs’) to explore activities being undertaken across the sector which are aimed at creating a positive impact on HE workforce wellbeing. A series of six workshops (November 2008 to June 2009) has been initiated to explore this.

Bristol is interested in building on this work to explore further the causal relationship between positive indicators of a strong, well-motivated and secure workforce and institutional performance at the faculty, school and departmental levels, through recognised indicators at the individual institutional level which might be expected to include (but not be limited to) student satisfaction levels, research income, etc. Their project team has identified from preliminary investigations that benchmarking data in this field across the wider HE sector is limited, and so have established a dedicated resource team to explore this in further detail over the next few years within their institution. Emerging anecdotal evidence shows a potential correlation between strong staff satisfaction and positive indicators of performance in other aspects, although this is something that the team wish to investigate in depth in the coming period. They are also keen to explore how best to measure the relationship between workforce satisfaction and institutional performance with selected partnering institutions.

Figure 7 Institution case study – University of Hertfordshire

The university launched its £4.2 million UHEvolution project (with financial support from HEFCE) in early 2007. This aimed to enable the university to develop a strong business-facing strategic model, and was based around six key areas of activity. One of these – UHMindset – aims to embed a business-facing culture amongst staff by assessing and supporting staff ‘readiness for change’. This is underpinned by specific activities including:

- Assessing and building organisational adaptability – through use of the ‘Adaptability Index Tool’ (AIT) – completed to date by circa 800 university personnel.
- Identification of 130 change agents across university staff – tasked with carrying out smaller scale change activities in their own areas.
- Language and behavioural change work.

The wider project also includes the Collaborative Innovation Fund, through which School Business Units have been able to bid for funding for larger change projects. Two projects with an ‘HRM flavour’ in first round have included a staff wellbeing project and a university coaching and mentoring centre.

7.4.3. Changes to institutions’ approaches to HRM strategy development over the period

Survey respondents were asked to consider the development of people management at their institutions since 2001 in respect of:

- Integrating the role of the HR function within the institutional planning process.
- Giving due regard to HR-specific considerations in the institutional strategy.

Of English institutions, 61% rated the former as ‘Yet to be developed’ (i.e. a lowest rating of 1) as at 2001 in their institutions, but 50% confirmed a marked development

in this area as at the present day. The latter was similarly rated at the lowest level of development by 52% of English sector respondents as at the start of the period, compared with 76% rating their institution's current approach as nearly or fully 'Well developed'.

Whilst a number of institutions acknowledge that developments are still needed in these areas, and that the role of the HR function is not necessarily as fully integrated within institutional planning processes as many HR directors would wish to see, these results indicate a positive trajectory over the period for many consultees.

7.4.4. HRM strategies and other sectors

In the 2007 CIPD survey report on the changing HR function, a broad cross-section of public and private sector bodies identified the ways in which they currently measure five key aspects of HR performance. This showed that the most measured aspects were the efficiency and effectiveness of the HR function. Survey participants showed a lower propensity to measure the following aspects: the quality of the HR service, people management practice and the impact of the HR function on organisational performance.

This survey also showed that the most common measurement of the quality of HR services was line manager surveys and, alongside this, 'harder' outcomes, such as absence rates.

7.4.5. Other UK HE

In 2005, Scottish institutional HR strategies were assessed on behalf of the Scottish Funding Council, in order to measure progress against the council's 2003-06 corporate plan target in respect of institutional commitment to the development of good practice in management of staff.

The assessment found that *"evidence is coming through of HR strategies which are aligned to the strategic priorities of the institution, with the potential for positive HRM to facilitate the achievement of those priorities and add value at an organisational level"*.

Findings from a 2007 evaluation of HRM modernisation in the Scottish universities sector¹⁹, which reviewed institutional progress in respect of the SFC's main grant letter for 2006/7, indicated that at that time, "almost all" of the 20 universities and colleges had developed current HR strategies and that these demonstrated that *"the majority of institutions continue to regard HR and HRM modernisation as of critical importance to delivering wider institutional goals, confirming findings from the 2005 review"*.

¹⁹ SFC: Evaluation of Human Resources Management Modernisation in the University Sector: Sector Overview Report (OPM, May 2007). This reviewed institutional strategic progress with HRM modernisation in line with conditions of grant in the SFC 2006/7 main grant letter and subsequent SFC circular 28/2006. Scottish institutions were required by February 2007 to provide SFC with institutional HR policies and strategies, end of project evaluations of pay structure and HR modernisation, assurances from governing bodies and to address the outcomes of HRM modernisation for equalities issues in these.

However, the evaluation found that whilst a good proportion of institutional HR strategies showed clear links between organisational mission and goals and HR priorities, “*despite growing recognition of the strategic importance of HR, it can be difficult to easily ascertain the connections between corporate goals and HR objectives and priorities from some written material*”.

The evaluation also found that a substantial number of Scottish institutions were taking steps to develop and enhance management information through investments in systems and participation in benchmarking activities (including the *DLA Piper HR Benchmarker*).

As for institutions consulted for this study, the SFC evaluation identified that a number of Scottish institutions were implementing regular staff surveys and were using evidence gathered to feed into reviews of employment practice and HR services. It was noted that a smaller number of Scottish institutions had made explicit reference to seeking external validation for HR practices, e.g. by achieving Investors in People accreditation.

7.4.6. Strategy – Health and local government

Health and local government, like UK HE, engage in regular benchmarking and comparative performance analysis of successful HRM practice. For example, since 2001, the health sector has developed key performance indicators relating to a range of people management areas, used for executive board and national reporting purposes, with targets comprising a mix of nationally set and locally set indicators including:

- Reducing staff turnover from 15% in 2001/2 to 13% in 2007.
- Reducing attrition rates (people leaving training course prior to completion) from 19% in 2001/2 to 15% in 2007.
- Reducing sickness absence (each HR director setting their own targets).
- Improving diversity and equality and working conditions – each HR director having a target to reach a certain level of the Improving Working Lives agenda (an equivalent of Investors in People).

In local government, the use of performance indicators and benchmarking has been in place since the early 1990s, albeit in a rudimentary form, with benchmarking against Audit Commission ‘families’. This was further developed with the introduction of Best Value Review in the late 1990s and the development of Best Value Performance Indicators (BVPIs). Since then the use of performance indicators and benchmarking has become standard amongst local authorities. (A typical list of indicators is given in Appendix E.)

Many HR practitioners in HE perceive the health and local government sectors as having developed approaches to effective performance analysis earlier than in HE. However evidence of increased sophistication in approaches taken within HE can be found in the emergence of HR as a key enabler of overall institutional performance – with ‘transactional’ type indicators being but one element of a whole organisational approach to performance management.

7.5. HRM structures

7.5.1. Overview

Institutions consulted show a number of similarities in their choice of HR operational support structures as developed over the period, although this is by no means a completed exercise for many. We consider below the role and remit of the HR director; changes to the shape and remit of the wider HR function; and its relationship with associated institutional service areas.

7.5.2. Role of the HR director

Of the HR directors interviewed at 16 institutions, the majority (12) came into their present posts from a background which included other public or private sector experience in HRM, although of these, at least three confirmed that they had joined their institutions having previously worked elsewhere in the HE sector. Typically, their career backgrounds included a mix of both public and private sector experience, with local government being prevalent (five HR directors having worked in this sector in previous roles).

This is reflected in the results of the HR Director Survey, in which 100% of respondents reported working within other sectors. A small majority (57%) of respondents reported prior experience including private, third sector (i.e. charity) and/or public sectors, compared with a marginally lower number (43%) reporting prior experience in other parts of the public sector alone.

Those sectors where the highest levels of prior experience were reported by survey respondents included private sector (55%); local government (52%) and health (34%).

Approximately two thirds (66%) of respondents had been in their present post for three years or more, and just over half had been employed by their institution for over five years. This is also reflected in those institutions consulted, and in other research conducted for the sector within the period. For example, the Archer report (commissioned by HEPI in 2005)²⁰ found that at that date, based on a survey of some 44 HE institutions from across the UK, *“More than 75 per cent of HR heads interviewed had been hired from outside the sector”*.

This compares with the results of the Cranfield Network (CRANET) survey in the UK conducted in 2003 across some 1,115 UK organisations of all sectors (approximately three-quarters being private sector), which identified that *“around half those [HR directors] recruited were HR specialists from outside the organisation, 23% were promoted from within and 14% were non-HR specialists from the same organisation”*.

This suggests a particular emphasis within the HE sector during the period on identifying and building on expertise found in other sectors in seeking to modernise the HR function. This was corroborated by a number of institutional consultees, including some VCs, who noted that the opportunity for the institution to benefit from

²⁰ HEPI: Mission Critical: Modernising Human Resource Management in Higher Education (Archer, 2005)

cross-sectoral expertise was one deciding factor in the appointment of HR professionals.

“Bringing the (new) HR director from another sector marked a significant change in how the institution viewed the HR function. We were looking to bring someone in from outside HE and their influence upon the institutional strategy has delivered a qualitative shift in the role of HR in the planning process.” [Staff consultee, pre-92 institution]

Other consultees observed however that institutions only benefited from such appointments where HR professionals were able to adapt approaches to the particular circumstances and needs of their institution and its workforce.

7.5.3. HR director and the senior executive team

One of the areas explored with consultees was how they had sought to reflect strategic representation of people management issues in the reporting arrangements and structure of the senior management team (SMT). Of those institutions interviewed for the study, six had included the HR director role as a formal part of the SMT, with one additional institution reporting that its HR director had recently been asked to join the institution’s Strategy Board (from January 2009).

In some of these institutions, responsibility for reporting to the SMT on people management issues was held by another senior member of the SMT, such as a Deputy VC with oversight for corporate administration, encompassing HR. Even where HR directors did not have a formal SMT position, many identified that they were accorded regular access to board sessions and had good visibility with the top team.

The majority of HR directors consulted within these institutions observed that they had seen evidence – within their own institution and others – of a growing recognition across senior colleagues of the value of the HR director role reflecting a key profession in its own right. Others noted that whilst they were satisfied with a reasonable level of visibility of their role with the SMT, in not providing for full formal recognition of the HR director role on the SMT, institutions may be exposed to the risk of some HR implications of strategic decisions being missed.

The development of the formal relationship between HR directors and the SMT can be compared to that reported in other surveys for the sector. For example, the *DLA Piper HR Benchmarker survey (2008)* reported that HR is represented on the board (i.e. most senior operational management team) by 63% of participating institutions. This showed a marginally higher result than for the large public sector group as a whole (58%).

Comparatively, the 2003 CRANET survey found that 47% of respondent organisations confirmed that their head of personnel/HR department had a place on the main board of directors or equivalent, although this report acknowledged that *“Typically, HR directors have continued to sit one level below the main board [...] From other studies it would appear that there is little evidence of HR specialist representation increasing in the way predicted by those who saw the HR function taking on a business partner role”*.

7.5.4. Changes to the HR function over the period

Of the remit, size and structure of the HR function within institutions at the start of the period, institutions have told us that:

- Many functions had limited numbers of professionally qualified HR/Personnel staff and, as noted by one (post-92) institution, HR staff nominally appointed as 'personnel advisers' had to fulfil both an advisory and an operational support role. In other institutions (both pre- and post-92), personnel managers operating in key support roles were structured to reflect different groups of staff, i.e. academics and professional and support staff.
- Staff development functions tended in a number of institutions to be only 'reactive' in focus, rather than responding to strategic developmental needs of the organisation.
- HR specialists were already in place within some institutions, although the strategic development of institution-wide targets and staff support frameworks around equality were not always established at that time.
- Some institutions identified that work had already been set in train to change the essential shape of the HR function before 2001, including for example in at least three institutions the creation of a core administrative HR team and HR professional advisers based within faculties and schools.

One HR director (at a pre-92 institution) noted that whilst their assessment of HRM at their institution was "fairly advanced" in comparison to their previous (HE) employer, they viewed the HE sector in comparison to their previous public sector experiences as "*like going back 10 years*", with people management areas such as equality and diversity, policy frameworks, and employee relations being comparatively under-developed.

Emerging perceptions from representatives of institutional governing bodies were that the HR function had, prior to the start of the period, been viewed by governing bodies in the past as being something of a "*Cinderella activity*", and had as a result been less visibly scrutinised in terms of its performance as a result.

There is evidence that many institutions have made considerable and cumulative changes to the HR function over the period.

This is reflected in the survey results, where respondents were asked to rate on a scale of 1 to 5 ('Yet to be developed' through to 'Well developed') the level of development of their institution's HR function in terms of:

- Having the right balance of strategic, advisory and administrative responsibilities to meet the needs of the institution.
- Providing high-quality support, professional advice and guidance on HR management issues to managers within the institution.

The percentage of English HE respondents who reported a rating of either 1 or 2 (lowest levels of development) for the former as at 2001 was 79%, with 62% for the latter. Comparatively, the percentages reporting the highest or second highest scores (4 or above) as at current state were 69% and 90%, respectively. These

results suggest that the balance of service provision through HR functions is now seen by respondents as being more fit for purpose to meet institutional needs than is perceived to have been the case in 2001.

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

- **Growth in real terms of the size of the HR function** – for example, three of the institutions we consulted identified a doubling of HR capacity, even taking into account proportionate increases in the corresponding number of staff across the institution. In several institutions, additional growth had occurred through restructuring and broadening of the HR functional remit to include service areas such as organisational and staff development and occupational health. We noted one institution which had reduced the numbers of its HR function over the period; this was due to the reduction of its in-house training function.
- More significantly than growth in numbers was the changing nature of these functions. For example, several institutions had **made targeted appointments and development of HR staff** to reflect professional capability, and had thus increased numbers of professionally qualified staff.
- **Development of the HR ‘specialist’ role within the broader HR function.** For example, in one institution, the HR director has restructured the HR function within the period 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 people management strategic approach.
- **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, with either a direct or strong dotted reporting line to the core HR function. In some institutions, this reflects part of a wider change agenda for support service delivery to its staff. For example, in two (post-92) institutions, the HR function has developed faculty or college-facing ‘business partner’ support teams encompassing HR, finance, estates and other support services.

Consultees at one (pre-92) institution noted that their HR function had developed from a ‘reactive’ and ‘process-focused’ function to one with genuinely business-critical capability. The elements of perceived transformation were observed by these consultees to include:

- Increased size, capacity and capability.
- Close involvement in corporate planning.
- Physical deployment of HR specialists in each of the newly formed academic colleges, as expert resources for college heads.
- Direct line of contact between HR director and the VC.

- Expectations of HR function to challenge current behaviours, including the present SMT.

