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MELBOURNE

ORGANISING FOR SUCCESS RELATIONSHIPS WITH ACADEMICS, UNIVERSITY HIERARCHIES AND EACH OTHER

Can human resources departments be
strategic partners?



HR CHALLENGES FOR UNIVERSITIES

- IMPACT OF INFORMATION REVOLUTION
- COMPETITION FOR SCHOLARS AND RESEARCHERS
- REMUNERATION SET BY INTERNATIONAL STANDARDS, EG.USA, UK
- ON-LINE COMPETITORS OPERATING ACROSS NATIONAL BORDERS, EG. U21 GLOBAL
- AGEING OF ACADEMIC STAFF



HR CHALLENGES FOR UNIVERSITIES

- SKILLS SHORTAGES IN SOME DISCIPLINES
- LIMITED AUTONOMY
- FUNDING NOT MEETING DEMAND FOR EDUCATION, LARGE CLASSES HIGH WORKLOADS
- CHANGES IN STUDENT DEMAND REQUIRING REDUCTION OR ALTERATION OF STAFFING COMPOSITION.



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HUMAN RESOURCES FUNCTION

- EFFICIENT ADMINISTRATOR
- EXPERT IN CHANGE MANAGEMENT
- CHANNEL OF STAFF VIEWS
- COMPLIANCE MANANGER
- STRATEGIC BUSINESS PARTNER



STRATEGIC HRM

- RESPONSIVENESS FO A COMPETITIVE WORKPLACE AND GLOBAL CHALLENGES
- ALIGNMENT TO AND UNDERSTANDING OF BUSINESS OF THE UNIVERSITY
- JOINTLY OWNED INITIATIVES
- CAPACITY TO OPERATIONALISE BUSINESS STRATEGY BY
 - BUILDING PEOPLE CAPACITY
 - DEVELOPING HR ACTIONS AND POLICIES
 - PLANNING AND SUPPORTING CHANGE



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BECOMING A STRATEGIC PARTNER

- DEVELOP A SOLID HR INFRASTRUCTURE
- DEVELOP CAPACITY OF HR STAFF
- BUILD RELATIONSHIPS BY STRUCTURING HR FUNCTION RESPONSIVELY
- TARGET RESOURCES AT KEY INITIATIVES
- WORK TO DEVELOP A UNIVERSITY STAFFING STRATEGY IN PARTNERSHIP

**ORGANISING FOR SUCCESS
RELATIONSHIPS WITH ACADEMICS, UNIVERSITY
HIERARCHIES AND EACH OTHER
SATURDAY 3 APRIL 2004**

Can Human Resources Departments Be Strategic Partners?

A Personal Reflection

At a conference such as this, I think it important to reflect on the role of university human resources departments in delivering strategic human resources management.

Human resources departments in universities cannot be considered outside of both the national and higher educational environments in which they operate. Many variables impact on the effectiveness of the human resources department. External factors include:

- national labour laws
- relationship with the civil service
- national human resources initiatives which impact on all universities
- sophistication of HR management in the country.

While the national environment in which a university operates is important, and will create differences, collectively traditional universities are facing significant human resources challenges. These include:

- impact of the information revolution and demand for individually focussed learning
- competition for leading scholars and researchers
- competitive international remuneration levels
- on-line competitors operating across borders, eg U21 Global.
- academic staff ownership of intellectual property of teaching/learning materials
- ageing of academic staff
- skills shortages in some disciplines
- limited autonomy in developing local human resources solutions
- funding not meeting demand for education, hence stresses with large classes, high workloads
- changes in student demand or limitation of funding resulting in need for restructure and retrenchment.

Universities and governments are responding in different ways. Some universities have resorted to strong central planning with set objectives; others are creating an environment where there is encouragement, but not compulsion to work in a new way; others are cutting services and limiting what is taught. Governments, at least in Australia and the UK have deliberately set agendas for change, and tied funding or indeed have funded those initiatives. Some governments are taking a national workforce planning approach and targeting funds in specific areas, eg to support leading researchers.

