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August 4, 2003

Ms Miranda Hon
Clerk, Public Accounts Committee
Legislative Council
Legislative Council Building
8 Jackson Road, Central
Hong Kong

Dear Ms Hon,

**The Director of Audit's Report on the
results of value for money audits (Report No. 40)**

**Chapter 10: University Grants Committee funded institutions –
Staff remuneration packages and stipends**

Thank you very much for your letter on the above subject dated July 22, 2003.

HUCOM takes pleasure in providing further additional information to the Public Accounts Committee (PAC).

Prof Lap-Chee Tsui, Vice-Chancellor of The University of Hong Kong, would like to draw to the attention of PAC members an article headlined "Ryan quits as 'ill-paid' Oxford don" in *The Times Higher (Education Supplement)*, May 31, 2002, plus letters on related topics, June 7, 2002 (Attachment 1).

Members of PAC may also wish to note further additional information shared with me by Prof Ambrose King, Vice-Chancellor of The Chinese University of Hong Kong (Attachment 2).

Sincerely yours,

A handwritten signature in black ink, appearing to read "Paul Chu".

Paul Chu
President

c.c. Mr Peter Cheung, Secretary-General, University Grants Committee
HUCOM Members

RYAN QUILTS AS 'ILL-PAID' OXFORD DON

THE TIMES HIGHER, MAY 31 2002

NEWS 5

Ryan quits as 'ill-paid' Oxford don

Phil Baty

One of Oxford University's most senior academics confirmed his departure to join one of America's top institutions this week, arguing that "no rational person" would work in British higher education.

Alan Ryan, warden of New College, Oxford, who was tipped to be the university's next vice-chancellor, railed against the "incoherence and stupidity" of government policy and the "incessant interference by managers and officialdom", when he confirmed to *The THES* that he was leaving British academe to go to Stanford University.

He said he would return to Oxford after a year but only because of his unique affiliation to New College.

He told *The THES*: "I feel that no rational person would work in the British higher education sys-

tem, and that anyone who enters it under present conditions is engaged in a self-destructive act; it is an ill-paid, overworked line of work, and has lost almost all of the old pleasures, particularly the freedom from incessant interference by managers and officialdom."

Dr Ryan, director of Oxford's Rothermere American Institute and former professor of politics at Princeton University, is going to Stanford's Center for Advanced Studies in the Behavioral Sciences. "I like New College too much to think of bailing out again and heading back to Princeton, but I can't think why anyone who doesn't have my peculiar reasons for doing this sort of job would stay here rather than go."

Dr Ryan sat his BA and MA at Oxford in the 1960s, and earned a DPhil at the university in 1993.

He is a vociferous supporter of



Alan Ryan believes 'no rational person' would work in British higher education

a more market-driven approach to higher education, and believes universities should be freed from national funding formulae more in line with the private universities of America.

He launched a blistering attack on government higher education policy.

"Working against government policy of the degree of incoherence and stupidity as we currently do is simply not an activity for grown-up people," he said.

"It is just about imaginable that the government will eventually form a coherent view of what

higher education is for, and how much they will pay for which bit, but the signs are not good."

Dr Ryan joins a lengthening list of senior Oxford academics who have left the university with stinging criticisms of the British system, raising concern that Oxford, and UK higher education in general, are losing their international nature.

In 1999, John Kay resigned as director of the Saïd Business School, arguing that Oxford was "striding in a muddle of committees, unable to take decisions that might enable it

to compete with the world's best".

Robert Stevens, when he retired as master of Pembroke College last year, warned that "inward-looking complacency in the university, and mindless political opportunism in new Labour, may well be doing damage which will be impossible to repair".

The university also received a blow last September when Peter Williams, seen as a modernising saviour for the university, announced his resignation as master of St Catherine's College, 18 months after he took the post.

Soapbox, page 14

Is that blood running down his tie? No. - Ed.

Front page headline, page 5 article by Phil Baty, "Why I..." confession by Ryan, page 14, in *The Times Higher (Education Supplement)*, 31st May 2002, plus letters, 7th June.

One of Oxford University's most senior academics confirmed his departure to join one of America's top institutions this week, arguing that "no rational person" would work in British higher education.

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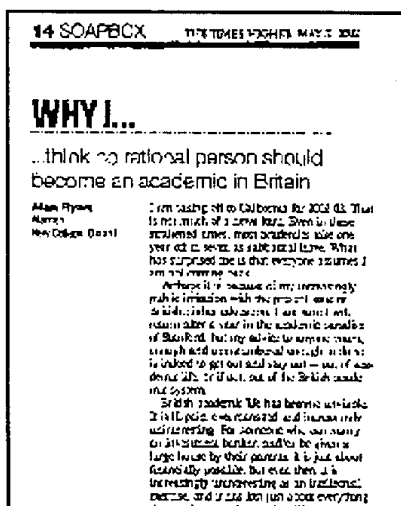
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Ryan's soapbox, page 14: WHY I... ..think no rational person should become an academic in Britain



I am taking off to California for 2002-03. That is not much of a news item. Even in these straitened times, most academics take one year off in seven as sabbatical leave. What has surprised me is that everyone assumes that I am not coming back.

Perhaps it is because of my increasingly public irritation with the present state of British higher education. I am sure I will return after a year in the academic paradise of Stanford, but my advice to anyone young enough and unencumbered enough to do so is indeed to get out and stay out - out of academic life, or if not, out of the British academic system.

British academic life has become unviable. It is ill-paid, overmanaged and increasingly uninteresting. For someone who can marry an investment banker, and/or be given a large house by their parents, it is just about financially possible, but even then it is increasingly uninteresting as an intellectual

exercise, and it has lost just about everything that made it worth pursuing 40 years ago.

In the 1960s, the bargain was a good one; you gave up the chance of wealth, power and fame and got the life of a free spirit in exchange. Now, you get Margart Hodge, John Randall and Howard Newby, and a salary that City firms would hesitate to offer their receptionists. In the 1960s, professors were paid much the same as GPs, MPs and under-secretaries in the civil service and, by the end of the decade, most of Camden Town could be purchased on a lecturer's salary. But you didn't expect to be a lecturer much beyond the age of 30 anyway. Following the Robbins report and the expansion of the university sector, you could have tenure at 24 and a chair at 30. Nor was fame entirely given up. Young sociologists at the London School of Economics were vastly more glamorous than even their director is today.

More crucially, what was on offer was freedom and optimism, and what has replaced them is a deep, sullen pessimism. The post-Robbins assumption was that it would be possible to create new universities that would run rings round Oxbridge: on the one hand, liberal arts colleges, and, on the other, the British offspring of Berkeley. Nobody in 2002 could read Albert Sloman's Reith Lectures in which he imagined that Essex might be the Berkeley of the UK system without realising that it is not only money that the present higher education system has run out of.

The contrast between the 1960s promise of indefinite expansion of new courses and new institutions, coupled with an influx of enthusiastic and well-qualified new students, and the contemporary world of reluctant and ill-qualified students filling crumbling, ill-equipped institutions, is too obvious to need belabouring. Oxbridge students in 2002 receive in real terms the funding of Essex students in 1979; and Essex students in 2002 have had the money spent on them cut by a third. Whether more means worse is arguable; that more means less well provided for - is undeniable.

In those distant days, the much-reviled "binary" system presented university lecturers with a spectacle of how the other half lived - teachers in polytechnics were at the mercy of local authorities, put upon by their principals and departmental chairs, by the chairmen of education committees and managers of very modest abilities. Now, the binary line has gone, and this is the fate of the entire sector.