Another (post-92 institution) head of faculty consultee confirmed the positive impact that changes to his institution's HR function had had, 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." [Staff consultee, post-92 institution]

This was echoed by staff consultees (administration heads of faculty and departments) at another (pre-92) institution, who described the devolution of HR professional advisers to the level of faculty as *"hugely beneficial"*. This group also noted a positive impact on expectations for their own roles in respect of people management responsibilities:

"[My role] has moved from conflict resolution to mediation... [I] feel more liberated than five years' ago." [Staff consultee, pre-92 institution]

However, perceptions of the HR function were noted as mixed at other institutions, with one institution head observing that whilst their HR function had played a key role in positive developments, including for example the implementation of a staff review and development scheme, there was a commonly held perception amongst a significant proportion of academic staff that this function was a 'policing' one.

7.5.5. Organisational development and HR

Responsibility for broader organisational development is sometimes but not always located as part of the wider remit of HR.

A 2007 study funded by HEFCE's Leadership, Governance and Management Fund²¹ considered the current status and remit of organisational development within English HE institutions. This found that the 'territory' for this area was not always clearly delineated or recognised within institutions. The study also notes that respondents queried *"whether responsibility for OD self-evidently fitted into the remit and capabilities of the HR department or, indeed, any other single professional group"*. In its conclusions, the study identifies the growing significance of the 'hybrid worker' within HE professional areas, including support services, and recommends that further work is done sector-wide to *"explore further the fragmentation effect of specialist professional groupings in HE"*.

7.5.6. Other UK HE

The 2007 SFC evaluation of HRM modernisation in the Scottish universities sector identified a number of similar changes to those evidenced in English institutions. For example, it noted the emergence across several Scottish HE institutions of restructuring of HR departments to better reflect a 'customer-facing' service. In addition, it identified that in a number of institutions *"remodelling has involved the*

²¹ HEFCE (LGM Fund): Enhancing Organisational Development in English Universities (Chambers et al, 2007). This included consultation with some 80 HEIs through interviews and a survey.

identification of lead HR professionals to manage relationships with different parts of the institution, the creation of HR specialists within the team and a greater emphasis on HR staff acting as internal consultants to advise on organisational development issues as well as more traditional areas of HR expertise”.

7.5.7. Health and local government

Making HR more transformational

Like HE, many leaders in health and local government are preoccupied with developing HR into a ‘transformational’ service. IDEA (the local government Improvement and Development Agency) offers national programmes in this area, one of which is a National Specification against which HR directors can assess themselves to identify development needs. The programme also provides HR directors with mentors from across the private sector.

Through these programmes, HR directors are encouraged to provide added value to the business through facilitation of change within their organisation, helping it to make efficiencies, developing metrics to measure return on investment in the HR function and making delivery more efficient through network-enabled self-service systems.

HE (as evidenced elsewhere in this report) is clearly moving along a similar path and in establishing programmes for senior HR practitioners there may be merit in periodically reviewing the work of IDEA in this regard.

Recruitment and development of HR staff

Health and local government are increasingly seeking to develop the role of the HR professional. We are aware of at least one NHS foundation trust that is planning to adopt the Ulrich²² model (which is the concept of ‘business partnering’ – the splitting off of transactional services from strategic and advisory services). This, combined with the focus on cost and performance management, has resulted in the need to recruit or develop a new type of HR professional – one with finance, business and IT skills (skills that in the past have not always come naturally for HR staff).

Another NHS trust told us that their HR staff were having to *“learn a new language – one of business management and cost control”*.

Although business partnering is increasingly in evidence, we have not found a similar emphasis on cost and performance management in our engagement with HE. However, we do believe that ongoing and increasing focus on realising sustainable gains in efficiency (not least due to the economic climate) may very well require institutions to place a premium on these skills in the near future. How this sector-wide requirement might best be supported is an issue that HEFCE with its key partners (such as UPA) may wish to give consideration in the future workforce strategy.

²² Amongst many other sources (including Dave Ulrich’s original work see <http://www.cipd.co.uk/subjects/corpstrgy/general/hrbusprtnr.htm> for further information.

7.6. HRM practices

7.6.1. Overview

HR Director Survey

Respondents were asked to consider how well developed people management practices were at their institutions, both as at 2001 and currently, and to rate this on a scale of 1 to 5, where 1 – ‘Yet to be developed’ and 5 – ‘Well developed’. The areas of people management practice for consideration, along with the mean numerical rating scores and differences between 2001 and the present (for English institutional respondents) are shown in the figure below.

Figure 8 Areas of HRM practice and ‘development’ ratings

Practice	2001	Current	Difference between 2001 and present
Remuneration and fair employment	1.97	4.24	+2.27
Staff development and skills needs: Leadership and management	1.67	3.81	+2.14
Staff development and skills needs: Staff induction	1.97	3.90	+1.93
Managing staff under-performance	1.59	3.34	+1.75
Leadership, involvement and change management (including succession planning)	1.69	3.31	+1.62
Staff development and skills needs: Appraisal	2.10	3.69	+1.59
Occupational health, staff welfare and health and safety	2.31	3.86	+1.55
Management of individual performance related to institutional goals	1.72	3.21	+1.49
Workforce planning	1.46	2.93	+1.47
Staff recruitment	2.59	4.00	+1.41
Communications between senior managers and staff in the workplace	2.21	3.55	+1.34
Staff retention	2.54	3.64	+1.10

The three areas of largest reported development since 2001 are: perceived as

- Remuneration and fair employment.
- Staff development and skills needs: Leadership and management.
- Staff development and skills needs: Induction.

The areas of ‘Staff recruitment’ and ‘Occupational health, staff welfare and health and safety’ are also perceived to be relatively well-developed in terms of HRM practice across institutions, albeit that these areas started from higher bases as at 2001, compared with ‘Workforce planning’ and ‘Managing staff under-performance’,

both of which are viewed as having started from the lowest base at the start of the period.

Survey respondents were also asked to characterise the development of HR (or people) management overall at their institution since 2001.

Observations were made on the role and shape of HR and changes to this, including inter-dependencies on the support of top teams.

“The profile of HR management has been raised significantly. However, the R&DS format still allowed HR to be viewed primarily as an administrative function rather than tackling more fundamental issues such as a culture change. A change in approach has only come in with the change in leadership in the institution and the HR department.” [English post-92 institution]

“A very positive move forwards with HR playing an increasingly recognised role in taking the university forwards through changing times.” [English pre-92 institution]

“HR has moved from being a transactional function to a strategic function, supported by the introduction of a new devolved structure in 2002.” [Scottish pre-92 institution]

“Although the volume of work remains primarily transactional there has been recognition of the importance, 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.” [English specialist institution]

Several responses referred to advancements in the positioning of HRM strategically within the institution.

“Greater integration with institutional goals and mission, increased links with other parts of the institution, more networking throughout the sector, less emphasis on the individual, more on business needs.” [English pre-92 institution]

“Probably now seen as a significant contributor to the business.” [English pre-92 institution]

A number of respondents comment that although great progress has been made, further development is still required.

“Since 2002, we have achieved a lot in terms of enhancing people management particularly in terms of upskilling managers, supporting institutional priorities, professionalisation of service, etc. Still lots more to do but much of it planned: e.g. workforce planning, further developing leaders and managers.” [English post-92 institution]

“There is now recognition of [the] contribution of HRM to institutional success but still a lot to do to translate this into practices at all levels of

management. Role of trades unions in modernised environment also needs to be re-interpreted.” [English pre-92 institution]

Full results of this analysis are shown in the survey report in Appendix F.

7.6.2. Institutional consultees

HR directors, senior managers and cross-representational staff groups across institutions interviewed were asked to identify those areas of people management that had seen the most significant changes over the period across their institutions. We summarise below the key findings in respect of these areas.

7.6.3. Remuneration and fair employment

This was an area that was considered across all institutions to represent some of the most significant developments, much of this linking directly to implementation of the Framework Agreement for pay modernisation within the period.

Figure 9 Institution case study – implementing the pay framework

One institution cited a range of internal investments in this area, such as the establishment of a dedicated Framework Agreement project team and some 30 staff trained in job evaluation methodology, and the undertaking of an equal pay audit in 2004 with planned follow up 12 months after full implementation of the Framework.

Alongside these, it identified a number of specific favourable outcomes, including an award-winning Flexible Working Scheme which had resulted in a range of flexible working options being available and taken up by staff. The institution's 2006 Staff Opinion Survey reported that 52% of respondents changed their working pattern or hours of work within the previous 2 years. The institution also noted that its staff turnover is 8.7% (comparing with 10% average for the HE Hay Group data on pay and reward packages).

Their 2006 Staff Opinion Survey showed that staff's overall perception of the university as a good place to work was high – some 68% of respondents felt satisfied or very satisfied in their work, citing the flexibility accorded to employees by the institution as one of the main contributors to this.

However, the same survey also showed a mixed response from across staff groups: senior and support staff showed a more positive perception of the expected outcomes from the new pay framework than academic and facilities staff. This reflected in part the timing of the survey – the outcomes of the Framework Agreement had not then been finalised or communicated. The institution has continued to address awareness-raising as a priority.

Figure 10 Institution case study – equal remuneration and reward reviews for professorial staff

One institution has developed its approach to remuneration and reward opportunities, both within the pay framework and outside this, including professorial staff.

This work has involved an exercise for professorial staff to self assess their performance against key criteria such as income generation, contribution to academic leadership, course development contribution, with allocation into one of three 'bands' taking into account performance against the range of criteria. This has been linked into the performance and development review process, with professorial performance being reviewed over agreed periods. This system has also subsequently been used to determine new professorial salary appointments, and to define entry criteria for professorships.

Crucially, professors worked closely with HR personnel in the design of this system, which now applies institution-wide.

The key outcomes from this have included:-

- Greater transparency for staff on career development to professorial level.
- Ability for heads of college to address inequities in professorial pay and to reward strong performers.
- Greater recognition amongst staff of the merits of direct involvement and input into the strategic direction of the institution.

Several staff consulted cited this as a positive initiative which has provided greater scope for promising staff outside the traditional academic career route to achieve professorship status.

7.6.4. Recruitment and retention

Whilst progress in modernising recruitment processes, supporting systems and policies has been made across institutions in a variety of specific areas, such as mandatory training for chairs and other members of selection panels, many are continuing to look at ways to further develop and enhance the efficiency and effectiveness of existing procedures.

At one institution for example, a 2008 staff consultation exercise highlighted residual issues with inefficient recruitment, being perceived as still *“too slow, unreliable and bureaucratic... unresponsive to business needs”*. Conversely, the same consultees identified one of the most positive strengths and areas of tangible improvement in the past two years was the quality of advice and services overall from the HR function, in particular the quality and consistency of advice provided by dedicated HR consultants.

One institution had benefited from early investment in implementing an HR system to enhance available management information. However, they were keen to build on this and were planning the implementation of a web recruitment system in 2008/09, to further improve monitoring capacity and, crucially, to contribute to their desired aim to *“develop a world class employer image”*.

Staff showed a mixed response to this area, with many generally positive about development at their institution:

“Nearly there – an effective set of [recruitment] policies and procedures underpinned by recruitment advertising, online systems and e-recruitment.”
[Consultee, pre-92 institution]

Other consultees were more ambivalent:

“Poor – effective recruitment processes are too often delayed or obstructed by funding crises.” [Consultee, post-92 institution]

Institutional feedback in respect of staff retention indicates more limited progress in this area, although this is set in the context of a relatively low level of staff turnover within the sector, as reported in the 2008 JNCHES review of HE finance and pay data²³, which noted for the academic year 2006/07 a range of 6-10% for full-time permanent staff turnover in the HE sector (based on HESA data), compared with an

²³ JNCHES: Review of Higher Education Finance and Pay Data (Dec 2008).

overall UK staff turnover rate (as reported by CIPD in its 2008 Annual Survey) of 17.3%.

Staff group perceptions of institutional practices in addressing staff retention were also mixed.

“[On staff retention] Generally good, although staff well aware that loyalty by way of long service is not necessarily valued.” [Consultee, post-92 institution]

7.6.5. Development of career pathways

The majority of institutions identified this as a target area. Some noted that by choosing the ‘job families’ implementation route for the Framework Agreement, they had been able to better clarify requirements for roles at each level, but that further work is required to support staff in moving through these levels.

Several staff groups and individual staff consultees also confirmed that this area was one requiring further attention at their institutions.

“In a complex institution, this is not always clear – to improve one's career it is usual to have to apply for posts at a higher grade.” [Consultee, pre-92 institution]

“Slow – promotion scheme has helped but lack of recognition in titles of middle/senior managers slows this down.” [Consultee, post-92 institution]

A commonly held perception amongst middle managerial support staff consulted at one institution for example was that the opportunities for advancement and secondment at this level are limited and not well-publicised across the institution. Other consultees identified the risk of complacency and demotivation amongst staff, and felt that their HR functions could do more to be proactive in advising managers on this issue.

Nevertheless, a number of institutions cited progress made in targeting specific staff groups: one had recently initiated a graduate programme for administrative staff; others had developed improved teaching pathways over the period.

Another institution had created a specific ‘Associate Professor’ post within the period; a key objective for this was to provide better motivation for research staff in developing careers within the institution, by demonstrating that the institution values and seeks to retain its research ‘stars’.

Figure 11 Institution case study – career pathways

One (post-92) 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 post-graduates 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).

7.6.6. Workforce planning, succession planning and talent management

Institutions have commented on these areas as being those for which they wish to see further progress made. Some identified that the profile of this area is already being raised; others acknowledged that longer term reviews of capability requirements (rather than merely headcount requirements) have not historically formed part of institutional core strategic activity.

For example, one (pre-92) institution noted good progress in the collection and application of workforce data (*"Planning is becoming more sophisticated... Executive Board is developing KPIs for staffing and reviewing historical trends in staffing profiles"*) but that it needed to take a greater corporate overview of recruitment and retention priorities and strengthen the links between these, workforce planning and skills audits.

This area is one cited both by HR directors and senior executive team members, but is also emerging in some institutions as a key developmental interest of the wider workforce. In one institution's 2008 staff consultation exercise, they reported that staff consulted *"felt that HR could add more value [by]... increasing its contribution to longer-term university people strategy... reflected in a desire for HR to partner the university more in workforce, succession and talent planning at a strategic level"*.

Views of staff on the development evidenced by their institutions across these areas were mixed:

"Fairly sketchy approach across the organisation." [Consultee, pre-92 institution]

"Poor – an issue in a small but growing university." [Consultee, post-92 institution]

"This is usually devolved to departments and is undertaken largely with regard to available finance." [Consultee, pre-92 institution]

However, some institutions are specifically targeting the area of talent management and have made considerable progress in this area within recent years.

Figure 12 Institution case study – talent management

One (post-92) 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.

