Deal or No Deal

The talent challenge in a post Brexit world

UHR

Universities Human Resources

GatenbySanderson
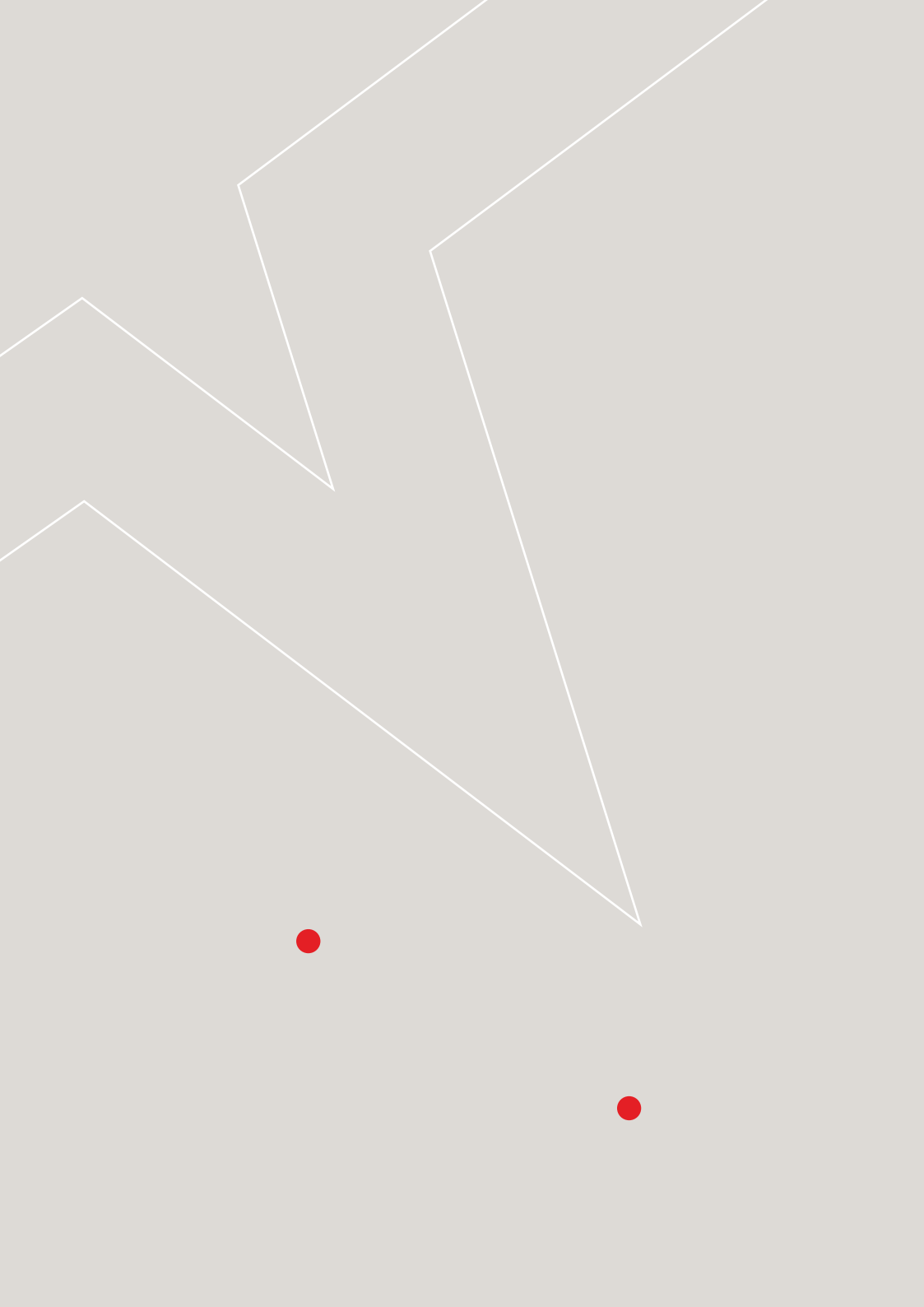
Foreword

In January 2017, we published a report in collaboration with UHR on the Talent Challenge in a post-Brexit world. With the countdown to March 2019 looming, we revisit this report and reflect on the challenges, universities face in light of a deal or no deal Brexit.

In 2017 we asked what does Brexit mean for universities? We knew that change would follow for our society and our economy including the freedom of movement into and out of the UK. What we didn't know then was that more than 2,300 EU academics would resign from UK universities as a result of Brexit (Independent, January 2018), with the number likely to have risen further in recent months. We speculated that applications to UK institutions from EU students would be affected by the referendum result, but a dip of 4.4% in 2017 was the stark reality.

The prospect of a no deal Brexit is now a distinct possibility. Despite reassurances from the government, we have to prepare for the worst. Without a deal, EU staff and students could be left in the lurch, with visa applications skyrocketing. EU-funded research and innovation schemes would cease, leaving ground breaking projects in limbo. With many UK universities preparing to draft their strategic plans for 2020 and beyond, based on world-class research and global recruitment strategies, Brexit puts a real spanner in the works. How will it affect international perception of the UK as a place to live, work and study? Are we still open for business? How ready will universities be to respond to changing markets and trends? Will they have the right leadership in place to steer the course?

The insight gathered in this report, seems even more relevant now as March 2019 draws closer. We hope that as an influential voice within your own university you will recognise and relate to what we've heard from your peers and that you find the questions this paper raises thought provoking.