Asking why anyone who could bail out to the US doesn't do so in the face of all this is a bit like wondering why Marx never quite gave up on the revolution. On the one hand, it is impossible to believe that rational human beings will go on making such a mess of a not entirely unmanageable system and on the other hand, anyone who worked in the system before it was wrecked finds it hard to walk away from the wreckage rather than hanging around to try to save something in the hope of better times ahead.

Wages for sages: letters, 7th June

from D.A. Trotter, Department of European Languages, Univesity of Wales, Aberystwyth

Alan Ryan sensibly suggests that "British academic life has become unviable". On other pages, the School of Oriental and African Studies advertises for a director of a project on endangered languages with "a salary and benefits that are commensurate with a senior academic post that are competitive within higher education", salary negotiable from £41,500, inclusive of London allowance.

Directly opposite, the University of Lincoln seeks a higher education planning manager, salary circa £45K, plus relocation.

On the next page, the University of Bristol wants a director of academic affairs with a salary "in excess of £60,000" and a director of student administration ("c. £45,000").

Are these advertisements and Ryan's column related? I think we should be told.

from Alan Ryan, Warden, New College, Oxford

As an admirer of your former editor, I enjoyed the front-page suggestion that she and I might non-accidentally have left our jobs simultaneously ("Ryan quits", *THES*, May 31). Still, it's funny to ask me whether I am leaving, and when I say I'm not, to go on to report that I am. Is this post-modernist news-gathering or have I missed some irony?

NOW GO TO [The things people say](#) - for more extraordinary fall-out quotes, including Ryan's departure puff and literary plan in *The Independent*, 13/6/02, "Sell off OUP" suggestion made by New College Bursar David Palfreyman in *The Oxford Magazine*, 14/6/02 and a delicious Beloff boast from a profile in *The Guardian*, 18/6/02.

Click to return to [the top of this file](#)

Click for related [Cherwell article](#), 7th June.

Click for [ANDREW'S LITTLE SHOP OF HORRORS](#) - full-page finale article by Reg Little in *The Oxford Times*, 21st June 2002.

Click to return to the [Malcolm v Oxford 2001-2 Index](#).

For the earlier case files:

Click to go to [Lightman's judgment of 1990](#), [The Court of Appeal judgment, 1990](#) or [the 1990 Judgment extracts](#), or the original [Case History](#), or the [1991 Damages Assessment findings](#), or to [McGregor on Royalties](#) (transcribed from the assessment hearing, 1991).

Go/return to [The Remedy + options](#), to [AKME's Law Library index](#), the [Oxford Cuttings library](#), to [Making Names](#), or to [The History of AKME](#).

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校長室 OFFICE OF THE VICE-CHANCELLOR

By fax and by mail
(Fax no.: 23580029)
Total: 29 pages



ADVANCE
AND EXCEL
香港中文大學四十周年
40th Anniversary of CUHK

騰飛四十
精進日新

(03Jy/sl/0415)

28 July 2003

Professor Paul Chu
HUCOM Convenor & President
The Hong Kong University of Science and Technology
Clear Water Bay
Kowloon

Dear

Further Additional Information to Public Accounts Committee

Arising from the letter from Public Accounts Committee (PAC) to you dated 22 July 2003, we have looked into two references which may be of some help in addressing the queries made by PAC.

I. The Future of Higher Education

Presented to Parliament by the Secretary of State for Education and Skills by Command of Her Majesty Jan 2003 (Appendix 1)

Paragraphs 1.16 and 1.17 may be particularly useful to show that the UK loses the top notch researchers to other countries (notably US) because of the striking difference between top end salaries of UK and US best researchers.

II. Recruitment and Retention of staff in UK higher Education (A Survey and Case Studies) 2001

Commissioned by the HEFCE, SCOP, UCEA and UUK (Appendix 2)

This report is divided into 2 parts - (a) a Survey and (b) Case Studies. The relevant pages, which are attached for reference, may be useful to show that

...../2

Page 2
(03Jy/sl/0415)

28 July 2003

Professor Paul ~~Chu~~

- (1) Major reasons for recruitment difficulties of academic staff are remuneration and competition from other employers.
- (2) The UK higher education loses quality academic staff particularly in the areas of computing, business-related areas, regimenting and health studies etc. The major reason for retention difficulties is competition from the public and private sectors which are offering more attractive salary levels.

The full document may be downloaded from:
<http://www.scop.ac.uk/downloads/RR%20Research%20Report.pdf>

I hope the above is of help in your collating a response to PAC. With best regards,

Yours sincerely



Ambrose YC King
Vice-Chancellor

Enc

cc Mr Jacob Leung, University Secretary, CUHK
Mr Terence Chan, Bursar, CUHK
Mrs Sophie Lau, Director of Personnel, CUHK



The future of higher education

Presented to Parliament by
the Secretary of State for Education and Skills
by Command of Her Majesty
January 2003

The danger of decline

1.11 Higher education in England therefore has a good story to tell. Nonetheless, the whole system is undoubtedly under severe pressure and at serious risk of decline. Decisions must be taken now to maintain the excellence of the sector as a whole.

1.12 The challenges are clear. Many of our economic competitors invest more in higher education institutions than we do. France, Germany, the Netherlands and the USA all contribute 1 per cent of GDP in public funding to higher education institutions, and Japan is planning to increase public investment from 0.4 per cent to 1 per cent. This compares to 0.8 per cent in the UK, rising to approximately 0.9 per cent by 2005 because of our generous spending review settlement.⁷ Our competitors see – as we should – that the developing knowledge economy means the need for more, better trained people in the workforce. And higher education is becoming a global business. Our competitors are looking to sell higher education overseas, into the markets we have traditionally seen as ours.

1.13 There are challenges internal to higher education here too:

- to recruit, retain and reward the calibre of academic staff needed to sustain and improve both teaching and research.
- to maintain the infrastructure for research and teaching.
- to make sure the investment in higher education – whether paid for by the taxpayer, the student, their employer or someone else – is used to best effect.

RESEARCH

1.14 There is a real danger that our current strength in the world will not be maintained. The Research Assessment Exercise, in which research funding through the Higher Education Funding Council for England (HEFCE) is distributed according to quality and volume of research, has undoubtedly led to an overall increase in quality over the last 15 years. But there is growing competition from other countries. Looking at Nobel prizes, or at citation rates for scientists, indicates that although our position is still strong it is declining. And we may not be making the best use of inevitably limited research funds at home. International comparisons show that other countries, like Germany, the Netherlands and the USA (where research and the award of research degrees is confined to 200 out of 1600 'four year' institutions) concentrate their research in relatively few institutions. Similarly, the Chinese Government is planning to concentrate research

⁷ These figures relate to spending on Higher Education institutions, and do not include student support. The figure for 2005 is an estimate which might vary depending on the rate of growth in GDP.

funds through the creation of ten world-class universities; and in India there is a national Institute of Technology, on five sites across the country. This suggests we need to look again at how our research is organised, and make sure we capture the benefits of concentration, and that we have a number of institutions able to compete with the best in the world.

1.15 The Transparency Review, which looked for the first time at the distribution of expenditure on research and teaching in HEIs across the UK, showed that research was under-funded, and the deficit was made up at the expense of investment in the research infrastructure, or of teaching.⁸ The effect was particularly marked in institutions which were not research-intensive. Approximately half of the higher education estate was built, to relatively low and inflexible specifications, in the 1960s and early 1970s. Much of it is nearing the end of its design life, and new requirements arise from scientific and technological advance, as well as recent growth in research volumes. The reports commissioned from JM Consulting by HEFCE⁹ found that there was an infrastructure backlog of about £8 billion, consisting of a research infrastructure backlog of £3.2 billion, and a teaching infrastructure backlog of £4.6 billion, plus a need to double spending on maintenance.