7.6.7. Staff development

A significant number of stakeholders identified this area as one in which the maturity of approach taken across many HE institutions in England had developed over the period; for example, through:

- The formation of dedicated staff development teams.
- Increases in instances of collaboration of HR and education developers for academic staff development programmes and policies – perceived as a positive trajectory in support of institutional continuing professional development strategies.

However, a counter-view as voiced by some consultees, including trade union representatives, is that the sector has yet to demonstrate that it is making sufficient progress in the development and support of specific staff groups. One such group is HE technicians, although it is acknowledged that at a sectoral level, some work has been initiated in this area, including the Higher Education and Technicians Education and Development (HEaTED) Project²⁴ (supported by HEFCE and LFHE) which aims to consolidate, promote and expand participation in professional development activities for HE technical staff.

Other potentially vulnerable groups, as perceived by some sectoral stakeholders, are professional, administrative and support staff within HE. Also cited in this regard was the absence of clear national recognition mechanisms, in contrast to those available for academic teaching staff (including the National Teaching Fellowship Scheme and HE Academy Fellowships and Senior Fellowships).

Some work is being undertaken at a sector level to support development of administrative staff. For example, the AUA has received HEFCE funding to establish a project together with the HE Academy and the LFHE which aims to establish a professional development framework for HE administrative staff.

Particular emphasis on certain staff groups was also cited as important to institutional strategies by a number of institutional consultees. For example, consultees at two research-intensive institutions interviewed noted the role of principal investigator as one which has been identified through HR as requiring targeted support going forward. This has been echoed by Research Council consultees and in relevant

²⁴ Information on HeaTED project can be found on the Institute of Science and Technology webpage: <http://www.istonline.org.uk/HEATED/heated-background.htm>

sectoral studies, such as a 2006 study²⁵ assessing the impact of the Roberts Review which found, inter alia, that principal investigators were a key 'change agent' role.

Figure 13 Institution case study – professional staff development

One (post-92) institution has made significant investment into the professionalisation of its support staff within the period since 2001, in particular in ensuring that staff are trained in the use of core IT systems including student information, finance management and personnel and payroll. This has been in direct response to commitments within its institutional strategy to transfer responsibilities for administration from faculty staff to professional administrators.

The aim of this investment has been to enhance the use of existing systems and to inform and support staff in ways in which technology can assist in managing workloads more effectively, to allow staff time to be freed up to address tasks requiring higher levels of skill.

In another initiative within the period, the same institution identified through staff and student consultation the need for greater proactive partnership working between academic staff and the library and a desire for further development of information skills work with students. This led to the formation of an 'Academic Liaison Team' in 2006, creating a team of Liaison Librarians aligned with lecturers, and with comparable value and professionalism (including for example the expectation that each Liaison Librarian will have acquired the PGCHE within three years of appointment).

This has provided for a range of spin-off benefits, including:

- Greater support to students in becoming more self-sufficient;
- Raising the profile of library staff expertise across the research community within the institution, through ALT attendance at university research committees;
- Positive contributions to the widening participation agenda and direct role in the institutional marketing approach;
- Strengthening cross-service relationships, including with institutional quality and learning and teaching enhancement teams;

An article developed by library staff reporting progress to SCONUL on this initiative concludes:

"There has been a considerable change in the focus and direction of the ALT following the redefinition of our role in January 2006. This has been reflected in the competencies required by the Liaison Librarians and, although subject knowledge and familiarity with a range of relevant information resources continue to be important, there is now a much greater emphasis on proactivity and the need for excellent interpersonal, negotiation, project management, and, increasingly, pedagogic skills."

7.6.8. Leadership and management development

Many institutions have within the period made substantial and innovative in-roads into activities targeted at enhancing leadership and management capabilities, yet this is still an area which the majority see as requiring further support through people management strategic development.

²⁵ Assessing the Impact of the Roberts' Review: Enhanced Stipends & Salaries on Postgraduate and Postdoctoral positions (Centre for the Study of Law and Policy in Europe, Ackers et al, February 2006)

This is supported by the results of the HR Director Survey, and this area features prominently in activities planned and undertaken by many of those institutions interviewed for this study across the period since 2001. Examples of this include:

- Development of manager competencies.
- In-house design and roll-out of development programmes for senior managers (in some cases these are being extended as programmes for external personnel).
- Partnership working with the LFHE and private providers.
- Demonstrable growth in budgets for leadership and management development activities.

This is illustrated by one (pre-92) institution that had introduced a range of initiatives to target this area over the period 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 website 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”*.
- 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, whilst highlighting that alternative ‘talent management’ routes should still be considered for some staff groups.

Figure 14 Institution case study – leadership and management development

One (pre-92, Russell Group) institution introduced a comprehensive investment plan for developing its senior and aspiring leaders during 2002. This was further boosted in 2005 by the award of a Leadership Foundation Fellowship and by utilisation of approximately one third of the institution’s Rewarding and Developing Staff funding over three years. The initiative was recognised as UK ‘best practice’ with a Times Higher Award for Outstanding Contribution to Leadership and Management Development in 2006.

In a paper developed by the institution’s HR director and leadership management

development adviser, the particularities of the HE sector are acknowledged, including the drivers behind leadership succession planning: "HE is not a sector that prizes leadership potential above all else so spotting high fliers and fast tracking them, which might work in industry, does not work for us. The focus in HE has to be on developing a larger pool of more able and interested potential leaders from which to make appointments.... Handling uncertainty and ambiguity in areas such as funding, fees and internationalisation is making it more important that key leadership vacancies can be filled quickly by skilled leaders and managers who want to do the job and who will take it seriously".

The key features of the institution's five-year phased approach were:

- Individually diagnosed personal needs and voluntary one-to-one coaching to address these, for each leader;
- Two self-managed, non-mandatory leadership programmes – for senior managers and middle managers;
- Formal development programme for academic leaders – take up for this was greatly enhanced through the recognised quality of work in earlier phases;
- Leadership Development Centres for prospective academic leaders – to grow a pool of interested and skilled academic leaders for the future.

The institution has identified some of the critical success factors for this initiative including:

- Engaging senior managers: *"The single biggest key to success... was finding senior managers who were prepared to champion the leadership development agenda."*
- High levels of consultation and quality: *"Using only highly respected facilitators and coaches... is essential for credibility."*
- Developing individual leaders before groups: *"[the institution] has seen the benefits of starting development activities at an individual level... as opposed to starting with formal programmes."*
- Evaluating and celebrating success: *"has been key to raising the profile of this work."*
- Collaborating and working in partnership: with consultants and coaches; with other regional institutions; with the LFHE.

The institution has also observed the 'value-add' potential for investment in this area:

"Evaluation data tells us that university leaders and managers are more motivated and more effective in their roles.... Success stories come in the form of soaring career trajectories where heads of school who have engaged with their development have progressed into more senior roles and then into PVC roles.... By helping senior academics to self select/de-select for formal leadership roles is, in the words of one PVC: "cheaper than appointing the wrong Head of School...." There has also been a culture change amongst university managers, especially academic managers, who in the past might have claimed to be "a physicist, not a manager...." Results of the 2007 staff opinion survey showed that 80% felt supported by their managers and the survey suggested that the university "employs a significant number of transformational leaders," a claim that could not have been made five years ago".

It concludes that: *"There is general agreement that the university is successful because of its leaders and the staff they manage, and these leaders and managers are telling us that our investment in them is making a big difference to their motivation, confidence and most importantly their skill levels".*

7.6.9. Equality and diversity

Available statistics for the sector indicate some progress in the representation of women at senior management levels within the period, most notably in recent years.

In late 2008, research undertaken by PA Consulting on behalf of HEFCE²⁶, identifies that *“the number of female VCs has risen sharply in recent years, and some 25% of VCs are women – but this proportion varies significantly by mission groups. In terms of professors, only 15% of professors are female. The gender balance is better amongst professionals and managers, with 54% of women”*. However, several consultees (including staff unions) noted that the quality and reliability of statistical data available within and from institutions is still questionable. Some of this may be attributed to difficulties faced by institutions in embedding processes for the accurate capture and reporting of particular status, for example in encouraging staff to self-identify as meeting disability status criteria through recruitment processes.

This research also identifies that for professors, professionals and managers, the profile of leaders in terms of ethnicity, nationality and disability *“shows little diversity across these three elements”*.

Consultee views were mixed in this regard. Some cited their institution’s approach to seeking to represent a wider and more equitable diversity of staff – including representation of BME staff at senior levels – across the workplace as “Very good” or “Making a good effort”. Others were critical that the positive representation of certain groups at senior levels was not necessarily reflective of practices across the institution:

“Good in some fields, simply awful in others; particularly worrying, at lecturing level – the role models for the next generation – little use that the VC is female, or the Dean of School.” [Consultee, post-92 institution]

The majority of institutions interviewed had particularly sought to improve their own management information and monitoring across all equality and diversity targets within the period. Institutions interviewed for our study cited a range of common areas of most notable development in their HRM strategies to address diversity issues, including:

- Growth in the appointment of strategic equality and diversity specialist staff within the HR function.
- Some growth in the strategic positioning of equality and diversity targets, and associated management information to enable better monitoring of these.
- Visibility of equality and diversity issues within and outside the HR function.

Figure 15 Institution case study – equality and diversity targets

One (pre-92) institution identified their progress on setting and using equality and diversity targets within their SAT review:

“The review highlighted the need to update our equality and diversity targets that are now five years old and based on comparative data collated in 2002. One of the sub-groups suggested that additional reporting on nationality could be used to help demonstrate the internationalisation of the academic community.

The university’s equality and diversity targets will be updated in 2007/08, using the most appropriate comparator data available at that time. A new target will be introduced to reflect

²⁶ PA Consulting: The Future Workforce for Higher Education (2008)

the university's Disability Equality Duty and EO data gathered during the recruitment process will be expanded to enable analysis of the 'internationalisation' of the university's (academic) workforce. The introduction of the new HR System in April 2008 will make the capture and analysis of EO data much easier and will provide a more reliable evidence base for the development of future strategies in this area."

7.6.10. Performance management

'Performance management' in the context of people management practices across HE institutions reflects a number of inter-connected processes and behaviours.

The HR Director Survey demonstrates that 'Management of individual performance related to institutional goals' and 'Managing staff under-performance' are both seen by consultees to have developed over this period, in particular the latter, which is 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) have confirmed this variability in approach, and several have reflected on the potential scope for many institutions to develop clearer frameworks and structures around processes for performance review and development.

Some staff consultees perceive performance review and development systems to have been more successfully rolled out for professional and support staff rather than for academics. However, a counter-view is also held by several sectoral bodies, who have expressed the view that modernisation of performance management and related practice in UK HE for administrators is "*several years' behind that of academics*".

We have found some evidence that a number of institutions have placed considerable resources into establishing strong links between individual and organisational performance evaluation.

For example, one (pre-92) institution consulted has confirmed that it had made substantive progress in embedding performance management at institutional level, including the introduction and roll out of a staff performance development review process, for which some 90% of staff had received an annual performance review. Heads of schools consulted within this institution also confirmed that the performance management landscape had changed significantly within the institution over the period. However, the institution also acknowledged that there was strong evidence through staff surveys to suggest that line managers were further advanced and supported in recognising and rewarding strong performance, than in dealing with poor performance. A key outcome of this had been the perceived development (and recruitment) of a 'new breed' of young academics with specific interest in seeking promotion opportunities.

Another (pre-92) institution is developing a workload model (teaching load) which is exposing a wide range of issues around how much time is actually required for pre-teaching preparatory work. This institution confirms that a key issue to support

effective performance management is good data which requires systems for collecting and synthesising it: these are yet to be fully developed.

The VC at one (post 92) institution commented that he is keen to develop staff performance and has supported a range of developments in this area, including:

- Professor grade for top academic performers.
- Contribution increments (awarded to circa 36% of staff to date).
- Development of a new strategic plan which provides clearer outline for staff of what is expected of them and links back to the performance review process).
- Introduction of a new performance appraisal process that focuses on performance and development.
- New leadership development programme which is being introduced in the current academic year; this will be aimed at both existing managers and potential managers, and will include specific development activities on managing performance of their staff.
- Focus on recruitment and selection criteria to ensure right staff for right roles are selected first time.

Staff feedback gathered for this study confirmed that staff at this institution are broadly positive about the developments made in this area.

“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-92 institution]

7.6.11. Development of line managers

The majority of institutions confirmed the importance of developing the line manager role in order to address the management of performance, including poor performance. Some institutions cited performance review and appraisal schemes developed within the period which included specific components on the management of poor performance, alongside the reward of high performance. Others acknowledged that the capability development of managers in this regard was yet to be fully addressed within their institutions. This was reflected in a 2008 staff survey at one institution, in which approximately two thirds of staff polled (some 240 individuals from across the institution) expressed a perception that their own line manager was not adequately supported by HR in managing staff (albeit many were unsure about what was provided).

7.6.12. Professional review and appraisal

Many institutions interviewed had implemented new performance development and review processes and systems, and the remainder were looking to enhance or consolidate existing processes.

However, feedback from some staff consultees suggests that there are still areas in which approaches in some institutions could benefit from further attention.

“Enjoyable session, but its value is mainly 'self-reflection'; there is no sense that plans or ideas get taken on board, or considered if they have implications for work allocation/hours of teaching/other.” [Consultee, post-92 institution]

7.6.13. Promotion and reward

This is a key part of the wider performance management agenda at several institutions consulted. For example, at one (pre-92) institution, they have embedded their PDR 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 and more efficient promotion process: the previous process was perceived to be too lengthy, at circa nine months. Applications for promotion can now be made at any point in the year and progress in this area is seen by the institution as important for retention of talent.

The impact of activities on particular staff groups is noted in other research undertaken within the sector. In its 2008 survey of over 2,700 teaching staff (part of a project looking at reward and recognition), the Higher Education Academy found that:

- Four in five respondents are aware of institutional initiatives for learning and teaching. The least experience respondents have is with accredited learning and teaching programmes. Half of respondents thought that those initiatives had some or considerable positive impact on esteem of teaching and learning.
- For four in five respondents research is as important as it should be in making appointments and promotions – at the same time teaching should be much more important than it is at the moment – 52% think it is important while 90% think it should be important.

7.6.14. Managing under-performance

Staff consultees commented positively on proactive activities led by their institutions in this area. For example, at one (post-92) 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 this had had on the ability of managers 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-92 institution]

7.6.15. Absence and stress management

This area was another in which mixed staff views were noted in feedback received, even from consultees within the same institution.

“This is identified and there is increasing support from the centre, particularly for stress management.”

“Recent developments in stress management policy, procedure and practical tools.”

“Good policies on both, poor tools to help monitor.” [Consultees, pre-92 institution]

An example of proactive work being done within the sector is reflected for example in one (pre-92) institution, which had introduced flexitime for all staff within the last three years, and had established an in-house occupational health service in 2004 which had become rapidly established as a professional service, enabling reductions in long-term absence by early intervention and promoting managed returns to work. The institution had also benefited from a low level of legal cases and a comparatively good accident record. However, it acknowledged in this review that there was still scope for further development in this area.