Implicitly or explicitly, generally universities claim that they value and foster people. As an example:

“Ohio University strives to enhance its scholarly and student-oriented reputation through pursuit of these goals. Important core values guide the University as it fulfils its mission. The University values the individuals who create its community - its faculty, students, and staff.”
(Ohio University Mission Statement)

The complexity and the speed of change would in many large organizations be underpinned by a strategic human resources management approach. The problem for many human resources departments in universities is that this capacity is not widely understood and hence used. This is certainly the case in Australia, and I suspect it is more widespread. This lack of utilisation of full human resources management capacity may limit the responsiveness of universities to change and their capacity to successfully manage that change.

David Ulrich developed the following framework for evaluation of human resources functions:

- efficient administrator of personnel matters
- expert in change management
- channel of staff views to senior management
- strategic business partner.

In universities, I think that a further category might be added, and that is:

- compliance manager.

Expectations of most human resources departments are that administration is accurate and on time, that problems are solved, and views of staff on key issues are reported upwards. Many departments support significant change, eg. downsizing or outsourcing of functions, and also support university strategic initiatives, such as recruitment and retention of staff or training on meet identified key skills gaps. Few HR departments, if any, have acceptance as a strong strategic partner. Most are very functional, and designed to provide service and support to staff and managers. My survey of websites of Commonwealth universities and my knowledge of Australian universities suggest that for many human resource departments that strategic support capacity is latent and unused. (Surveying websites not be a very fair or valid way to assess strategic support,

as they are designed primarily as information tools for current and prospective staff, but there is little other literature easily available.).

HR staff and directors generally support the need to move to becoming a strategic business partner.

Dave Ulrich again postulates on the following model for strategic HRM.

- responsiveness to a competitive workplace and global challenges
- alignment to and understanding by HR of the operations of the university
- initiatives which are jointly conceived and implemented by line and HR managers
- a capacity to operationalise business strategy by building people capacity,, operationalising necessary HR actions and planning and supporting (cultural) change.

How is this to be achieved? It is unlikely that a department will be invited as a strategic partner, because frequently that is not an understood role. The role of the HR director is therefore to be educative and to take specific initiatives to support overall strategies. In an environment characterized by autonomous knowledge workers with a traditional distrust of managerialism, building trust in the capacity and competence of the HR department is critical.

Part of the solution lies in the HR department itself.

If I were to develop a formula for achieving a strategic partnership, it would include:

- Developing a solid HR infrastructure. This includes reliable services, comprehensive policies which meet university needs and a good information system which can deliver data on time and accurately.
- Developing capacity of staff to do data analysis to support university's needs, to understand and manage organisational change and to consult to formulate policies which are understood and accepted.
- Building relationships with leaders of academic units by structuring the HR function so that on most issues the leaders will consult with one HR staff member, and will develop a relationship of trust. This also allows the HR staff member to learn in detail the business of the academic organisational unit and allows the development of knowledge of staff attitudes.
- Building capacity in human resources to conceptualise and support the implementation of significant change.
- Targeting limited HR resources at strategic activities which have the most significant organisational impact, eg. training new heads of academic units, developing specific recruiting plans for areas of academic staff shortages,

developing flexible remuneration strategies to attract and retain staff or performance management systems.

- Working with academic leaders to develop a university staffing strategy which is aligned to the university's strategic needs. Ideally this should be done as part of university strategic planning underpinned by a good knowledge of the key drivers for university success.
- Delivering on all the above.

Universities have survived with almost unchanged organisational structure and culture for over 800 years. These, coupled with a high level of ambiguity and complexity are the secret of their survival. However, as they face faster moving and more complex pressures, their survival now also depends in part in their capacity to incorporate modern management techniques into their operations without destroying the strengths and flexibility that have been key to their success. It is our role to support this.