1.16 And there are continuing concerns about our ability to recruit, retain and reward the best researchers who provide the essential research leadership. Although the overall figures show a 'brain-gain' rather than a 'brain-drain' in flows of scientists into and out of the country, figures from the Royal Society support the hypothesis that the researchers moving out of the country – typically to the USA – are among our best. A survey of Royal Society Fellows found that in 1999 26 per cent of Fellows worked outside the UK (12 per cent in the USA). We need to consider how to attract and retain the best researchers internationally, and how to maintain a steady flow of the brightest and best young people into research.

1.17 Average earnings have risen considerably faster than academic pay over the last 20 years. Comparing USA and UK academic salaries, it is striking that the difference in average salary scales is far smaller than the difference in salaries at the top end, for the best researchers. This raises questions about whether our institutions are using salaries to the best possible effect in recruiting and retaining excellent researchers. International comparisons suggest we should also be thinking hard about whether institutions could do more to help the best researchers focus on research, rather than teaching and administrative duties.

8 Investing in Innovation – A strategy for science, engineering and technology (July 2002).

9 Study of Science Research Infrastructure, Report to OST, March 2002, and Teaching and Learning Infrastructure in Higher Education, Report to the HEFCE by JM Consulting, June 2002.

TEACHING

1.18 Teaching has for too long been the poor relation in higher education. Promotion for academics is based largely on research excellence, rather than teaching ability. There is no respected and defined separate professional career track for higher education teaching in its own right. Only around 12 per cent of academic staff in higher education are members of the Institute for Learning and Teaching in Higher Education, and not all of those necessarily have any formal teaching qualification. And here again there are recruitment difficulties. HEFCE's annual survey¹⁰ reveals a recruitment situation that has steadily deteriorated since the survey was inaugurated in 1998. Over 60 per cent of institutions reported difficulties in recruiting lecturers. Recruitment difficulties were particularly concentrated in certain subjects, notably computing/IT, business-related subjects, science, engineering, medicine-related subjects and education.

1.19 Students have insufficient information on how good the teaching is when applying for courses. And here again there is a story of decline: staff-student ratios have fallen from just over 1:10 in 1983 to 1:18 in 2000 and this tends to mean that students write fewer assignments and have less face-to-face contact with staff.¹¹ There is too little collaboration between higher education institutions (HEIs), which can raise standards; support the development of modules and courses particularly at the introductory level; and promote the innovative use of ICT and credit accumulation and transfer.

HE AND BUSINESS

1.20 The proportion of businesses using information from HEIs to help with innovation has increased over recent years, and is now 16 per cent of companies. But this is still a small minority.¹² When universities were asked to benchmark themselves, fewer than half declared that they had more than a restricted or partially implemented plan for business support.¹³ A succession of employer surveys reveals concerns about the skills of graduates, particularly in terms of communication and other 'soft' skills. And although UK institutions are growing stronger in knowledge transfer, their exploitation of intellectual property – to take one example – is weak by international standards.¹⁴

1.21 These weaknesses are not all of HEIs' making. Universities have often experienced difficulties in transferring knowledge to business through research and development work, and businesses are often unclear about what they want. And, though the new Regional Development Agencies are now building graduate-level skills into their planning, this is in many cases a relatively recent development. There is clearly scope for the higher education

¹⁰ Recruitment and Retention of Staff in UK higher education 2001, HEFCE.

¹¹ cf. Evidence in Independent Review of Higher Education Pay and Conditions, 1999.

¹² Community Innovation Survey; DTI (2001).

¹³ HE Business Interaction Survey; HEFCE (2001).

¹⁴ Research expenditure per patent in the UK is almost double that in the USA and Canada – *Higher education-business interaction survey*; A report by the Centre for Urban and Regional Development Studies, University of Newcastle upon Tyne (2001), table 5.7.

4.19 But good practice must become universal. All institutions need to develop strategies and systems for recruitment, performance management, training and career development which explicitly value teaching and reward and promote individual teachers. Critical to this will be strategies for pay.

Fair pay in higher education

4.20 If university managers are to deliver the high quality we expect from higher education, it is essential that institutions are able to recruit and then retain staff of the highest calibre. The recent annual HEFCE survey provided evidence of a worrying rise in unfilled vacancies across the university workforce. Among academics, particular recruitment difficulties were reported in a range of subjects (IT/computing, business-related subjects, professions allied to medicine, science, and engineering) where higher salaries were on offer elsewhere.²³ At the same time, as reported in the recent Roberts review, there are anecdotal reports of a decline in the quality of new applicants for academic jobs.²⁴

4.21 The Government invested £50 million in 2001–02, £110 million in 2002–03 and has planned for £170 million for 2003–04 to underpin the recruitment, retention and reward plans set out in HEIs' human resources strategies. HEFCE has distributed this money to institutions in return for human resource strategies that address issues of recruitment and retention, staff and management development, equal opportunities, rewarding good performance and tackling poor performance. This process has successfully kick-started the modernisation of human resource management in higher education, allowing institutions to play to their strengths and reward excellence.

4.22 Over the coming period, the Government will pursue a twin-track strategy for academic pay. Firstly, it will build on the progress achieved through this funding for institutional-level human resources plans. In addition to that funding, the government is providing an extra £50 million in 2004–05 and £117 million in 2005–06. We want to remove the bureaucracy of the ring-fence, and give higher education institutions the freedom to spend this money as they see fit, but we also want to sustain the cultural change that the human resource strategies have begun. So, once individual institutions have human resource strategies that demonstrate to HEFCE that they will take steps to move towards market supplements or other differentiated means of recruiting and retaining staff, and commit themselves to rewarding good performance, their earmarked funding will be transferred into block teaching grant.

4.23 Secondly, we are especially keen to see better pay differentiation for teachers, with institutions rewarding those who teach well. Therefore, from the additional funding for

²³ Recruitment and retention of staff in UK higher education 2001.

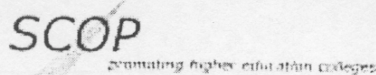
²⁴ SET for success, The supply of people with science, technology, engineering and mathematics skills, The report of the Sir Gareth Roberts Review, April 2002, esp. 5.34–5.

Recruitment and retention of staff in UK higher education

A survey and case studies

2001

Commissioned by the HEFCE, SCOP, UCEA and UUK



Preface

This publication presents the findings of two projects investigating recruitment and retention difficulties in UK higher education institutions. The aim of both projects was to assess the extent and nature of any difficulties, as well as the factors that are contributing to them.

The first report analyses the data from the fourth annual survey of institutions conducted during September and October 2001 by IRS Research, an independent research organisation. The second report is based on qualitative case study research conducted in 14 higher education institutions during the same period.

Both point to serious problems in recruiting and retaining both academic and support staff in higher education. The annual survey highlights trends and provides evidence of a worsening situation year on year since 1998. While recruitment difficulties are continuing to worsen for most institutions in certain subject and support staff areas, a minority of institutions are now experiencing recruitment and retention problems across all staff areas.

Among academic staff, the survey points to particular difficulties in recruiting staff in the areas of computing/IT, and business subjects, as well as engineering, biological sciences, the professions allied to medicine, and education. Among support staff the most acute difficulties were found in recruiting and retaining non-managerial, manual, technical and clerical staff. Retention difficulties are generally more acute for support staff than for academic staff, and are particularly severe in the case of manual staff.