7.6.16. HRM Practices – health and local government

We have found there to be many more similarities than differences in HR practice within and across HE, health and local government. All three sectors have seen significant change in HR role, practice and processes in recent years and areas of similarity involve addressing a number of shared concerns including:

- Recruitment and retention.
- Staff development in general including leadership development.
- Equality issues including responding to the legislation during the period and developing a mainstreamed approach to equality and diversity.
- Shifting responsibility for people management to managers, including the management of poor performance (all sectors have mentioned work on repositioning the role of HR to one of providing support and advice, with managers taking more of a lead role in recruitment, development and performance management of staff).
- Shifting HR from a ‘fire-fighting’ role to a more strategic, advisory role (all sectors have emphasised the development of the strategic HR role which goes hand in hand with the developing role of managers).
- Ensuring that the HR strategy is integrated with and underpins the organisational strategy.

The most evident differences relate to the relative imperative for action within the different sectors (and indeed with different HE institutions). This means that emphasis on addressing the range of HRM factors can vary considerably across organisations of the same sector. This includes the impact of sector specific initiatives such as those outlined in 3.2.6.

Consequently it is unsurprising that within each sector certain aspects of HRM have developed with differing degrees of pace and sophistication.

7.6.17. Performance management.

Performance management within both the local government and health sectors is generally considered to be more deeply embedded than in HE by those with a direct knowledge of the sectors and some consultees cite the role of national initiatives in the former sectors for this difference.

However, others note the relative complexity and variety of HE compared to local government and health which are generally much more homogenous. Much more important in the minds of many is the alignment of the underlying academic purpose of an institution with performance management systems – indeed whether any true alignment is either desirable or possible is a moot point and stimulates debate about the ‘managerialism’ by many commentators. Interestingly the effective management of ‘poor performance’ is seen by many senior consultees as a leitmotif for an organisation’s overall HRM maturity. This clearly remains an area for continued development in many HE institutions, and certainly so in respect of health professionals in the NHS.

7.6.18. Workforce planning

Workforce planning has been mentioned by many HE institutions as an issue on which they wish to focus.

This has also been an issue for the health and local government sectors within the period. For example, in a recent IDeA survey, 41% of local authorities reported that they have ‘identified their most critical current and future workforce issues and put in place an effective programme of action to address these across all in-house services’ and 46% reported they have done this for some in-house services. Workforce planning has been integrated into service planning across the authority by 46% of authorities, and into some services by 37%.²⁷

The National Framework to Support Local Workforce Strategic Development in Health and Social Care²⁸ established guidance on what aspects should be considered in the development of local workforce plans. These included:

- Use of existing HR practices imaginatively to support personalised care, for instance in the NHS through Agenda for Change flexibilities, effective use of Knowledge and Skills Framework and role development.
- Enhancing the contribution of staff at every occupational level, especially those who have received few or no learning opportunities, to continuous service improvement.

²⁷ Improvement and Development Agency Local Government Workforce Survey 2008.

²⁸ A National Framework to support Local Workforce Strategic Development. A Guide for HR Directors in the NHS and Social Care. Department of Health 2005.

- Strengthening arrangements to widen participation in learning, especially amongst unqualified staff or those currently under-represented in learning.

It is worthy of note that criticisms made by the 2007 Select Committee on Workforce Planning in the NHS of the progress that had been made has provided further impetus for improvement in this area.

7.6.19. Cost control

Cost control has become very important for local government and the health sector over the period and is currently a key issue for both sectors. This has been the result of a number of drivers including Best Value Review and the Gershon agenda in local government and the introduction of foundation trusts in health. One local authority we spoke to claimed to have reduced the cost of HR by 21% over the last 3 years.

An example of work on cost control from the health sector is at Leeds Teaching Hospitals Trust which carried out an audit of HR and saved £1.1 million, which equated to 50% of the former HR budget. As a result of the audit, the HR function had a very clear idea of how it was spending its time and was able to reconfigure within this context into a much more strategic and advisory function. The HR function was also able to meet the organisational challenge to significantly reduce the size of its budget in response to financial pressures.²⁹

7.6.20. Outsourcing

Shared services in respect of HR provision is of ongoing interest to the local government sector, with a small number of local authorities having developed shared services and over 50% considering this. An example is Southwest One (SW1) which is a joint venture company established between Somerset County Council, Taunton Deane Borough Council, Avon and Somerset Constabulary and IBM, launched in September 2007. SW1 has been set up to deliver a range of back-room 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.

Of particular interest to HE we would suggest is the development of shared services across both health and local government. This may be in terms of whole services (as outlined in the SW1 example above) or it can be sharing certain aspects of services. For example, Sunderland PCT has undertaken joint training with Sunderland Social Services to improve and coordinate 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.³⁰

²⁹ HR High Impact Changes – An Evidence Based Resource 2006 NHS Partners and Manchester Business School.

³⁰ HR High Impact Changes – An Evidence Based Resource 2006 NHS Partners and Manchester Business School.

We have also been made aware of several cases in local government of shared or joint HR director roles employed across two local authorities or between a local authority and the local PCT.

7.6.21. Use of temporary staff

One aspect of HR which has a significant impact on both the quality of services provided and their cost is the management of temporary staff. This may well prove to be issue of increasing importance for HE given wider issues of cost control and organisational flexibility.

There have been a number of initiatives in the local government and health sectors to reduce the costs of temporary staff. Many organisations in these sectors have developed their own temporary staff banks to avoid agency costs and to improve the quality of services provided to the end-user. Examples include:

- A National Agency Staffing Project led by South West London Strategic Health Authority which was set up to help NHS organisations drive down agency costs in London and identify and share good practice nationally. The project supported a collaborative programme, led by NHS Employers and involving over thirty NHS Trusts from across the country.³¹
- A review, by Leeds Mental Health Trust, of staff bank usage in 2004 to improve the management of the bank, increase the numbers of staff (and their competency) on the bank and reduce the use of temporary staff in the trust. The implementation of the review's findings resulted in significant savings for the trust of £1 million in the first six months of the project (10% of overall budget). It also resulted in better staff performance, evidenced by positive feedback from the wards and a reduction in performance-related incidents relating to bank staff.³²

7.6.22. Career development

A priority for many HE institutions consulted for this study is the development of transparent career pathways for staff in all roles.

“There are a lot of staff at grade 8 with nowhere to go and that there is a tendency for those staff who have applied for jobs over several years and failed to get them to become complacent. HR could be more proactive in advising managers on this issue.” [Staff consultee, post-92 institution].

Certain areas of local government have been very active in developing career progression opportunities, driven mostly due to real skills shortages in certain areas, such as planning. Indeed, the recent IDeA survey shows that 86% of authorities are offering career progression opportunities or 'Grow Your Own' schemes in order to address occupational skills shortages (up from 44% in 2006).

³¹ A National Framework to support Local Workforce Strategic Development. A Guide for HR Directors in the NHS and Social Care. Department of Health 2005.

³² HR High Impact Changes – An Evidence Based Resource 2006 NHS Partners and Manchester Business School.

One example of these career development schemes is the career framework developed for planners at Mid Bedfordshire District Council. The career framework is based around a competency framework and profiles of competencies expected for staff at different levels within the framework. Since the introduction of the framework, they have been fully staffed, turnover has been reduced significantly and their performance has improved.³³ Comparatively, in the health sector, the flexible Career Framework and Skills Escalator was designed to enable an individual member of staff with transferable, competency-based skills to progress in a direction that meets workforce, service and individual needs.³⁴

The next section provides an emerging assessment of the inter-dependencies and synergies between the range of initiatives and policy developments occurring since 2001 and institutions' own developments in HRM over this period.

³³ Development of a Career Framework for Planners Mid Bedfordshire District Council and Oakleigh Consulting Ltd.

³⁴ A National Framework to support Local Workforce Strategic Development. A Guide for HR Directors in the NHS and Social Care. Department of Health 2005.

8. Impact assessment – key influences on HRM practice

8.1. Overview

Changes around the national pay modernisation framework were most frequently cited across all institutional consultees as most significant positive influences on institutional approaches to HRM: 67% of survey respondents confirmed that this had had a significant positive influence. As noted by one institutional senior manager: *“It has created a wider debate about what was needed going forward for HRM development, i.e. a baseline for change.”* There are clear synergies between this and the R&DS initiative, and a wide range of consultees, both within institutions but also selected trade union representatives, cited the Framework Agreement as a positive influence on partnership working between institutions and the unions.

Survey respondents identified those legislative/policy changes that have had the greatest positive influence as: the Disability Discrimination Amendment Act 2005; the Equality Act 2006 – Gender Equality Duty and the Race Relations Amendment Act 2000. On the other hand, institutional views on the influence of other key legislation, such as the Fixed-term Employees Regulations (2002) appear to be mixed. Whilst several were able to respond positively to these regulations, i.e. in addressing numbers of fixed-term research contracts, a counter view is that the nature of much research funding (i.e. short-term, project-based) has contributed to difficulties in moving towards greater numbers of open-ended contracts: *“they sit awkwardly with Research Council funding and reality of research careers in the UK”*.

HESA staff data developments were also subject to criticism, with 47% of respondents considering that they had some or significant negative influence. We also note that in its 2008 review of HE finance and pay data JNCHES recommended *“a detailed examination... of the employment and pay data collected by HESA for its usefulness to the sector and an examination of the cost of its subsequent provision to those within the HE sector”*.

Other initiatives, including funding streams targeted at specific staff groups within the period, are valued where these have had complementary aims and objectives, for example a number of institutions citing synergies between the Centres for Excellence in Learning and Teaching (CETLs) and the Teaching Quality Enhancement Fund (TQEF) in supporting institutional ambitions for rewarding teaching staff. The Leadership Foundation for Higher Education (LFHE); the UK Professional Standards Framework for teaching and supporting learning (HE Academy) and the Equality Challenge Unit were also all cited by the majority of survey respondents as having had some or significant positive influence on institutional HRM practice (85% of respondents in respect of the first two and 70% in respect of the latter).

Regardless of the effect of these various initiatives and organisations, a clear view from many consultees is of the criticality of the role of the senior team and head of institution in demonstrating support and sponsorship for key elements of HRM modernisation to provide the foundations for driving through changes.

8.2. Detailed findings - HR Director Survey

Survey respondents were asked a series of questions across the range of relevant policy initiatives, legislative changes and other developments over the period since

2001 and the extent to which these were perceived to have influenced (positively or negatively) their institution's approach to HRM. The range of initiatives, legislative and policy changes included in the survey were based on agreed consultation with HEFCE and with this project's steering group as being broadly representative of external changes over the period since 2001 which were of relevance to the English HE sector and (in part) to the wider UK HE sector. Each of these areas were grouped broadly around three themes, reflecting the overarching aims and intended outcomes of the initiative, legislative or policy change. The three themes were:

- Legislative and policy changes.
- Professional development and support to staff.
- Development of HRM capacity/ability to respond to strategic and legislative challenges.

The full results of the survey are shown in Appendix F and are analysed below.

8.2.1. Legislative and policy changes

Respondents were provided with a range of eleven relevant legislative or policy changes and asked to provide an assessment (on a semantic differential scale from 'Significant negative influence' through to 'Significant positive influence', with an option given to identify if any area was not applicable to their institution) of the extent of influence on their own institutions.

The areas provided for respondents to rate were:

- Race Relations Amendment Act 2000.
- Disability Discrimination Amendment Act 2005.
- Equality Act 2006 – Gender Equality Duty.
- Employment Equality Regulations – Sexual Orientation (2003).
- Employment Equality Regulations – Sex Discrimination (2005).
- Employment Equality Regulations – Age (2006).
- Concordat to support career management of researchers.
- Fixed Term Employees Regulations 2002.
- Employment Act 2002 (Dispute Resolution) Regulations 2004.
- HESA staff data developments (i.e. extension of the HESA staff record to all staff with contracts of employment).
- Other (as specified by the respondent).

Respondents identified those legislative/policy changes to have had the greatest positive influence as:

- Disability Discrimination Amendment Act 2005 (90% of respondents identifying some or significant positive influence – of which 19% identified a significant positive influence).

- Equality Act 2006 – Gender Equality Duty (90% of respondents identifying some or significant positive influence – of which 12% identified a significant positive influence).
- Race Relations Amendment Act 2000 (88% of respondents identifying some or significant positive influence – of which 10% identified a significant positive influence).

Other legislative or policy changes for which a majority of respondents affirmed some or significant positive influence on their institutional HRM included:

- Employment Equality Regulations – Age (2006) (77%).
- Employment Equality Regulations – Sex Discrimination (2005) (75%).
- Employment Equality Regulations – Sexual Orientation (2003) (60%).
- Fixed Term Employees Regulations 2002 (69%).

However, the latter also attracted a number of negative responses: 19% of respondents viewed these regulations as having had some negative influence on their institution's approach to HRM and a further 4% viewed them as having had a significant negative influence.

The two areas viewed as having had the least positive influence on institutions' approaches to HRM by respondents were:

- Employment Act 2002 (Dispute Resolution) Regulations 2004 (44% of respondents viewed these as having had some or significant negative influence and 23% as having had no influence).
- HESA staff data developments (47% of respondents felt these had had some or significant negative influence, with a further 24% viewing them as having had no influence).

Respondent comments on this area included clarification of issues raised on HESA data.

“HESA data collection is a major exercise, but little is published at national and regional level – HESA needs to engage more with the sector to make suitable reports more freely available, via the web, with some ability for the user to create ad hoc reports by manipulating parameters.” [English post-92 institution]

“Generally legislative changes in the area of diversity have been helpful to supporting the stance of the university in these areas. We continue to have some concerns about the extent of some HESA reporting requirements and their impact on DPA [Data Protection Act] and the real cost of providing this information.” [English post-92 institution]

These findings are supported by other recent work investigating these areas within the sector. In its 2008 review of HE finance and pay data, JNCHES recommended that *“a detailed examination... of the employment and pay data collected by HESA*

for its usefulness to the sector and an examination of the cost of its subsequent provision to those within the HE sector”.

The JNCHES review also reported the level of academic staff currently on fixed-term contracts as 37.5% and noted that *“fixed-term contracts ‘were the norm among research-only staff regardless of mode of employment’ although this proportion has been falling in recent years”*. It also noted that *“continuing to reduce the number of staff on fixed term contracts”* was one point requiring further attention by the sector going forward.