Both the survey and the case study research point to pay as a major factor in the current difficulties. Higher pay offered by the private sector is affecting institutions' ability to recruit and retain support staff and some groups of academic staff in certain key areas, including engineering, IT and business-related subjects. The low starting level of academic salaries is widely viewed as discouraging the recruitment of new entrants to the profession. In some areas, such as education and the professions allied to medicine, recruitment and retention are adversely affected by the higher pay levels now offered by the NHS and state schools.

The case study research highlights the impact of these recruitment and retention difficulties on the ability of institutions to deliver their organisational objectives. Human resource managers and heads of academic departments and support functions expressed their deep concerns about the difficulties in recruiting new entrants as well as more senior staff, and they acknowledged that compromises were being made on staff quality to fill vacancies. They also cited other problems such as difficulties in delivering courses, developing research activities and maintaining adequate support services provision.

The findings are supported by several other studies which indicate the importance of addressing the current situation. For instance, the recently published report of Sir Gareth Roberts' review of the supply of scientists and engineers made clear that: 'ensuring that universities are able to recruit and retain quality staff is vital to the UK's future supply of highly-skilled scientists and engineers'. It also expressed concern at the 'low levels of pay and consequent recruitment and retention problems for permanent academic staff'.

The difficulties already apparent in attracting new academic entrants are likely to be intensified by problems resulting from the current age profile of the workforce, and the Government's plans to

expand higher education. Projections of higher education staffing point to a shrinking proportion of the academic workforce aged under 30, and a growing proportion over 50, particularly in certain subject areas. The anticipated problems of replacing those who retire in the next 10 years will exacerbate present recruitment difficulties. The Government's objective of increasing the proportion of young people entering higher education, and the concomitant need for universities and colleges to employ more academic and support staff, may create significant further problems.

The key role that the higher education sector plays in the UK economy as a whole is clear. The challenge is to ensure that the recruitment and retention problems identified in these two reports are tackled as a matter of urgency.



Philip Love
Vice-Chancellor, University of Liverpool
Chairman, UCEA



Survey

Recruitment and retention of staff in UK higher education 2001

irsresearch

Michael Thewlis

4: Reasons for recruitment and retention difficulties

As well as asking institutions to describe the nature of the key recruitment and retention difficulties they faced, questionnaire one asked them to identify what they saw as the reasons for those difficulties. Institutions were asked to comment separately on pay-related difficulties, and on any other difficulties affecting recruitment and retention.

Pay issues

Two-thirds of all respondents mentioned pay as being a major factor underlying recruitment and retention problems in the sector. Almost one-quarter of institutions mentioned pay rates in, and competition for employees from, private sector organisations, especially for support staff, but also for those academic staff with expertise that was valued in the private sector. Academic staff most likely to leave for the private sector were those employed in IT and computing, law and accountancy.

Institutions mentioned that competition for support staff was more common than for academic staff, and that IT specialists, secretaries, clerical staff and manual employees were most likely to be affected. Institutions also mentioned professional support staff in accountancy, finance and personnel as being the subject of competition from private sector employers.

Although the attraction of higher pay levels in the private sector was often mentioned, pay levels in some sections of the public sector were also highlighted by institutions. For some academic staff – most notably for professions allied to medicine and teacher education posts – higher NHS and school teaching salaries continued to act as a disincentive for practitioners to join higher education. The higher salaries, and in some cases better conditions of employment, also meant that institutions were losing both academic and support staff to employers in the NHS or in state schools.

Some respondents described the ‘uncompetitive’ pay levels in higher education as impacting on the quality of candidates applying for vacant posts and on the ability of the sector to attract young academics.

Non-pay issues

Institutions in London and other major UK cities reported that the combination of low salaries and high housing and travel costs exacerbated recruitment and retention problems. Again, this often led both to a limited pool of applicants for vacancies and to the quality of applicants being poor.

Institutions indicated that both high and low turnover rates among some staff groups were causing recruitment and retention problems. On the one hand, high turnover rates among manual, clerical and junior professional posts (and in some institutions among academics) were causing concern. Where academics were leaving, this was often for institutions which offered better promotion prospects or which had better reputations or research opportunities.

On the other hand, at some institutions low turnover rates of senior academics and professional staff were also causing difficulties. In these cases, this was impacting on internal promotion opportunities for more junior staff and causing some staff to leave and join institutions which could offer better career prospects.

One in five institutions mentioned that fixed-term contracts were causing recruitment and retention problems in their institution. As one respondent remarked: ‘Job insecurity (as a result of fixed-term contracts) means staff are always looking around for new opportunities.’ Finally, for some manual staff groups, such as cleaners, institutions reported that early morning starting times, a lack of public transport, and even the high cost of car parking was making it difficult for institutions to fill these positions.



Case studies

Recruitment and retention of staff in
UK higher education 2001

irsresearch

Jennifer Hurstfield
and Fiona Neathey

1: Introduction

In July 2001, IRS Research was commissioned by the HEFCE, SCOP, UCEA and UUK to conduct a research project on the recruitment and retention of staff in higher education institutions. The aim was to provide an up-to-date picture of the extent of recruitment and/or retention difficulties faced by UK HE institutions and the impact of any difficulties on the ability of these institutions to deliver 'world-class higher education which the UK needs in the 21st century' (Bett Report,¹ 1999).

The study involved 14 case studies of institutions, and built upon the findings of the previous research project, conducted by IRS Research in 1999.² This earlier study indicated that particular departments and support functions were facing recruitment and retention difficulties, and identified factors that were contributing to these difficulties. It also explored the impact of these difficulties on the effective functioning of the institutions, and some of the strategies being used to address the problems.

By returning to a sample of institutions two years later, it has been possible to explore the extent to which recruitment and retention difficulties appear to have intensified or diminished during the period. In addition it has enabled the more systematic exploration of issues which emerged as important during the course of the earlier study. The 14 institutions consist of eight that were part of the 1999 study plus six additional ones.

The current project concentrated on the following areas:

- Identification of the academic departments and support functions facing particular recruitment and/or retention problems and the nature of these problems.
- Identification of recruitment and/or retention difficulties in respect of particular categories of staff (including particular grades/levels of staff and those requiring professional expertise).
- Difficulties experienced and anticipated because of the age distribution of current staff (overall and in particular subject areas).
- Difficulties in attracting an adequate field of sufficiently qualified applicants for new/vacant posts; how these difficulties have been/are to be handled; and the consequences of the difficulties.
- The extent to which attracting adequate fields of suitably qualified candidates is dependent on applications from non-UK candidates.
- Identification, where possible, of the extent to which current pay, conditions of service, likely career prospects, and other factors underlie recruitment and retention difficulties.
- Exploration of mobility within the sector (turnover of key staff, movement regionally/nationally, between different types of HE institution, and into and out of the sector).
- The impact of recruitment and retention problems on the ability of institutions to innovate and on the quality of teaching and research.
- Strategies utilised by institutions in responding to current recruitment and retention problems.

¹ Independent Review of Higher Education Pay and Conditions, 1999, The Stationery Office.

² Recruitment and retention in UK higher education: case studies. An independent report by IRS Research, CVCP, February 2000.

2: Methodology

The research was carried out in 14 institutions. Selection was designed to achieve a spread of institutions by type and size, with coverage of Scotland, Wales and the English regions. Of the 14, two were in Scotland, two in Wales, and the remaining ten in England. Six were pre-1992 or 'old' universities, five post-1992 or 'new' universities, and three were HE colleges.

In each institution four interviews were conducted: one with a senior human resources (HR) professional to provide an overview of staff recruitment and retention issues across the institution; two interviews with academic heads of department (HoD); and one with the head of a support function.

In 1999, institutions were asked to select the departments which they perceived as experiencing the most severe recruitment and/or retention problems. For this study, five academic subject areas were selected along with two support staff areas in which widespread recruitment and retention difficulties had been identified across the sector via the annual recruitment and retention survey.

The following academic departments/faculties and support staff groups were selected for the study:

Academic departments/faculties

- Business-related subjects (including accountancy, economics and law)
- Computing/IT
- Engineering
- Health professions (excluding medicine and dentistry, because of a recent survey by the Council of Heads of Medical Schools)
- Mathematics

Support staff groups

- Accountancy/finance staff
- Manual workers.

In each of the participating institutions, one academic department and one support staff group from the above lists was allocated by IRS Research. Each institution itself identified a second academic department that was critical in terms of its importance within the institution. This could be another of the five core areas already identified, or a different discipline.

The core areas were allocated by IRS Research on the basis of relative size (in terms of numbers of staff and students). Some institutions also selected their chosen second department from within those areas. The resulting distribution is shown in Table 1. The other subject areas nominated by institutions are shown in Table 2.

3: Recruitment difficulties – institutional overviews

The interviews with a senior HR manager in each of the 14 institutions covered the following issues:

- Recruitment and retention issues in the institution
- Areas of difficulty and the reasons for these problems
- Strategies being used to address these problems
- The perceived impact of any difficulties on the achievement of current and future institutional objectives.

Measures of recruitment difficulty

The methods by which institutions assess recruitment difficulty varied between institutions. Not all institutions keep central data and some rely on departmental monitoring reports. This reflects the extent to which the central HR function is involved in monitoring the recruitment exercises. In some cases it appeared that data were collected centrally but the resources were not available to analyse them in detail.

The main indicators of difficulty included the number of applicants; the quality of the pool of applicants and appointments; and failure to appoint and re-advertisements.

The number of applicants

The notion of what constituted a 'small' number of applicants differed between institutions and also between subject areas. In some institutions, trends in the number of applicants were viewed as a reliable indicator of difficulties.

An old university measured the average number of applicants per post. Its data showed that over a four-year period the average number of applicants for academic posts fell by a third. In academic-related administration posts there had been a decline of 25 per cent in the past 12 months.

For 60 positions an HE college attracted over 900 applications, an average of around 15 applications per position. However, for almost half of all positions, the institution received fewer than ten applications. On average this institution was able to shortlist four candidates per position. However, in five cases, the institution could not shortlist any applicants. In a further 25 cases, the institution shortlisted four or fewer applicants. Of these 25 positions, ten were for academic jobs, and 15 were for administrative and clerical positions.

The quality of the pool of applicants and appointments

In general, HoDs had more information on the quality of both applicants and appointments than the HR heads. The HoD evidence is discussed in Chapter 10. However, some examples were provided, by the HR heads, of institutions struggling to find sufficient qualified candidates to make a shortlist.

The HR head in an old university said there was evidence of a shortage of appointable candidates. It was appointing those who only just met the basic requirements in shortage subjects.

Failure to appoint and re-advertisements

Several institutions gave examples of failure to appoint.

In the last 12 months, an old university had conducted over 1,500 recruitment exercises. The institution was unable to fill one in ten of these positions, despite receiving, on average, 20 applications for each academic position advertised. However, support staff vacancies, which accounted for less than half of all the institution's vacancies, only managed to attract an average of ten applications per position. Technical positions were the most difficult to fill, with over one-third remaining unfilled after a recruitment exercise. A quarter of clerical positions were not filled, and one in five academic posts were not filled after an initial recruitment exercise. Subjects which were the most difficult to recruit to were the natural and physical sciences.

In some cases the institution had to re-advertise a post.

An HE college had 75 academic vacancies during the past 12 months. Nine of these (12 per cent) had to be re-advertised. The re-advertisements occurred in the following subject areas: social science, education, mathematics and IT, nursing, occupational therapy, PE and sports science, and health care. In contrast less than 3 per cent of support staff vacancies had to be re-advertised: these were for staff in catering, and in the computer and IT systems centre.

In some cases the institution was not able to make an appointment despite re-advertising. Examples were given, in areas such as mathematics and biosciences, of posts being left vacant after failure to recruit, even after re-advertisement.

Academic staff

According to the HR managers, all the institutions were experiencing difficulties in recruiting academic staff in some or all of the five core areas: business-related areas, computing/IT, engineering, health professions, and mathematics. Problems in computer science were mentioned by all 14 institutions. Eight of the respondents highlighted difficulties in business-related areas, particularly accountancy. Seven mentioned difficulties in engineering, where difficulties in recruiting specialists such as computer-related engineers were singled out for comment. Not all the participating institutions offered courses for health professionals, but of the 11 that did, nine were experiencing difficulties. Finally, in mathematics, five institutions were experiencing difficulties.

Several other academic areas were identified by HR managers as having problems. Areas mentioned by more than one institution included biological sciences, education, sports science and chemistry.

Interviewees were asked whether the difficulties were affecting all categories of academic staff or only particular grades. Responses varied according to discipline, but generally the most severe problems were being experienced at the more senior levels, particularly for professors, principal lecturers and heads of department. One HE college said that recruitment became more difficult with seniority. However, two old universities said that recruitment was equally difficult at all levels, while a third said this was the case specifically in the computing department. Four institutions mentioned particular problems recruiting junior academic staff.

4: Reasons for recruitment difficulties

The HR managers were asked to identify the reasons for any recruitment difficulties they were experiencing and whether the same or different factors affected academic staff and support staff.

Academic staff

A wide range of factors was identified as contributing to difficulties in recruiting academic staff. However four key factors stand out as being most frequently mentioned: shortage of qualified candidates; location-related factors; competition from other employers; and remuneration.

Shortage of qualified candidates

A national shortage of qualified candidates was widely cited by all types of institutions as a key factor affecting recruitment in health, education, and business-related areas.

Location

Location was mentioned as both a positive and a negative factor, depending on the institution. The majority (eight) mentioned it as a negative factor. In particular, the cost of housing locally was seen as a deterrent to prospective job applicants, especially by HR managers in institutions in or near London, as well as in some other cities. However, the problems associated with housing and other living costs were seen as closely linked to remuneration levels being too low. Those who mentioned the positive aspects of location pointed to aspects such as the attractiveness of the area, and/or its proximity to a city.

Remuneration

Remuneration was regarded as being a very important factor in recruitment difficulties by ten of the 14 institutions.

The level of pay was seen by one old university as a 'big problem' affecting the recruitment of junior academic staff.

A new university said that the severe problems in recruiting health professionals had resulted in having to pay higher NHS rates on occasion. Across most of its PAMs courses this institution is now paying lecturers the higher NHS rates, combined with academic terms and conditions which are more generous than the NHS ones.

An HE college said that it was having to match salary levels in the health and schools sectors in order to recruit academic staff, and this was resulting in pressure on the payroll.

Competition from other employers

Competition from other employers was widely cited in conjunction with remuneration and location issues. The numbers mentioning competition from other HE institutions and from non-HE sector employers were similar. However, competition outside the HE sector from employers offering higher remuneration was specifically mentioned as a major factor in particular subject areas such as computing, law, business-related subjects, health, economics as well as newer areas such as media studies.

For colleges specialising in teacher education, the rise in school teachers' salaries had made it more difficult for colleges to recruit teachers into academia.

Workload

In addition to these four key factors, five HR managers mentioned workload as negatively affecting recruitment, and four said that perceived long hours had a negative impact.