8.2.2. Professional development and support to staff

As for the areas above, respondents were asked to assess the following in terms of positive or negative levels of influence on institutional HRM approaches:

- Leadership Foundation for Higher Education.
- UK Professional Standards Framework for teaching and supporting learning (HE Academy).
- National Teaching Fellowships Scheme.
- HE Academy Fellowship and Senior Fellowship.
- Centres for Excellence in Teaching and Learning.
- Teaching Quality Enhancement Fund.
- Leadership, Governance & Management Fund and Good Management Practice Fund.
- HE Innovation Fund.
- Other (as specified by the respondent).

The majority of these areas were reported as having had some or significant positive influence on HRM approaches by the majority of respondents.

The two areas of most positive influence overall for respondents were: Leadership Foundation for Higher Education; and the UK Professional Standards Framework for teaching and supporting learning (HE Academy) – 85% of respondents identified both of these as having had some or significant positive influence on their institution’s approaches to HRM.

Two of the areas which related to enhancing support and reward for teaching staff received the greatest proportion (20%) of responses citing a significant positive influence on HRM approaches: Centres for Excellence in Teaching and Learning and the Teaching Quality Enhancement Fund.

The HE Innovation Fund received the most variable response, with 32% and 33% of respondents viewing this as having no influence or some positive influence respectively on HRM approaches.

8.2.3. Development of HRM capacity/ability to respond to strategic and legislative challenges

The following areas were rated by respondents in terms of positive or negative levels of influence on institutional HRM approaches:

- Framework Agreement for Modernisation of Pay Structures.
- Equality Challenge Unit.
- Golden Hellos' Recruitment and Retention Scheme.
- Promising Researcher Fellowship Scheme.
- Clinical Senior Lectureship Awards.
- Other (as specified by the respondent).

This group showed the greatest variety in responses, with a number of respondents identifying that some of these initiatives were not applicable to their institutions.

The initiative with the highest positive rating, both in this group and across all external legislative, policy changes and initiatives invited for comment, was the Framework Agreement, with 67% of respondents confirming that this had a significant positive influence on their institution's approach to HRM.

The Equality Challenge Unit was also identified as a positive influence, with 70% of respondents viewing this as having had some or significant positive influence on institutional approaches to HRM.

8.2.4. Areas of greatest positive influence overall on institutional approaches to HRM

Respondents were asked to identify the top four factors which in their view had had the greatest overall positive influence on their institution's approach to HRM. A variety of responses to this question was provided by the 48 respondents who answered. The most popular factors included:

- The national framework agreement allowing modernisation of pay structures and greater transparency (mentioned some 34 times).

"Framework Agreement – addressed outdated pay structures and introduced transparency in relation to pay and reward." [Scottish specialist institution]

"Not only has this simplified many of our HR practices, it has also led to a greater transparency, openness and equity." [English pre-92 institution]

- Legislative changes, particularly equality related legislation, and institutional responses (mentioned some 19 times).

"Equality and diversity legislation has led to the introduction of impact analysis." [English pre-92 institution]

"Race Relations Amendment Act 2000 – the flagship piece of legislation leading to the equality duties, need for strategy in this area and higher profile for diversity matters." [English pre-92 institution]

“Equality legislation – introduction of impact assessment is positively influencing HR management.” [English university college]

- The R&DS initiative and activities possible as a result of associated funding (mentioned some 16 times).

“Emphasis on need for ‘strategic’ HRM/D in the sector – RDS funding initiative and self assessment requirement.” [English pre-92 institution]

“RDS requirements for submission of Statement of Investment & extended investment plan ‘forced’ university to accept HR initiatives otherwise funding was withheld.” [English post-92 institution]

- Leadership arrangements at the institution including senior management support for HRM, and inclusion of senior HRM staff at this level, as well as specific leadership development initiatives (mentioned some 17 times).

“Commitment of university council, VC and senior team.” [English pre-92 institution]

“Position of HR director role as full member of senior management team reporting directly to the VC.” [English pre-92 institution]

“Senior management commitment to HR agenda.” [English post-92 institution]

“Leadership development – raised the profile and level of investment.” [English post-92 institution]

- The impact associated with Fixed-Term Employee Regulations (mentioned some 6 times).

“Fixed-term employee regs. – forced the need to examine an area that was recognised as unsatisfactory.” [English pre-92 institution]

“Fixed-term regulations – because of high proportion of research funding in this institution” [English pre-92 institution]

Other factors noted across selected institutions included:

- Partnership working and positive relations with trade unions.
- Strategic improvements within the HEI.
- Promotion of performance management.
- Development of HR support for managers and attraction of high-quality staff with good awareness of expectations of responsibility for supporting their staff teams.

“Increased quality of academic and service managers who are increasingly aware of their HR responsibilities and equipped to undertake them well.” [English pre-92 institution]

8.2.5. Areas of greatest negative influence overall on institutional approaches to HRM

Respondents were asked to identify the top four factors which in their view had had the greatest overall negative influence on their institution's approach to HRM. A variety of responses to this question was provided by the 44 respondents who answered this question. The most popular factors included:

- Issues associated with the Employment Act 2002 (Dispute Resolution) Regulations 2004 (mentioned some 19 times).

“Dispute resolution regulations – these have increased the workload of HR staff and line managers as we have found ourselves progressing more things formally.” [English university college]

“Dispute resolution procedure has introduced an unhelpful layer of complexity and caused confusion.” [English post-92 institution]

“Dispute Resolution Regulations 2004 – militates against effective resolution of cases.” [Scottish pre-92 institution]

- Issues associated with perceptions of sector relations with trade unions (mentioned some 11 times).

“Local employee relations climate.” [English pre-92 institution]

“Collective agreements with trade unions; difficult to implement change by 'mandated national TU stances' e.g. redundancy.” [English post-92 institution]

- Issues associated with Fixed-Term Employee Regulations (mentioned some 10 times).

“Fixed-term worker regulations have been a mixed blessing. On the one hand, abuses of individuals have been alleviated; on the other hand there is now too much pressure on institutions to have permanent staff in place and that reduces the capacity to innovate and experiment in new fields and markets.” [English post-92 institution]

“Fixed-term regs. – because they sit awkwardly with Research Council funding and reality of research careers in the UK.” [English pre-92 institution].

- The complexity of the legislative framework in which HRM in HE operates (mentioned some 8 times).

“The snowstorm of equality legislation has put a strain on our limited diversity resource.” [English pre-92 institution]

- Issues associated with HESA returns (mentioned some 8 times).

“Submission of constantly changing HESA data increases workload without tangible benefits.” [English pre-92 institution]

- The management and leadership capabilities of staff across the institution, specifically in addressing staff support and management (mentioned some 6 times).

“Resistance to managing performance.” [English post-92 institution]

“Line management inertia.” [English pre-92 institution]

“Academic reluctance to systematically manage academics.” [English pre-92 institution]

8.2.6. Leadership

Consultees across stakeholder bodies and institutions have confirmed that the role of the senior team and head of institution in demonstrating support and sponsorship for key elements of HRM modernisation has been critical in providing the foundations for driving through changes, particularly but not exclusively as part of wider corporate change programmes.

A number of institutions have, for example, identified a key milestone in step-changes for HRM development with a change in leader where the latter has placed strategic emphasis on people management modernisation. 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”*.

Other stakeholders have linked this to the importance of the quality of HR leadership and perceived status of the HR director role in this regard, both 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.

Unsurprisingly this is not exclusive to the HE sector. The recent Darzi Next Stage Review of the health service³⁵, whilst not focusing directly on HR, places leadership at the centre of what the NHS should be aiming to achieve – in terms of leadership at all levels of staff.

“In the NHS constitution, we pledge to staff that they will be engaged in the decisions that affect them. Leadership has been the neglected element of the reforms of recent years. That must now change.”

8.3. Detailed impact analysis

Both stakeholders and ‘case study’ institutions were asked to identify institution-specific and wider sectoral (and cross-sectoral) influences on changes to HRM practice at the institutional level. Consultees were asked to consider the overall impact of external factors on HRM within institutions; as drivers or enablers of change, or constraints to change. The results are summarised overleaf.

³⁵ Department of Health: High Quality Care for All – NHS Next Stage Review (Darzi, 2008)

Figure 16 Summary analysis – impacts of key policy developments and initiatives over the period on HRM practice in English HE

Key initiative or policy change	Nature of impact identified	Synergies/Dependencies
Pay modernisation		
<p>Framework Agreement for Modernisation of Pay</p>	<p>Most frequently cited across all institutional consultees as of considerable positive influence on a broad range of institutional approaches to HRM:</p> <p><i>“Created opportunity to modernise across a range of HRM areas.”</i></p> <p><i>“It has created a wider debate about what was needed going forward for HRM development, i.e. a baseline for change.”</i></p> <p>The level of resources required to implement this at the local level was confirmed as significant – described by a number of institutions as “intensive”.</p> <p>Two of the institutions consulted were due to initiate internal reviews of the process of implementation to identify whether the intended benefits had been realised.</p> <p>Findings from UCEA’s review of the implementation of the Framework Agreement (as published in September 2008) noted that some of the most cited benefits (i.e. by 50%+ of HEIs consulted) emerging from the process for institutions included:</p> <ul style="list-style-type: none"> Avoidance of expensive equal pay cases Simplification of pay administration Enhanced ability of institutions to recruit and retain staff Introduction of more contribution-based forms of reward <p>However, UCEA’s review found a mix of views in differing staff groups: whilst the majority of HR directors were positive about the process, the views of directors of finance, other heads of academic and support services were more ambivalent about certain outcomes from the process, e.g. staff recognition of benefits of implementation.</p>	<p>This is seen by many consultees as having strong synergies with (being complementary to) the R&DS initiative.</p> <p>Equally, we have noted elsewhere in this report that a substantial proportion of institutions benefited from R&DS funding in being able to implement the pay framework, although this was not funded wholly through R&DS monies.</p>

Key initiative or policy change	Nature of impact identified	Synergies/Dependencies
	<p>Other key outcomes</p> <p><i>Institutional relationship with trade unions</i></p> <p>We have identified a range of consultees, both within institutions but also selected trade union representatives, who have cited the Framework Agreement as a positive influence on partnership working between institutions and the unions. For example, one (post-92) institution identified one favourable outcome from the implementation of pay modernisation being the opportunity that this has now enabled the institution to meet with all of its trade union representatives jointly, thus demonstrating that the institution views all employee groups on an equal basis.</p> <p>This is echoed by some trade union representatives, who have observed that Framework Agreement implementation was primarily a positive exercise as it enabled the sector to start to create joint ownership for pay and conditions modernisation. They also acknowledged that the framework managed to achieve a significant positive impact, particularly on starting salaries and tackling low paid staff.</p> <p><i>Policy harmonisation</i></p> <p>The Framework Agreement implementation process also provided an opportunity for many institutions with whom we have consulted to tackle the harmonisation of a range of related policies, such as maternity leave, sickness leave.</p>	
<i>Equality and diversity</i>		
Employment equality legislation (various – 2000-2006)	<p>Amongst the institutions consulted, one commonly noted response in dealing with the growth in employment equality legislation and duties placed on institutions has been to appoint specialist advisory staff (e.g. equality and diversity advisers) as part of the corporate HR team – i.e. an impact on HRM structures.</p> <p>Equally, some institutions have identified the growth in profile of equality and diversity issues amongst employees: as cited by one institutional consultee: <i>“this focused institutional attention onto a more proactive approach towards a greater understanding of the business case for equality and diversity initiatives and raised awareness levels amongst staff significantly”</i>.</p>	Institutions have noted synergies with R&DS, such as the reported utilisation of R&DS monies in appointing specialist equality & diversity advisers.

Key initiative or policy change	Nature of impact identified	Synergies/Dependencies
	<p>One institution identified that their own approach has been to develop a greater strategic approach in addressing equality and diversity issues within the period, i.e. they have moved from working with a series of smaller, tactical action plans to broader strategic targets in these areas and have established a Diversity Committee (addressing staff and student concerns).</p>	
<p>Employment Act 2002 (Dispute Resolution) Regulations 2004</p>	<p>Some institutional consultees identified this in terms of its negative influence on HR workload (as cited by HR directors) and in the views of some, affecting the manager-staff relationship:</p> <p><i>“The dispute resolution regulations have had a very negative influence, with many managers feeling that the adversarial approach has damaged relationships between managers and staff.”</i></p>	<p>No specific synergies with other HRM initiatives noted by consultees.</p>
<p>Equality Challenge Unit</p>	<p>Institutional consultees identified a spectrum of levels of engagement with the ECU and a corresponding range of views of its direct influence on HRM practices in respect of equality and diversity have also been noted across consultee institutions.</p> <p>Some consultees (including union representatives) acknowledged that there is a ‘high risk of disconnect’ between what happens at the national level, and what is actually able to be enforced and rolled out at the departmental level in respect of equality and diversity practices. They noted that this may happen in one of two ways:</p> <p>The senior staff/VC is engaged but is unable to assure that policies are implemented in practice across the institution.</p> <p>There is good engagement with bodies such as ECU at the middle management level but less visibility at more senior management levels; thus wider approaches are not joined up, nor will one part of the institution be fully aware of what another part is actually achieving.</p> <p>However, several consultees positively cited the ECU in respect of raising awareness across the sector. This is supported by the results of the HR Director Survey (see above) in which the ECU was cited as a positive influence on institutional approaches to HRM by a majority of respondents.</p> <p>The evaluation of the ECU (in 2005) recommended that in going forward, its focus should be on supporting implementation and generating good practice and to be a source of data for the sector to benchmark itself.</p>	<p>No specific synergies with other HRM initiatives noted by consultees.</p>

Key initiative or policy change	Nature of impact identified	Synergies/Dependencies
Research staff		
1996 Concordat on Contract Research Staff Career Management Research Careers Initiative Roberts report 2008 Concordat for career development of researchers	<p>In the view of one (pre-92) case study institution, the first concordat acted as a key driver for change and the second merely allowed them to confirm what they had already achieved by that stage.</p> <p>Another (pre-92) institution consulted confirmed that they had had a difficult time implementing the first concordat internally, but had with R&DS funding employed two part-time staff to focus on staff development for contract researchers. Now, the university has set up Development Centres to review capabilities of contract research staff against core management competencies and they are routinely involved in performance appraisals. The number of contract staff at their institution has reduced over the period.</p> <p>One concern fed back through the Research Councils is on the extent to which activities initiated within institutions via research staff teams have been 'joined up' sufficiently with HR management teams. For example, one finding from a 2005 review³⁶ of the impact of the introduction of enhanced stipends for doctoral and postdoctoral research staff by Research Councils was that <i>"Institutions have often set up specific groups or structures in HR in response to the research careers initiative and more recently fixed-term regulations. Whilst useful in some respects (in terms of policy development) this approach can effectively marginalise issues from the core activities of HR staff"</i>.</p> <p>Key positive contributory outcomes from the Roberts review of 2002 (which articulated a common base for both HR functions and research bodies) which were identified by stakeholders included activities such as:</p> <ul style="list-style-type: none"> • Academic Fellowship scheme (RCUK) – initiated in 2004 and ran for 4 years. The aim of the scheme was to provide contract research staff with more attractive and stable paths into academia – the Fellowships were 5-year positions subject to guaranteed provision by institutions of a permanent academic position at end of award. A cohort of 800 Fellows was created through 	<p>Key synergies noted between the requirements set out in the relevant legislation (i.e. Fixed-term Employees Regulations 2002) for limitation of the use of successive fixed term contracts and prevention of inequitable treatment, and principles in the most recent concordat on greater recognition and value accorded to research staff.</p>