An HR manager in an old university said: 'There has been a transformation in academic work from less pay [than offered by competitors] and a reasonable workload to less pay and a heavier workload.'

The use of short-term contracts did not emerge as a significant factor, as the majority of institutions appeared to have made recent efforts to reduce the number used. Several said that, with the exception of contract-linked research staff, they aimed to put all staff on permanent contracts. An old university and an HE college where short-term contracts are still in use said that they were concerned that these contracts might act as a deterrent to recruitment.

Support staff

The following three factors were cited by significant proportions of interviewees as affecting recruitment of support staff: remuneration (cited by nine institutions), competition from other employers (eight), and shortage of qualified candidates (seven).

The remuneration package was most frequently mentioned. One old university said that it was a 'substantial factor' as it paid less than other competitors in both the private and public sectors. The relatively high pay that IT staff and accountants can command in the private sector was mentioned, as well as the higher salaries for professional finance staff in other parts of the public sector. But at the lower-paid levels, mention was made of competition for manual staff from the service sector (retail, hotels and catering) as well as the NHS. An old university said that catering staff could earn more in the local hotels. A college said that trades people could earn more by being self-employed.

The scale of the difficulties affecting support staff was reflected in the fact that 12 institutions saw their major competitors for these staff as being outside the HE sector, and said that this competition was affecting all levels of staff from junior to senior professionals. Five institutions also referred to competition from within the local HE labour market.

5: Retention difficulties

In the previous research in 1999, retention problems were seen by HR heads as less serious than recruitment problems. Although the current research has found a broadly similar picture, in certain areas retention problems, particularly amongst support staff, have increased.

Indicators of retention problems

The measurement of any retention difficulties is largely based upon the analysis of staff turnover rates. All institutions collected staff turnover data, but the extent to which these data were analysed according to department and grade varied.

In addition to turnover rates, some HR heads stressed that retention difficulties were not just a question of numbers. The loss of individual high calibre staff, for example professors or heads of research centres, could have a disproportionately large impact. As one HR head in an old university said: 'We are losing all our research stars.'

Academic staff

The main area in which the severe retention problems were cited was computing (eight institutions), followed by business-related areas (five institutions). In business-related areas, the subjects that were particularly problematic were accountancy, law and economics. Four institutions cited retention problems in engineering, particularly in electronic or computer-related areas, and four mentioned health studies.

The main reasons given for retention difficulties were competition from other employers and remuneration. Only one of the case study institutions said that exit interviews were conducted by departments, and only a few HR heads had any central data on the destinations of leavers. However, around half the institutions said the main destination of academic leavers was outside the HE sector, while just under half said that they lost people to other HE institutions.

Support staff

Several support areas were cited by HR heads as experiencing serious retention problems. Ten institutions mentioned manual staff, eight IT/technical support, and seven said there were problems in administration and personnel. Eight institutions cited difficulties retaining finance staff, and an additional one was expecting problems in the near future. Retention of secretarial and clerical staff was problematic in four institutions, with a fifth anticipating problems in the future. A similar number cited difficulties retaining technicians.

The two major reasons for these difficulties were the level of remuneration (cited by eight institutions) and competition from other employers (seven). In addition, five mentioned lack of promotion opportunities. One other factor affecting retention, cited by three institutions, was that of hours of work - in particular the heavy workload for administration staff.

Nine institutions said that they were losing support staff to employers outside the HE sector, both in the private sector (finance, IT companies, services) and the public sector (local government, NHS). Only four thought that staff were leaving to go to other institutions within the HE sector, and these staff appeared to be primarily graduates and professional staff.

6: Destinations of leavers

Institutions were asked to provide information on the destinations of both academic and support staff who had left during the past 12 months. Data were requested at both institutional and departmental level. Most institutions were unable to provide aggregate information. However the personal knowledge of HoDs enabled them to provide a fuller picture. Key points from this analysis are:

- A similar proportion of staff has left HE to go into employment elsewhere as has stayed within the sector
- Business-related areas and engineering are particularly vulnerable to losing staff to other sectors
- Some institutions have seen a high proportion of their staff retire in the last year
- Analysis of the age structures of departments shows considerable variation, with the proportion of staff set to retire in the next five years ranging from under 10 per cent to over 25 per cent.

Aggregate data from institutions

Only three of the 14 institutions (two old universities and one HE college) were able to provide aggregate data on the destinations of leavers. It appears that most institutions either do not collect this information, or they collect it but do not have the resources to analyse it. The following information was provided by the three institutions.

Old university. For almost two-thirds of leavers the institution had no information on their destinations. Overall, 15 per cent were known to have joined other HE or research institutions, and 5 per cent took up posts in the private sector. A further 11 per cent had retired and 3 per cent had died. However, these data were not broken down by academic and support staff.

Old university. Over 800 staff had left the institution in the previous 12 months. In 15 per cent of cases there was no information on their destination. Almost one in five took up a post in another higher education, research or education institution; 9 per cent went to work in the public sector; and 9 per cent went to the private sector. Seventeen per cent had retired, and nearly 20 per cent had left to continue their education. A further 10 per cent were not in regular employment, and 2 per cent were self-employed.

HE college. Over 80 staff had left in a six-month period. The institution did not know their destinations in more than 40 per cent of cases. Overall, around 15 per cent of staff left for other HE institutions and a similar proportion retired. A slightly smaller proportion left to take up positions in the public sector. However, this college did provide separate data for academic and support staff. These showed that a high proportion of academic leavers, around one-third, retired; another third left to join other HE institutions; and nearly one-fifth went elsewhere in the public sector. Among support staff, less than 10 per cent moved to other public sector organisations; nearly 5 per cent joined another HE institution; and the same proportion left to work in the private sector; 8 per cent had retired and 2 per cent were self-employed. In 70 per cent of cases the institution did not have data on the destination of support staff leavers.

In several institutions HR managers said that individual departments held the most detailed information, and HoDs tended to know the destinations of their leavers.

Data from heads of academic departments

Heads of department were asked to supply information on the destinations of staff who had left their department during the past 12 months. Table 3 summarises data on the destinations of 98 academics in identified shortage areas who had left a post in the case study institutions during the

12 months prior to this research. The heads of 18 out of 28 departments/faculties were able to supply this data. In a further three departments there had been no resignations over the reference period. Seven departmental heads were not able to provide the requested information.

Table 3 – Destination of academic leavers (data from heads of department)

Subject	Destination					Total
	Retirement	Other UK HEI	Overseas HEI	Out of HE	Other/ not known	
Biological sciences	-	-	-	1	-	1
Business-related subjects	-	11	1	11	1	24
<i>Of which:</i> Law		5		5	2	12
Accounting/finance		1		4		5
Computing/ IT	2	3	1	-	-	6
Education	1	3	-	2	2	8
Engineering	7	2	-	4	-	13
Health studies	12	6	-	5	2	25
Mathematics	6	3	-	2	3	14
Media	-	1	-	3	3	7
Total	28	29	2	28	11	98

As Table 3 indicates, in some academic disciplines – notably mathematics, health studies and engineering – the largest numbers of leavers went into retirement. This included an engineering department in a new university where six members of staff retired early.

In engineering and business-related subjects, such as accountancy and law, leavers were more likely to go to a job outside HE than to move to a post in another HE institution. For example, the law department of a new university had seen five lecturers leave over the past year. Three of these went into private practice and two went to work in specialist private sector colleges offering legal training. In an old university four members of the accountancy department left, and of these three went into private practice.

These more detailed data for academic staff indicate that overall nearly one-third were retiring, nearly one-third were moving elsewhere in HE, and nearly one-third were moving out of HE altogether.

7: Strategies for addressing recruitment difficulties

HR heads were asked what initiatives their institutions were taking to address recruitment difficulties, including whether they were taking any measures with funding under the HEFCE's initiative for rewarding and developing staff.

Academic staff initiatives

The following areas are ranked in order of the number of institutions undertaking particular initiatives:

- Addressing the remuneration package (10 institutions)
- Improving recruitment advertising (7)
- Offering part-time contracts (7)
- Enhancing non-pay rewards (6)
- Recruiting staff from abroad (5).

The remuneration package

This area clearly was seen as a key one, although the national pay scales were seen as offering limited room for manoeuvre. However, one new university had introduced a new contract in which the minimum starting salary for academic staff has been increased to £21,000, and the pay scale thereby reduced by five points. Other steps being taken included: advertising posts across two grades (eg lecturer/senior lecturer) in shortage areas. Two old universities said that they were exploring ways of introducing merit/performance-related pay.

Improving recruitment advertising

Initiatives included the use of on-line recruitment, and looking at better ways of communicating the range of benefits offered by HE employers.

Recruiting staff from abroad

Use of this strategy has increased significantly since 1999. This does not refer to attempts to attract an identified eminent senior academic with a high research profile, but to recruiting lecturers from other countries, including Eastern Europe, as a means to fill gaps in areas experiencing problems. Three old, and two new, universities indicated that they had used this strategy, and one further old university, while not defining it as a 'strategy', had nevertheless recruited a large number of staff from abroad in disciplines such as mathematics and IT. In one new university the number of academic staff from abroad being processed for work permits had trebled in the last 12 months. The impact of this strategy on the perceived quality of teaching in some areas is considered in a later chapter.

Part-time contracts

One strategy that was mentioned as being very successful by a few institutions was that of offering part-time contracts. However, this was seen as applicable in only a limited number of areas such as health studies, where appointments can be held in conjunction with work within the NHS; and in media, art and design where prospective HE staff also wanted the opportunity to work on a freelance basis.

8: Strategies for addressing retention difficulties

Academic staff

Generally, the retention of academic staff was not perceived as being such a serious problem as that of recruitment. As a result, fewer specific measures were cited by HR heads as being in place to address retention issues. There was a widespread view that, once staff were in post, some of the factors that had been important in affecting recruitment, such as location, were no longer significant in determining whether or not people stayed.

Five institutions were taking steps to enhance the remuneration package. Two institutions – one college and one new university – said that they would try to match salaries if someone had an offer from another HE institution.

In addition to remuneration, the main focus appeared to be on the issue of career progression. A few institutions said that they applied a 'flexible' or 'fast-track' approach to promotion to retain key people. One new university said that it was seeking to develop alternative career routes leading to the principal lecturer scale to reward excellence in teaching or entrepreneurship. One HE college said that it was planning to introduce a scheme for additional payments, above the top of the lecturing scale, for people who would not otherwise justify promotion but who had made a significant contribution to teaching and student-related administration.

Support staff

For support staff, the major focus was on enhancing the remuneration package, mentioned by over half the HR heads. Market supplements, loyalty bonuses, and pay reviews were all mentioned. One old university was conducting a review of manual staff and looking at enhancing basic pay levels by consolidating allowances.

The second area mentioned was that of enhancing non-pay rewards and improving staff development opportunities. This included funding for staff to undertake university courses, opportunities for secondments, and IT training.

Measures funded under the HEFCE initiative

The initiatives cited by institutions for retention were largely the same as those described in the previous chapter to boost recruitment. This is because measures related to remuneration are seen as having an impact on both recruitment and retention. The main distinctive initiatives in addressing retention are in the area of staff progression, with a few institutions having a specific focus on improving staff development opportunities for both academic and support staff.

10: Recruitment and retention difficulties in academic departments

As part of this research project, two heads of academic departments and one head of a support function were interviewed in each institution. All the interviews involved the completion of a data sheet about recent recruitment exercises. However, it should be noted that departments were asked only to provide details on up to four recruitment exercises conducted in the last 12 months. In some cases departments had had a considerably larger number of vacancies to fill over that period. The findings in this chapter are based on the interviews with the HoDs and the analysis of the recruitment exercises in each department.

Some key findings of this chapter are:

- Recruitment difficulties are more common than retention difficulties, but the majority of HoDs interviewed were experiencing problems in both areas.
- Analysis of the recruitment exercises indicates that a high proportion in some subject areas were either resulting in an unfilled post; or in the appointment of a member of staff who did not fulfil all the requirements of the post. These included: accountancy/finance (68 per cent); computing/IT (46 per cent); and mathematics (37 per cent).
- The main reason for recruitment and retention difficulties given by HoDs across all areas was the HE remuneration package compared with that of labour market competitors.
- Other factors contributing to recruitment problems were seen as unwillingness of the most able students to make the sacrifices involved in undertaking a PhD, and problems with research funding.
- Reasons cited for retention problems included volume of work; the balance between teaching, research and administration; and the lack of promotion opportunities.
- Major strategies used by HoDs to address problems included making use of existing pay flexibilities; use of market supplements; encouraging secondments from health and education sectors; job redesign; and recruitment from abroad (especially in computing, IT and mathematics).

Recruitment and retention issues and the outcomes of recruitment exercises are analysed in the following departments/divisions:

- Business-related areas
 - Accountancy and finance
 - Law
 - Other areas including marketing and HR management
- Engineering
- Computing and IT
- Health
- Mathematics
- Education
- Biological sciences
- Media.

Business-related areas

Business-related subjects include management studies, economics, accountancy and law. However, law departments are sometimes separate departments or faculties and sometimes integrated within business studies or social science faculties. Eight HoDs were interviewed, of whom two were the heads of separate law departments.

All but one of the HoDs said that they were experiencing difficulties in recruiting. Both the quality and size of their applicant pools were considered to be serious problems.

Within business-related areas, accountancy was the hardest specialism to recruit. The key factor seen as explaining these recruitment difficulties was the shortage of qualified accountants prepared to enter an academic career given the higher level of remuneration available outside the HE sector.

In an old university experiencing 'very severe difficulties', the head of accounting said that universities were expecting graduates to get an MA followed by a PhD and research experience before securing an academic post. By the time they had done that they were in their thirties and could not be expected to work at a university for £22,000.

In a new university the shortage of qualified candidates for academic accountancy posts was attributed to 'the salaries offered when compared with private practice'.

The level of academic remuneration was generally seen as a major factor in all business-related areas. The private sector was a major competitor offering higher salaries.

The HoD in an old university said that starting salaries are the most important factor, particularly for graduates and PhD students. Once people left the HE sector for higher salaries in the private sector they seldom go back to considering academic jobs at all.

In one faculty in an old university, the head highlighted the particular problems of attracting economics graduates. The head considered that UK students were not continuing to do doctorates in economics because the career structure and remuneration were so poor. 'After a two-year MA, a graduate can earn more in the private sector. Fewer graduates think about an academic career now.'

In one of the law departments, the HoD said that it was difficult to get the most able graduates with a first class degree into academia. 'This used to be the obvious choice, but now when they have completed their training, they can get £30,000 in a major law firm as compared to £19,000 as a lecturer. One junior lecturer whom we had arranged to move from half-way up the A scale to the top of the B scale was headhunted by two different law firms in London and started on £40,000. Within a year he was earning £70,000.'

The four old universities, but not the two new universities or HE colleges, were also facing retention difficulties. Those who left tended either to move to other HE institutions for promotion, or to leave the HE sector for private practice.

Another concern mentioned by half the HoDs, again those in the old universities, was that workload pressures were affecting recruitment. One HoD in an old university said that the hours of work and workload had increased beyond all recognition.