³⁶ Centre for the Study of Law & Policy in Europe: Assessing the Impact of the Roberts' Review Enhanced Stipends and Salaries on Postgraduate and Postdoctoral Positions (Ackers et al, 2005)

Key initiative or policy change	Nature of impact identified	Synergies/Dependencies
	<p>the scheme, with whom RCUK have committed to maintain communications with (sharing practice) on an annual basis.</p> <ul style="list-style-type: none"> • Vitae programme (funded by RCUK and aimed at supporting the personal, professional and career management of researchers in the UK – taking forward much of the implementation of the principles from the 2008 concordat). <p>Anecdotal evidence of growing interest and willingness of institutions to engage in more inter-organisational collaboration on researcher development activity.</p>	
Fixed-term Employees Regulations 2002	<p>Feedback from institutions is that several were able to respond positively to these regulations, i.e. in addressing numbers of fixed-term research contracts. The work of many institutions in this area was set up in initial response to the Research Careers Initiative, itself established by RCUK to monitor progress against the first (1996) Concordat on Contract Research Staff Career Management. This preceded the Fixed-term Employees Regulations.</p> <p>However, there is counter-evidence to suggest that the regulations are viewed more ambivalently by some institutional stakeholders as not providing complementary conditions for supporting research careers. For example, one view is that the nature of much research funding (i.e. short-term, project-based) has contributed to difficulties in moving towards greater numbers of open-ended contracts: <i>“they sit awkwardly with Research Council funding and reality of research careers in the UK”</i>.</p> <p>Some consultees noted that a sub-group of the Russell Group has set up a consortium to tackle issues arising from changes implemented to existing statutes.</p>	Key synergies with activities of RCUK and development of the 2008 concordat
Promising Researcher Fellowship Scheme	Cited as a moderately positive influence by selected institutional consultees. However, activities undertaken with this funding stream were not seen to be particularly visible to the Research Councils.	Synergy with complementary resources available through R&DS – particularly given the combination of this funding stream into earmarked funds for the second round of R&DS (2004-05 and 2005-06).

Key initiative or policy change	Nature of impact identified	Synergies/Dependencies
Leadership and management development		
Leadership Foundation for Higher Education	<p>The extent of influence of LFHE activities on institutional practice in respect of leadership and management development, as perceived by HR directors, was dependent upon the level of active engagement between the senior team and the LFHE. Where senior managers had been extensively involved in LFHE developmental initiatives, the corresponding assessment of impact was inevitably higher. However, even where leadership development activity was identified as more 'home grown' within the institution, the availability of information streams (conferences, publications) from the LFHE were often cited as of positive complementary influence on developing practices. One institution consulted confirmed that it had developed a significantly constructive relationship with the LFHE, in synergy with its own internal leadership and management development programmes.</p> <p>This compares with the positive influence of the LFHE cited by a majority of respondents to the HR Director Survey on their institution's approach to HRM (85% citing some or significant positive influence).</p> <p>The formative evaluation of the LFHE in 2006³⁷ found that a majority of consultees perceived the impact of this body to include positive contribution to:</p> <ul style="list-style-type: none"> • Securing the legitimacy of the leadership, governance and management (LGM) agenda in UK HE. • Stimulating reflection and consideration of LGM issues by the leadership teams within institutions. • Stimulating and focusing the attention of professional bodies on the LGM agenda as well as assisting them realise their ambitions in this regard. 	Synergies identified by consultees for the LFHE formative evaluation between the activities of this body and the contribution of HEFCE's Leadership, Governance & Management Fund and its predecessor the Good Management Practice Fund.

³⁷ HEFCE: Interim evaluation of the Leadership Foundation for Higher Education (Oakleigh, 2006)

Key initiative or policy change	Nature of impact identified	Synergies/Dependencies
	<ul style="list-style-type: none"> Encouraging and facilitating the work of LGM advocates within the sector from across the HR, administrative and academic professions. <p>It also found that in many institutions, the executive team showed evidence of a more holistic approach to the LGM agenda than had previously been the case, with the formation and activities of the LFHE being one of a number of major contributories to this.</p>	
Leadership, Governance & Management Fund Good Management Practice Fund	This funding stream was cited by several institutional consultees as a positive influence on wider HRM practice over the period. One institutional HR director cited the benefits of projects developed, which provided 'real world' outcomes and examples of applicable practice. (The two Staffordshire University projects on flexible employment options ³⁸ were identified as an example of this.)	Synergy with activities of the LFHE within the period.
Teaching staff		
Higher Education Academy Academy Fellowship and Senior Fellowship UK Professional Standards Framework for teaching & learning National Teaching	<p>In general, the activities of the Higher Education Academy tended to have a lower profile with HR directors across institutions interviewed.</p> <p>However, this is countered by the results of the HR Director Survey, which showed a majority (85%) of respondents citing the UK Professional Standards Framework for teaching and supporting learning as having some or significant positive influence on their institution's approach to HRM, as well as a majority of respondents positively citing the National Teaching Fellowships Scheme and HE Academy Fellowships and Senior Fellowships in this regard (69% and 60% respectively).</p> <p>One of the Higher Education Academy's strategic objectives is to "lead, support and inform the professional development and recognition of staff in HE". The interim evaluation of the academy in 2008³⁹ found some evidence of positive impact in this area, including activities such as the National</p>	Synergies with related activities in support of the development and reward of staff involved in teaching and learning, including: CETLs, TQEF.

³⁸ Staffordshire University: Flexible working options within the higher education sector/Flexible employment options - development, diversity and dissemination (refs: GMP 150/GMP 319).

³⁹ HEFCE (on behalf of the four funding councils, GuildHE and UUK): Interim evaluation of the Higher Education Academy (Oakleigh, 2008)

Key initiative or policy change	Nature of impact identified	Synergies/Dependencies
Fellowship Scheme	Teaching Fellowship Scheme and the 'Supporting New Academic Staff' initiative, as well as discipline-specific targeted activities led through the Subject Centre network. However, the evaluation also identified that the academy's recognition-based model was imperfectly understood across the wider sector, i.e. the value proposition of Academy Fellowship status was not being actively promoted across a number of institutions.	
Centres for Excellence in Teaching & Learning	Cited positively as a complementary influence on institutional ability to reward and recognise good teaching practice, and building teaching capability within institutions with CETLs consulted. This was noted in synergy with the Teaching Quality Enhancement Fund (TQEF) for those institutions. This is supported by the results of the HR Director Survey, in which 68% of respondents confirmed CETLs to have had some or significant positive influence on their institution's approach to HRM.	Synergistic 'fit' with R&DS funding cited by some institutions with multiple funding streams and where R&DS monies had been used in part to contribute to teaching rewards.
Teaching Quality Enhancement Fund	For institutions with a CETL, the TQEF was particularly cited as a positive contributor to improving capabilities in the teaching workforce. This is consistent with the results of the HR Director Survey (see above) in which a majority (72%) of respondents viewed this investment stream to have had some or significant positive influence on their institution's HRM approach.	As for CETLs, cited for its synergies with R&DS funding on the development and training of teaching staff.
Golden Hellos recruitment and retention scheme	Some positive feedback from institutions consulted of the impact of this funding stream on their ability to recruit new teaching staff. An evaluation of the Golden Hellos scheme in 2006 ⁴⁰ found that <i>"nearly three-quarters of all respondents [85 English institutions] considered that the Golden Hellos scheme has had at least some positive impact on easing recruitment difficulties in the sector as a whole"</i> . The evaluation also found that the scheme had created better awareness of the potential opportunities in running targeted recruitment and reward initiatives at the local level: <i>"the scheme has stimulated and enabled the sector to consider innovative methods of using this type of funding to attract new teaching staff and gain experience in operating this type of scheme"</i> .	Synergy with complementary resources available through R&DS – particularly given the links between this funding stream and earmarked funds for the second round of R&DS (2004-05 and 2005-06).

⁴⁰ HEFCE: Evaluation of the HEFCE staff recruitment incentive scheme 'golden hellos' (David Mason Consultants, 2006).

Appendix A. Terms of reference and methodology

A1 Introduction

The Higher Education Funding Council for England (HEFCE) commissioned Oakleigh to undertake an evaluation of the role and extent of human resource management (HRM) initiatives in the English HE sector since 2001, and their corresponding impact on the sector's workforce. This was to include an evaluation of the impact of the last two years of the Rewarding and Developing Staff in HE initiative by HEFCE (R&DS).

A2 R&DS

HEFCE's R&DS initiative was originally set up in response to the Bett review of pay and conditions (1999), and was targeted at the modernisation of university HR and personnel practices. Funding was offered to institutions on a 'something for something' basis: specifically, on receipt of a three-year HR strategy, within which the HEI would be able to target progress in six priority areas: recruitment and retention; development and training; equal opportunities; staff planning; performance review and poor performance management.

In 2005, KPMG were commissioned by HEFCE to undertake an interim evaluation of the R&DS initiative, for the first three years (2001/2; 2002/3 & 2003/4) – assessing the impact of this first funding round on the development of HRM in HE within England.

This study was therefore intended to follow on from and build upon this earlier evaluation, but also to consider HRM in English HE from a broader perspective.

A3 Terms of reference

The terms of reference for the review were to:

- Undertake a summative wide-ranging review of the role of HRM in English HE since 2001.
- Evaluate the impact of the last two years of the Rewarding and Developing Staff in HE initiative (R&DS) – 2004/5 and 2005/6.
- Assess the relationship between the R&DS initiative and other key changes to HRM for the HE sector in England since 2001, and evaluate the level of influence of these on the capacity and capability of the current HE workforce.
- Build on the findings of the R&DS and develop a formative analysis of the current state of HRM within the English HE sector.

The key evaluation questions to be explored in the course of review included:

- How does HRM in HE look and feel now, compared with what was happening in 2001?

- What have the various HRM initiatives and other key changes occurring during this time achieved in terms of building the capacity and capability of the English HE workforce to deliver the HE required now?
- How well are HEIs' HR strategies aligned to their organisational strategies?
- To what extent have the investments and initiatives created movement – and momentum – towards the changing requirements placed on our HE system?
- Have these initiatives had the required impact?

A4 Overview of approach

The approach for this study was based on the following principles:

- Early development and refinement of a comprehensive evaluation framework – reflecting a balance of direct and indirect measures of impact, both quantitative and qualitative.
- Evaluation of impact (both of the R&DS initiative and other initiatives) to take into account 'inputs' (e.g. committed resources), 'outputs' (e.g. deliverables) and 'outcomes' (changes).
- Minimising the burden of consultation on the sector where possible by ensuring that all available, robust and relevant sources of existing evidence are fully mined and requests for information from institutions are only made where essential evidence cannot be obtained via other means.
- Impact to be tested across a staff mix within institutions: not only heads of HR but also senior line managers, heads of schools and other staff with insight into HR practices at ground level.

In seeking to conduct an evaluation it is first necessary to define the object of the review. In respect of HRM we have explicitly drawn upon the four components outlined by David Guest and Michael Clinton in their report 'Human Resource Management and University Performance' (for LFHE) in November 2007. These (along with definitions developed for this study) are:

- HRM priorities: Defined broadly as the priorities for both institutions and the wider sector in seeking improvements in all aspects of HR management. Priorities will be closely related to desired outcomes: these will have been variously defined for both individual institutions, and for sector-wide initiatives. Priorities for HRM may also be identified at the individual level, in the light of roles and responsibilities.
- HRM strategy: Defined as the institution's response to identified priorities – at the strategic level. The study has considered what changes institutions have made to their HR strategies over the period and what has driven these, including the identification and definition of corporate priorities.
- HRM structures: Defined as the form and function set out at the institutional level to deliver HR strategic plans. This will include: role of the HR director (or equivalent); role and remit of the HR core team(s); role of HR support functions outside the core team across institutions.

- HRM practices: Defined as the operation of processes in practice, experiences, habits, tendencies of line managers and other key staff groups across institutions with regards to key areas of HRM (or 'people management') including those identified within the Self Assessment Tool; could otherwise be defined as the HRM 'culture' within an institution.

A5 *Research into the HE workforce of the future*

At the same time as this study was been undertaken, PA Consulting, commissioned by HEFCE, was completing a research study into the higher education workforce of the future.

Given the timing and nature of the review the Oakleigh and PA teams co-operated closely in both planning and executing relevant aspects of their fieldwork, in particular when engaging with key stakeholders, in conducting consultative interviews and in developing emerging findings.

The brief of the PA team was to take forward the extensive work already undertaken by HEFCE and others to assess current trends and developments affecting the HE workforce. It aimed to examine the type of future HE workforce that will be required to best meet national needs. The outcomes of the project will feed into the development of the 2009 Higher Education Workforce Framework.

Further information concerning this review can be obtained directly from HEFCE.

A6 *Consultation approach*

The evaluation sought to engage with a broad range of sectoral bodies and with heads of HR, members of senior management teams and with a cross-section of staff groups across HE institutions in England.

Further details on consultees are shown in Appendix B.

A7 *HR Director Survey*

The electronic HR Director Survey formed a key element of the quantitative and qualitative evidence base for the study.

This was a web-based survey was distributed, with the assistance of the Universities Personnel Association and Guild HE's Personnel Network, to all UK HE members of these networks.

Survey design

The survey was designed to address a range of key lines of enquiry for the study, and was aimed at staff with strategic and operational responsibilities for HR management at their institution (i.e. HR directors and equivalents).

It was devised to provide the study team with information which was not already available through alternative existing routes, and was divided into a number of sections:

- You and your organisation.
- HR management priorities.
- Impact of the Rewarding & Developing Staff Initiative

- Impact of key initiatives and policy developments on HR management at your institution.
- Changes in HR management at your institution.
- Future workforce: looking ahead to 2020.

The last section was developed specifically in partnership with (and with input from) the PA Consulting team undertaking the parallel 'Future workforce for the HE sector' study, and data from this section was passed on to the PA Consulting team for their analysis and incorporation into their report. All other sections were used for the purposes of this study alone.

We developed draft survey questions and sought feedback from HEFCE, the project steering group and UPA and Guild HE to refine these.

The survey was designed to be completed in approximately 45 minutes.

Piloting the survey

Before full roll-out, the online survey was piloted with selected UPA members and feedback was addressed.

We gained permission from UPA and GuildHE to circulate a unique link to the survey tool to each of their members, and also contacted the Scottish Funding Council, the Scottish Heads of Personnel group and the HE Funding Council for Wales to alert them to our survey and to seek their support in extending the survey to Scottish and Welsh institutions, to enable comparison between the respective experiences of English and other UK HE institutions over the period. As a result of this, we issued the survey to all UPA and GuildHE members on 27th October 2008.

Survey management

We provided Oakleigh contact names for prospective respondents to contact in the event of any technical or project-related enquiries.

To enable response numbers to be maximised we:

- Reviewed response rates on a bi-weekly basis.
- Gave respondents three weeks to complete the survey and extended this by an initial six working days (alerting only non-respondents via UPA and Guild HE).
- Subsequently contacted all remaining non-respondents by telephone (circa 90 institutional contacts), further extended the survey deadline and allowed respondents unable to complete online to complete a hard copy or MS Word version of the questionnaire.

In total, 134 UK HE institutions were invited to complete the survey and we received responses from 56 institutions, of which the majority (47) were English, followed by Scottish institutions (8) and Welsh institutions (1).

Full survey results are reported in Appendix F.

A8 R&DS Round 2 data analysis

To enable us to review activities reported under the second round of the R&DS initiative across all eligible institutions, we undertook a review of institutional submissions to HEFCE for R&DS round 2. The data reviewed were either updated investment plans, or revised HR strategies, in response to HEFCE Circular 2004/03.

This data provided us with details of institutions' planned activities and (where provided) planned investments using R&DS Round 2 funds, and enabled us to:

- Provide an overall picture of the range, frequency and type of activities planned by institutions in deploying R&DS Round 2 funds and building upon existing activities already initiated through Round 1; and
- Develop an overview of the 'order of magnitude' of investment planned by institutions across the six priority areas (and activities within these areas) during the second round of the initiative.

In summary, it provided an indication of the institutional 'inputs' and 'outputs' in respect of the second round of the initiative.

Data capture and analysis

The form for institutional reporting on progress changed from 2004-05 (i.e. institutions were no longer required to submit full details of spending and activities against investment plans via their Annual Monitoring Statements (AMS), following on from HEFCE's 'reducing bureaucracy' initiative. The earlier interim evaluation of R&DS used the AMS as the most concise and consistent review of activities undertaken and funding spent over the three-year period – this was not available for the two subsequent years of R&DS round 2.

Therefore, information from institutions was compiled for the purposes of this study from individual institutional documents (which are highly variable in format), submitted in the form of revised HR strategies or investment plans for 2004-05 and 2005-06, using a single data capture and review framework spreadsheet.

As in the earlier evaluation, we have made informed subjective decisions about which priority area certain activities fell under, where this was not made explicit through institutional submissions. We noted that, in some cases, institutions had linked planned activities with more than one R&DS priority area, and we have sought to maintain a consistent approach when applying activities to priority areas.

Therefore, our analysis is based on a substantive retrospective fit of activities to priority areas, where this was not already clearly mapped by institutions. However, all results from our analysis are based on data which were reported by institutions.

Information on planned spend has also been based on data submitted in a variety of formats by institutions. We have identified some variation in the planned spend as reported – for example, 19 institutions have provided only total planned expenditure over the two-year period and have not provided a breakdown across activities. These have therefore been excluded in considering the scale of planned investment across the six priorities.

As in the earlier evaluation, in some cases total planned spend reported across all the priority areas exceeded institutional allocation, indicating that institutions had provided financial planned investments which reflected (in part) where additional institutional funds had been used to support the initiative. Equally, institutional planned spend in some cases reflected some monies carried forward from R&DS Round 1, as it was not possible to differentiate between this when uploading and analysing data.

A9 Consultation with institutional staff groups

We provided for two main routes by which a cross-section of staff within institutions were able to contribute their perspectives on progress made on HRM over the period, and the strengths and weaknesses of their institution's approach to people management:

- Staff focus groups (held onsite at the institution).
- Invitations to complete a short (10-15 minute) online survey questionnaire.

These asked participants to consider:

- What would you identify as the current expectations of (and priorities for) your own role in respect of people management? How have these changed in the last few years?
- How would you assess the current levels of HR/people management support services at your institution, e.g. in terms of responsiveness, awareness of employee concerns, proactivity in dealing with issues, etc?
- What do you see as having been the main changes to people management at the institution over the last five years?
- What do you see as being the most significant influences on these changes?
- How well developed would you see your institution as being in key areas of people management, e.g.
 - Communications (e.g. between senior management and other staff).
 - Recruitment and retention.
 - Remuneration and reward.
 - Development of career pathways.
 - Performance management (encompassing professional review & appraisal, induction and probation, promotion and performance pay mechanisms, absence and stress management, and disciplinary management).
 - Workforce planning (identification of short, medium and longer term staffing needs).
 - Succession planning for staff.

Appendix B. Consultees

B1 Identification

We drew on our own network of contacts across the HE sector and advice from HEFCE, the steering group that was appointed to oversee the study, UPA, UUK and GuildHE in the selection of relevant consultees.

We invited 25 separate bodies to be consulted for the evaluation and secured interviews or written responses from over 30 individuals representing 20 'sector interested' bodies, programmes and projects. In addition, we have consulted with 16 individual HE institutions and specialist institutions, through a programme of telephone interviews, visits and plenary sessions.

Stakeholders for this study fell broadly into the following categories:

- A range of policy staff and managers from HEFCE.
- Sector agencies with close interest, including UCEA, the ECU and the LFHE.
- The Universities Personnel Association (UPA).
- The Trades Unions.
- Bodies representing certain professional groupings – AUA and BUFDG for example – whose members have been closely involved in executing many of the policies encompassed by this review.
- Institutions themselves.
- Benchmark sectors.

The full list of consultees is overleaf. Interviewee comments have from the outset of the review been deemed wholly non-attributable unless otherwise agreed. Interviewees were provided with a short briefing paper in advance of any discussion in order that they might prepare their views and/or consult with colleagues as appropriate.

We also briefed and took feedback in plenary from:

- Members of HEFCE's HR strategy group (which comprised Alison Johns (HEFCE and Chair, Amy Norton (HEFCE), Tony Strike (University of Southampton), Alison Wild (Liverpool John Moore's University), Jocelyn Prudence (UCEA) and Nicola Dandridge (ECU).
- PVCs, registrars, and secretaries attending AHUA's September 2008 executive meeting. (Attendees at these meetings are not included in the schedules overleaf.)

Consultation with institutions included:

- A structured survey across all UK HE institutions – directed towards directors of HR and alerted to institutional heads. The main purposes of this survey was to a) To obtain any quantitative/qualitative evidence of institutional

baselines for HRM not already available through other sources; and b) Provide the opportunity for institutions' HR directors to provide views on: the current and desired states for their own institutions' HRM; and on the perceived external and internal factors affecting their institutions to achieve this desired state. The results of the survey are shown in the separate report in Appendix F.

- Case studies at a cross-sector sample of English HE institutions. The purpose of this activity was to enable institutions to provide balanced views – not only of HR staff and leaders – but of other senior workforce managers, school/faculty heads and staff representatives on their awareness of and experiences of all relevant HRM interventions, and their aspirations for improvements to the current position of HRM in their own institution and in the wider sector. In selecting institutions as consultees we identified a representative sample of fifteen institutions (by reference to type, size, mission and focus) together with a supplementary 'long-list' and agreed this selection with the steering group.

In addition to heads of HR, we have in total interviewed or received written feedback from just over 100 staff across these institutions.

Figure 17 Consultees (sector agencies and representative bodies)

Organisation	Name	Role/capacity
Association of Heads of University Administration (AHUA)	Alison Wild	Chair of AHUA and PVC Admin at Liverpool John Moores University
Association of University Administrators (AUA)	Alison Robbins	Executive Director
British Universities Finance Directors Group (BUFDG)	Karel Thomas	Executive Secretary
Committee of University Chairmen (CUC)	Andrew Cubie Valerie Marshall	Chair of Napier University Court Chair of Council, University of Kent
Educational Competencies Consortium (ECC) Ltd	Margaret Dale	Chief Executive
Equality Challenge Unit (ECU)	Nicola Dandridge	Chief Executive
GuildHE	Alice Hynes	Executive secretary
Higher Education Academy	Sean Mackney Helen Thomas	Deputy Chief Executive Assistant Director
Higher Education Funding Council for England (HEFCE)	David Eastwood Steve Egan Alison Johns	Chief Executive Director of Finance and Deputy Chief Executive Head of Leadership, Government and Management

Organisation	Name	Role/capacity
	Amy Norton Ian Gross Tracey Allan	Senior Policy Adviser Internal Audit Senior Policy Adviser
Leadership Foundation for Higher Education (LFHE)	Ewart Wooldridge Robin Middlehurst	Chief Executive Director, Strategy, Research and International Programme Manager
National Union of Students (NUS)	David Malcolm	Head of Social Policy
Research Councils UK (RCUK) (plus consultative input from BBSRC, EPSRC and AHRC)	Iain Cameron	Head, Research Careers and Diversity Unit
Scottish Funding Council (SFC)	Ian Robertson John Stout	Strategy Manager Governance & Management: Appraisal and Policy Project Manager, SFC HR Management study
Universities and Colleges Employers' Association (UCEA)	Jocelyn Prudence Helen Fairford	Chief Executive Deputy Chief Executive
Universities and Colleges Union (UCU)	Malcolm Keight	Head of HE and Industrial Relations
UNISON	Jon Richards	Senior National Officer
All trade unions operating within the HE sector were invited to attend a joint initial briefing and initial feedback session with the Oakleigh and PA Consulting teams in October (hosted by UCEA). They were invited to participate in individual consultative meetings with Oakleigh and PA Consulting, and both UNISON and UCU sessions were set up following this.		
Universities Personnel Association (UPA)	Mike Moore David Williams	Vice Chairman and Director of HR at the University of East London Chair, UPA Wales and Head of HR at Swansea University

Figure 18 Consultees (HE institutions)

Organisation	Name	Role/capacity
Group consultees		
AHUA Executive Committee	Selected heads of university administration	
Non case-study institutional consultees		
University of Cambridge	Jonathan Nicholls	Registrar
University of Stirling	Kevin Clarke Martin McCrindle	University Secretary Director of HR (also co-convenor of Scottish Heads of Personnel)
University of Winchester	José Chambers	Assistant VC (consulted in capacity as Chair, ODHE Group, HE Workforce Advisory Group)
Institutions consulted as 'case studies' (full and partial)		
Anglia Ruskin University*	Denise Thorpe Helen Valentine	HR Director Deputy VC
University of the Arts London*	Clive Bane Sheelagh Douglas Elizabeth Tames Nine Deans of School/Heads of function	HR Director Director of Corporate Resources Manager, Development and Learning
University of Birmingham*	Michael Sterling Les Clark Declan Vaughan Eight additional senior managers and other staff	Vice-Chancellor Pro Vice-Chancellor (Estates and Infrastructure) Assistant Director of HR Operations
University of Bristol	Guy Gregory Christian Carter	Personnel and Staff Development Director Personnel Manager (Policy Development)
University of Exeter	Stephen Cooper Two Heads of School	Director of Personnel & Staff Development
University of Hertfordshire	Helen Ellis-Jones Kevin Flinn	Head of HR, Strategy & Change Head of Leadership & Organisational Development
University of Huddersfield	Bob Cryan Mike Page Julie McClelland	Vice-Chancellor Deputy Vice-Chancellor Director of HR

Organisation	Name	Role/capacity
	18 Deans, Directors and other staff	
Institute of Education*	Fran Setter Bryn Morris	Head of HR Director of Administration
University of Manchester	Karen Heaton	HR Director
University of Newcastle	Tony Stevenson Veryan Johnston Helen Doyle 11 Heads of Schools and other staff incl. union representatives for Unite and UNISON	Pro Vice-Chancellor (Planning and Resources) Executive Director of HR Assistant Director, Staff Development Unit
Nottingham Trent University	Neil Gorman Rachel Creamer Francesca Fowler Three senior managers and two HR managers	Vice-Chancellor Director of HR Director of Organisational Development and Business Improvement
University of Oxford*	Jeremy Whiteley Five representatives from the university's HR Strategy Steering Group	HR Director
University College London	Malcolm Grant Marilyn Gallyer Sarah Brandt	Provost Vice-Provost HR Director
University of Westminster	Jean Harrison	Deputy Director and Joint Interim Director of HR
University of Wolverhampton*	Caroline Gipps Geoff Hurd Roger Williams Jean Davies Paul Crossley	Vice-Chancellor Deputy Vice-Chancellor Director of Personnel Deputy Director of Personnel Strategic HR and OD Manager
University of Worcester *	David Green Gillian Slater	Vice-Chancellor Head of HR

* Contributions from a cross-selection of staff were received from these institutions via a specially designed e-survey.