Two HoDs said that they were trying to address the problem of filling academic vacancies by looking at ways of enhancing the remuneration package, through increased use of flexibility and by accelerating the promotion timetable.

An appointment was made to all 12 of the law posts, but in the cases of three lecturing posts (one-third of all the lectureships) the person specification was not seen to be fully met by the appointed candidate, for example because they did not have the appropriate teaching experience.

Other business-related areas

Four institutions provided information on recruitment to a total of ten posts in other business-related areas. These included two lectureships and a chair in marketing and two lectureships in human resource management. One post was a professorship in a public sector management area, and the remaining four posts were research positions. In one case the recruitment process had not been completed at the time of the research. In eight of the ten cases the HoDs commented on the pool of applicants: in five the applicant pool was seen as adequate or good, while the field for the three other posts was poor.

A college was seeking to appoint at senior lecturer or principal lecturer level to a human resource management post. It found applications to be 'disappointing', especially from those aiming for the more senior post. The appointment was finally made at senior lecturer level.

An old university had 20 applications for a lectureship in marketing, but only two of these were suitable for shortlisting. In the end no appointment was made.

However, where institutions had been able to make an appointment, in no case was the appointee seen as falling short of the requirements for the post.

Engineering

All four departments were experiencing recruitment difficulties reflected in the size and/or quality of the pool of applicants.

In one old university, until this year the HoD had expected to receive 50-100 applicants for an academic post and to have shortlisted 15-20. But the number of applicants had declined to 30 or below and the number who could be shortlisted to fewer than ten.

Remuneration was seen as the key factor in all four departments. The main competitors are private industry, where candidates with PhDs can get a much higher starting salary than in the HE sector. Examples were given of high-tech companies offering a graduate with a PhD a starting salary of £25,000. One HoD said that some private sector companies not only paid engineers a higher salary but also offered a range of benefits that outstripped what the universities provided.

Two departments were experiencing retention problems. One reported that it was currently losing its most experienced and innovative staff. Another HoD said that it was particularly difficult to retain specialists in communications engineering and, to a lesser extent, mechanical engineering. A third HoD expressed serious concerns that the department could lose some of the most innovative academics who had created spin-off companies: 'They currently have a foot in both camps, but they could leave and go to the companies full-time.'

Two of the departments also reported significant problems recruiting and retaining support staff, including technicians, clerical, secretarial and administration staff. These difficulties were putting pressure on the research infrastructure.

The two departments that had participated in the research in 1999 said that both recruitment and retention problems had increased over the two-year period.

Analysis of engineering recruitment exercises

Four institutions provided data on 16 recruitment exercises. These data suggest that the institutions concerned are struggling with narrower and poorer pools of candidates than in previous years, but they are, by and large, able to make adequate appointments.

Four of the recruitment processes had not been completed at the time of interview. Of the remaining 12 posts, 11 were lectureships and one a readership. In four cases, including the readership, the size of the applicant pool was smaller than in previous years. None of the applicant pools was described as poor, but in one case there were only two shortlistable candidates. In one case, the comment was that 'there was only a minority of good candidates; most did not occupy comparable posts elsewhere, and 70-80 per cent were from non-UK postgraduates'.

However, in only one case was an appointment not made on the first round. In all cases where HoDs commented (eight posts), the appointee was reported as fully meeting the requirements of the post.

Computing and IT

In four institutions interviews were conducted with the head of department, or faculty, responsible for computer science and/or IT. All four departments were facing recruitment problems and three had retention difficulties.

Problems were described as general in three of the four institutions. Specific problems cited were, in an old university, for both lecturing and research staff in informatics, and in a college, for networking and database specialists. In two of the three institutions involved in the 1999 study problems had become worse in the last two years; in one they had remained the same.

All four HoDs said that the main reasons for recruitment problems were the shortage of qualified candidates and the ability of UK competitors outside HE to pay higher salaries. In addition, two HoDs – in an old university and a college – said that the department faced competition from other countries. For example, the college had lost a network manager employed on a salary of £21,000 in the UK who moved to earn £60,000 in the USA.

Other reasons given by particular institutions for their recruitment difficulties included: problems with research funding (an old university); misunderstanding among potential recruits about what is required of IT lecturers in an education context (a college); and a workload involving 'too much teaching' (a new university).

Lack of internal promotion opportunities was cited as a major reason for retention problems. The heads of two departments – in one old and one new university – were concerned about the impact on staff retention of the age profile of the department.

In two institutions (a new and an old university) recruitment from abroad was one of the main strategies being used to address recruitment problems. Other approaches included developing links with industry; 'informal networking' as a means of attracting recruits from other institutions; and, in a new university, the use of both enhanced pay packages and part-time contracts to attract candidates.

Analysis of computing/IT recruitment exercises

The data on recruitment exercises confirm that, for a sizeable proportion of computing/IT posts, it is difficult for departments to draw up an adequate shortlist, and a number of vacancies are not being filled in the first round of advertising.

Data were provided on recruitment to 16 posts in four institutions, but in two cases the recruitment process had not been completed at the time of interview. One of the posts for which the process

as meeting the requirements. However, for one appointment – a senior lectureship in adult nursing at a new university – the department concerned had to compromise by 'changing some aspects of the person specification from essential to desirable.'

Mathematics

Heads of departments or faculties including mathematics were interviewed in three institutions – two old universities and a college. All three institutions were experiencing some problems with the recruitment of staff and two of them also faced retention problems.

Statistics was cited by two old universities as a particular shortage area where there is strong competition from outside HE. However, one of these institutions described general problems extending across the discipline.

'Our problem areas are: statistics – all grades, and maths lecturers in both pure and applied maths. Within applied maths it is particularly difficult to recruit to numerical analysis and we have very low numbers applying. Pure maths is easier but still very difficult.'

The problem faced by the college was a different one: here the national shortage of maths specialists in schools was making it very difficult to recruit lecturers with school teaching experience.

In the short to medium term the age profile of the existing workforce seemed likely to result in further gaps in staffing in both of the universities. In one case nine out of 44 staff were within five years of retirement, and in the other, seven out of 50 were in this age group.

In response to the problems they faced, the two universities relied strongly on foreign recruitment.

One HoD had recruited from the rest of the European Union and from the USA. 'I could not staff the department without foreign lecturers. Eight out of my last nine appointments have been non-UK lecturers.'

The HoD in the other university explained why this strategy was effective: 'We attract staff from other countries. The style of applied maths in the UK is seen as attractive. Also we have more opportunities for permanent posts than a lot of institutions in other EU countries, where there tends to be a lot of fixed-term contracts and a few people in very high status positions. We also get a lot of people from China and Russia – just because they want to get out.'

Other recruitment strategies included appointing at above the minimum advertised pay rate: this was applied to some degree by all three institutions.

Increased pay, including 'promotion', was being used as a measure to retain key staff in all three institutions. This included the one university that was not currently experiencing retention problems, but where the HoD was endeavouring to anticipate potential difficulties. 'We have a few highly poachable people and I'm trying to hang on to these.' For example he was trying to get promotion for a talented applied mathematician.

Analysis of mathematics recruitment exercises

In the three institutions, recruitment exercises had been conducted for a total of eight posts. In a number of cases, particularly appointments to specialist areas such as statistics, the data indicate that it is proving difficult to make adequate appointments.

All the eight vacancies were lecturing posts. In two cases the pool of candidates was described as poor. In one case – a lecturing post in an HE college – no appointment was made. In two other cases the appointed candidate only partially met the requirements of the post. One of these