Figure 19 Consultees (other sectors)

Organisation	Name	Role/capacity
Basingstoke Foundation Trust	Yvonne Coventry	HR Director
CIBA	Bob Morton	Head of Competence Centre People Development, Europe MEA
East of England Strategic Health Authority	Stephen Welfare	Director of Workforce
Hampshire and IOW Strategic Health Authority	Nicola Hartley	Former Director of Workforce Development
London Borough of Walsall	Paul Smith	Head of HR
Manchester Business School	Paula Hyde	Senior Lecturer in Leadership and Experiential Learning, Organisation Studies Group (interviewed in capacity as lead author for joint CIPD/DoH sponsored research project investigating the links between HR and performance in the NHS.
Mid Bedfordshire District Council	Nick Rance	Service Development Manager
Telford and Wrekin Council	David Johnson	Head of HR

Appendix C. HRM policy landscape since 2001

Figure 20 Summary of relevant policy and other developments in the English HE sector since 2001

Key development	Date(s)	Funding available directly (to English HEIs)	England only Wider UK HE sector Other UK	Desired outcomes/objectives	Identifiable main synergies with Rewarding & Developing Staff initiative key priority areas (desired outcomes)					
					Recruitment & retention	Staff development & training	Equal opps, equal pay	Review of staffing needs	Performance reviews	Addressing poor performance
Framework Agreement for Modernisation of Pay Structures	JNCHES set up – 2001 FWA signed (all parties) – 2004 Deadline for implementing – 2006/7	Yes via R&DS	UK HE	Improving recruitment and retention; Ensuring equal pay for work of equal value; Tackling the problem of low pay; Rewarding and recognising individual contribution; Underpinning opportunities for career and organisational development.	✓		✓			
Equality Challenge Unit	Established in 2001 Evaluated in 2005	No	UK HE	To improve equal opportunities for all who work or seek to work in the UK HE sector; develop an authoritative evidence base; support HEIs in implementing effective practice; promote sustained institutional change in EO/diversity.	✓	✓	✓			
HE White Paper	Published 2003	No	UK HE	Key government publication outlining range of proposed reforms to UK HE.	✓	✓	✓	✓	✓	✓

Key development	Date(s)	Funding available directly (to English HEIs)	England only Wider UK HE sector Other UK	Desired outcomes/objectives	Identifiable main synergies with Rewarding & Developing Staff initiative key priority areas (desired outcomes)					
					Recruitment & retention	Staff development & training	Equal opps, equal pay	Review of staffing needs	Performance reviews	Addressing poor performance
Revised model statutes Zellick proposals for reform	2002 – proposals from joint working group (UCEA, UUK) published and submitted to Privy Council	No	UK HE	Proposals developed with aim of amending HEI model employment statutes (for pre-92 HEIs) for redundancy, disciplinary, dismissal and grievance procedures. Intentions: to ensure the application of effective and fair employment procedures for academic and research staff in line with good practice and to continue to protect academic freedom; to encourage more appropriate use of permanent contracts of employment.	✓		✓	✓	✓	✓
1996 Concordat on Contract Research Staff Career Management/Research Careers Initiative/Roberts report/2008 Concordat for career development of researchers	1996 – Concordat on Contract Research Staff Career Management signed by RCUK, the then Committee of VCs and Principals (now UUK) and then SCOP (now GuildHE)	No	UK HE	1996 Concordat: Improvement of employment conditions and development opportunities for staff employed on short-term research contracts. 2008 Concordat: Seven core principles, including recognition and value of researchers by employers (HEIs) as key part of institutional HR; recognition by institutions of importance of researchers' personal and career development; promotion of diversity and	✓	✓	✓			

Key development	Date(s)	Funding available directly (to English HEIs)	England only Wider UK HE sector Other UK	Desired outcomes/objectives	Identifiable main synergies with Rewarding & Developing Staff initiative key priority areas (desired outcomes)						
					Recruitment & retention	Staff development & training	Equal opps, equal pay	Review of staffing needs	Performance reviews	Addressing poor performance	
	1997-2002 – RCI monitoring progress 2002 Roberts report 'SET for Success' published 2008 – new Concordat formally launched and group (chaired by Sir Ivor Crewe) set up to oversee implementation			equality in all aspects of recruitment & career management of researchers.							
Research Councils UK Academic Fellowship Scheme	Launched in 2004 – 2-year programme (800 Fellows supported in 79 HEIs)	Yes – circa £100m of funding from RCUK	UK HE	To provide more attractive and stable research career paths for contract research staff. To reward institutions with innovative research strategies.	✓	✓			✓		
Promising Researcher Fellowship Scheme	First year of operation – 2003-04	Yes – £10m over 2 years (2004-05 & 2005-06 –	England HE	To enable promising researchers in middle ranking departments to spend time working in leading research	✓						

Key development	Date(s)	Funding available directly (to English HEIs)	England only Wider UK HE sector Other UK	Desired outcomes/objectives	Identifiable main synergies with Rewarding & Developing Staff initiative key priority areas (desired outcomes)					
					Recruitment & retention	Staff development & training	Equal opps, equal pay	Review of staffing needs	Performance reviews	Addressing poor performance
(HEFCE)		added to R&DS funds)		centres.						
Leadership Foundation for Higher Education	Established in 2004. Evaluated in 2006.	No	UK HE	Capability and capacity development of leaders and managers within UK HEIs; increased capability of governing bodies; awareness raising and greater importance accorded to leadership development by HEIs; improved availability of and use of good practice information on leadership development.		✓	✓			✓
Leadership, Governance and Management Fund (and predecessor Good Management Practice Fund)	GMP – established in 2000 LGM – established in 2004	Yes	England HE	Better recognition of leadership, governance and management issues in English HEIs; improved development and embedding of recognised good practice in LGM; measurable change in, and impact on, the quality of leadership, governance and management and organisational performance.	✓	✓	✓	✓	✓	✓
HE Academy (incl. work of Subject Centres; National Teaching	Established in 2004. Evaluated in	No	UK HE	Positive influence on: professional accreditation and CPD for teaching practitioners; departmental learning and teaching practice in UK HEIs; systems		✓	✓			

Key development	Date(s)	Funding available directly (to English HEIs)	England only Wider UK HE sector Other UK	Desired outcomes/objectives	Identifiable main synergies with Rewarding & Developing Staff initiative key priority areas (desired outcomes)					
					Recruitment & retention	Staff development & training	Equal opps, equal pay	Review of staffing needs	Performance reviews	Addressing poor performance
Fellowship Scheme; Academy Fellowships; UK Professional Standards Framework)	2007/8			and policies affecting the quality of learning and teaching and the student learning experience.						
Centres for Excellence in Teaching & Learning – 74 CETLs established	CETL initiative established in 2005 CETL programme evaluated in 2008	Yes – £315m over 5 years from 2005	England HE	To reward and recognise excellent teaching in a variety of disciplines and cross-disciplinary practices, and invest in that practice further in order to increase and deepen its impact across a wider teaching and learning community (building on work already undertaken and funded through the Teaching Quality Enhancement Fund).		✓				
Golden Hellos Recruitment & Retention Scheme (HEFCE)	First year of operation – 2003-04 Evaluated in 2006	Yes – £9k available for each Golden Hello over 3-year period	England HE	To encourage new entrants to teaching in HE in subject areas where there is a shortage of staff. Emphasis of scheme was on improving quality of teaching.	✓					

Key development	Date(s)	Funding available directly (to English HEIs)	England only Wider UK HE sector Other UK	Desired outcomes/objectives	Identifiable main synergies with Rewarding & Developing Staff initiative key priority areas (desired outcomes)					
					Recruitment & retention	Staff development & training	Equal opps, equal pay	Review of staffing needs	Performance reviews	Addressing poor performance
Clinical Senior Lectureship Awards (HEFCE)	First round – 2006-07 (14 HEIs funded) Second round – 2007-08 (12 HEIs) Third round – 2008-09 (10 HEIs)	Yes – Funding for up to 200 posts through 5 annual rounds of funding (by HEFCE/local NHS Trusts)	England HE	Supported by the UK Clinical Research Collaboration as part of its commitment to building an expert research workforce to support clinical research and education in the context of established clinical training pathways.	✓					
HE Innovation Fund	HEIF introduced in 2001	Yes	England HE	Designed to support and develop a broad range of knowledge transfer activities which result in economic and social benefit to the UK, helping support professional development for those working with the business and community sectors.		✓				
Race Relations Amendment Act 2000	2000	No	UK wide	Introduction of duty to promote race equality (strengthening previous legislation).			✓			
Fixed-term Employees (Prevention of Less	Came into force 2002	No	UK wide	To prevent fixed-term employees being treated less favourably than similar permanent employees, and to limit the	✓	✓	✓		✓	✓

Key development	Date(s)	Funding available directly (to English HEIs)	England only Wider UK HE sector Other UK	Desired outcomes/objectives	Identifiable main synergies with Rewarding & Developing Staff initiative key priority areas (desired outcomes)					
					Recruitment & retention	Staff development & training	Equal opps, equal pay	Review of staffing needs	Performance reviews	Addressing poor performance
Favourable Treatment) Regulations 2002				use of successive fixed-term contracts. [JNCHES guidance in 2002 identified specific staff groups most potentially affected by the legislation: Contract research staff; Fixed-term hourly paid staff; and Fixed-term term-time staff].						
Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 (Amendment) Regulations 2002	Came into force 2002	No	UK wide	Removed distinction (in 2000 Regs) between fixed-term and permanent contracts – greater clarity of inclusion of all types of contract in equity of treatment of all types of worker. Removed limits on available compensation for cases involving occupational pension schemes.	✓	✓	✓		✓	✓
Employment Act 2002 (Dispute Resolution) Regulations 2004	Came into force 2004	No	UK wide	All employers to have in place minimum statutory procedures for dealing with dismissal, disciplinary action and grievances in the workplace.			✓			
Employment Equality Regulations: • Sexual	Sexual Orientation; Religion or Belief – came into force	No	UK wide	Age regulations: Ban age discrimination in terms of recruitment, promotion and training; ban unjustified retirement ages of below 65; remove the then age limit			✓			

Key development	Date(s)	Funding available directly (to English HEIs)	England only Wider UK HE sector Other UK	Desired outcomes/objectives	Identifiable main synergies with Rewarding & Developing Staff initiative key priority areas (desired outcomes)					
					Recruitment & retention	Staff development & training	Equal opps, equal pay	Review of staffing needs	Performance reviews	Addressing poor performance
<ul style="list-style-type: none"> Orientation (2003) Religion or Belief (2003) Sex Discrimination (2005) Age (2006) 	<p>2003.</p> <p>Sex Discrimination – came into force 2005.</p> <p>Age – came into force 2006.</p>			<p>for unfair dismissal and redundancy rights.</p> <p>Sex discrimination: To create a duty on public authorities to promote equality of opportunity between men and women and to address sex discrimination in the workplace.</p> <p>Religion or belief/sexual orientation: To make unlawful (with certain exemptions) discrimination on the grounds of religion or belief or sexual orientation in provision of services.</p>						
Disability Discrimination Amendment Act 2005	2005	No	UK wide	Makes substantial amendments to the Disability Discrimination Act 1995. Includes specific duties for public authorities (including HEIs) to produce a Disability Equality Scheme			✓			
Equality Act 2006 – Gender Equality Duty	2006 Commission set up in 2007	No	UK wide	To create a single commission to replace the three prior commissions dealing respectively with sex, race and			✓			

Key development	Date(s)	Funding available directly (to English HEIs)	England only Wider UK HE sector Other UK	Desired outcomes/objectives	Identifiable main synergies with Rewarding & Developing Staff initiative key priority areas (desired outcomes)					
					Recruitment & retention	Staff development & training	Equal opps, equal pay	Review of staffing needs	Performance reviews	Addressing poor performance
Commission for equality and human rights				disability equality.						
HESA staff data – availability of data on professional and support staff New Individualised Staff Record Extension of record to all staff with contract of employment	Introduced from 2003-04	No	UK HE	New HESA Staff Record from 2003-04 covered all academic and non-academic staff with a contract of employment with an HEI in the UK.	Not linked to particular R&DS priority areas but applicable re: availability of management information on workforce data					

Appendix D. References

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Appendix E. Developments in HRM in health and local government

E1 Comparative policy landscape in other sectors

Below we briefly examine what has been happening (in HRM terms) in other sectors of comparable size and complexity to HE, specifically Health and Local Government.

Health

In a joint 2006-2008 study focusing on the relationship between HRM and performance in the NHS, the study team identified some of the key features of the sectoral landscape since the creation of the NHS Plan in 2000, noting that this formed the principal driver behind many of the relevant HRM changes in the NHS since the start of the decade. These included:

- HR in the NHS Plan, published in 2002, with the intent to create a coherent and comprehensive agenda for action to improve HRM in the NHS.
- NHS Improvement Plan, published in 2004 and setting out priorities until 2008. This refers to a series of workforce impacts resulting from core policy aims (such as fundamental changes to how staff carry out their work).
- Productive Time programme – an outcome of the Gershon Review in the Health sector context, with its emphasis on workforce reform as one of three key elements in realising £3.8 billion yearly benefits by 2007/08 against a 2003-04 baseline.
- Further range of inter-related reforms and initiatives at the national level to support the objectives within the 'HR in the NHS Plan', including:
 - New Ways of Working programme, including the Changing Workforce programme.
 - Improving Working Lives programme, supporting the development of the NHS as a 'model employer'.
 - National pay reforms through the 'Agenda for Change', including job evaluation, harmonised terms and conditions and the Knowledge and Skills Framework (a collective agreement was reached with unions in 2004).
 - Establishment of the NHS Institute for Innovation and Improvement and a range of professional training initiatives.
 - National Workforce Strategy developed for the sector in 2006-07, integration of Strategic Health Authorities and Workforce Development Confederations across the country, linking to the aim of modernising workforce planning.
 - Introduction of the annual staff survey, plus other initiatives aimed at improving communication.

- Creation of support networks for HR professionals and national development of the Electronic Staff Record.

The CIPD/DoH study particularly identified that the shifting focus of NHS modernisation from a national to a local level in the period had placed greater emphasis on the importance of people management practices at both the organisational and sub-organisational level in the reform process.

Local government

There has been a gradual process of change within this sector since the 1980s and 1990s aimed at making local government more efficient and services geared towards the needs of the local area. Some of the notable changes just prior to and within the review period include the:

- Introduction of Best Value Review and inspection regime in the 1990s, and the introduction of Best Value Performance Indicators for all services including HR.
- 1997 Single Pay Agreement (emanating from the 1970 Equal Pay Act with the aim of eliminating inequalities in pay for men and women in the sector).
- Introduction of Comprehensive Performance Assessment in the early 2000s which brought HR into the core of Audit Commission assessments of local authority performance.
- Gershon review of public sector efficiency (2004) led to the requirement for local government to make year on year savings, including savings associated with staff costs.

The new performance framework – Comprehensive Area Assessment (CAA) – which is due for roll-out across the sector from April 2009, includes 'People' as a core element of overall assessment. Local authorities will be asked whether they have a workforce strategy, efficiency and effectiveness of HR service provision and how this helps to improve performance in the Local Area Agreement.

Typical key performance indicators for HRM in local government include:

- The level of the Local Government Equality Standard to which the local authority conforms.
- The duty to promote race equality.
- The percentage of top 5% of earners who are women.
- The percentage of top 5% of earners who are from black, Asian and minority ethnic communities.
- The percentage of top 5% of staff who have a disability.
- The number of working days/shifts lost due to sickness absence.
- The percentage of employees retiring early (excluding ill health retirements) as a percentage of the total workforce.

- The percentage of employees retiring on grounds of ill-health as a percentage of the total workforce.
- The percentage of employees declaring that they meet the Disability Discrimination Act (DDA) 1995 disability definition compared with the percentage of economically active disabled people in the community.
- The percentage of employees from minority ethnic communities compared with the economically active minority ethnic population.
- The percentage of building areas open to the public in which all public areas are suitable for, and accessible to, disabled people.
- Average expenditure on training per employee.
- Payroll: processing cost per transaction.
- Payroll: percentage of working days between request for payroll related information being made and being provided.
- Control account information and deduction reports: percentage of working days between update of payroll and completion of control accounts and associated deduction reports.
- Third party cheque request forms: percentage of production of monthly cheque request forms within five working days.
- P45 and pension forms: percentage of distribution of P45s and pension forms to leavers within three working days.

Appendix F. HR Director Survey Report (see separate document)