Introduction

At GatenbySanderson, our core business is leadership – finding outstanding leaders and developing them for the future. Much of our business involves searching for senior academics and corporate leaders, in addition to Vice Chancellors and members of councils and wider boards. In order to achieve this, we rely on a series of fairly well founded and largely proven assumptions about what most leaders today are likely to achieve in their working lives, the skills they have probably developed and the way in which they work with others.

However, no two universities are the same and no two leaders are identical. In the course of our work, especially in recent years, we have observed a number of trends common to all leadership roles in the Higher Education sector that have a direct bearing on the priorities for senior teams now but also moving into the future.

It's clear that the challenge of leading and managing universities at a time of unprecedented change in the UK will demand more from our leaders than ever before – almost certainly, it will demand a radical shift in behaviour and outlook, in addition to more conventional assumptions about knowledge and experience.

The extent of change needed remains to be seen, but we know it will be significant. Universities need to prepare now - we have already started to see the effects of uncertainty on sector confidence.

" There is a sense of

Many university leaders are already starting to address increasingly complex business and operational leadership issues. And it is widely acknowledged that leadership jobs in the Sector are changing. Our universities are already reliant on a compact pool of proven leaders, with recognised capability and profile, but recent evidence suggests that it is hard for rising talent to gain access to this pool. Why is this and what should be done about it?

The shadow of Brexit will disrupt the conventional and recognised model of "good leadership" because it will fundamentally change the rules of the game. Universities will need to understand where new pressures will arise and what will be required to turn Brexit into an unprecedented opportunity for the Higher Education sector.

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We need to be able to see opportunities and run with them.

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denial.

Future proofing our universities has to start now

Universities have accepted the significant impact that Brexit – deal or no deal will have on UK institutions, however, it is clear that not enough is yet being done to anticipate, understand and prepare for the challenges ahead. For instance, despite expectation of a major shift in future leadership requirements, the majority of respondents told us that succession planning was ineffective, that middle managers are struggling to progress to more senior roles and that diversity – within universities and at Council – was limited.

Longer term, all of this will place a premium on universities' ability to attract the specialist talent they need for core managerial roles from outside the UK Higher Education sector. In the meantime, there is work to do in developing existing capability and in tightening performance management to ensure universities can grow their own leaders.

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Our HR strategy is an exemplar in brevity! We need to develop the workforce but there is a real gap in workforce planning.

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What you told us:
three key messages

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The link between high-level strategic planning and the identification of leadership requirements and capability will need to be stronger in a post-Brexit world.

At a time of declining funding and increasing competition, it's likely that our universities will need to become more agile and innovative to survive. 80% of respondents indicated that their university did not directly link future strategy with the capability required to implement medium and long-term plans. HR should play a more influential role at the most senior levels of university leadership as universities consider the leadership calibre required to deliver increasingly demanding plans. This will include transformational change and new thinking.

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The post Brexit world will value courageous leaders.

A striking message emerging from our conversations is that universities consider themselves to employ some highly talented leaders in senior management roles – this is quite clearly the case in a wide range of organisations. However, there is a serious consideration as to whether or not that cohort will still offer the skills and behaviours needed to take universities through the post-Brexit era. Attributes you highlighted as increasingly attractive include: being able to sell the vision; entrepreneurial and commercial flair (in particular, willingness to take calculated risks), and a more collaborative approach. Some universities will be culturally better equipped to address these changes than others, depending on their current values, status and heritage. However, all universities traditionally driven by academic excellence will need to review and most likely strengthen the managerial capabilities of their academic staff. All of this will take a bold and courageous approach requiring departure with past practices.

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Behaviours will become more important than skills and experience.

Universities will require leaders who demonstrate a distinctive set of behaviours associated with the task of running complex organisations in unfamiliar conditions. As above, this may include attributes such as increased willingness to challenge the status quo, and sharper commercial acumen. But such shifts often require cultural transformation which may take many years to achieve. Respondents were sceptical about the Sector's overall appetite for challenging traditional thinking: whether or not this is the case will, of course, be tested by Brexit.

We need individuals who are inspirational and innovative.

What will it take it to be an effective leader in a new era?

1. **Vision**
   Effective leaders will inspire whole organisations by articulating vision in a compelling way

2. **Analytical Capacity**
   Ability to understand and interpret an increasingly complex landscape and make clear short, medium and long-term decisions

3. **Inclusion**
   Strong leaders will actively set out to listen to, and engage, others in the formulation of strategic and organisational plans

4. **Courage**
   In a post-Brexit era, leaders will be forced to break with tradition in the context of unprecedented market conditions

5. **Commercial Confidence**
    With increased pressure on resources and a greater regulatory burden, leaders will need to consider the commercial sustainability of their universities more than ever before

6. **Influence & Credibility Externally**
    The most effective leaders in Higher Education will be those who carry broader reach and influence beyond their own university

7. **Resilience**
    Effective leaders will need personal tenacity, agility and pace to navigate the unknown

Addressing the potential impacts of Brexit: taking action now

Our conversations with you indicated some substantial considerations for HR Directors. While not all of these directly correspond with Brexit, they all have a bearing on universities' ability to deliver change as a Sector.

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> With limited career advancement opportunities, how are leaders being stretched and developed in their current role to ensure they can effectively respond to the post – Brexit world?
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According to HR Directors, retention rates are considered to be very high for universities; higher than other parts of the public sector.

This has the potential to block the introduction of new skills and behaviours into the organisation – both through lack of opportunity and prevailing culture – and can slow down the pace of change. Given that almost 100% of respondents claimed such high retention rates, how quickly can we adapt to the post-Brexit world?

With limited career advancement opportunities, how are leaders being stretched and developed in their current role to ensure they can effectively respond to the post –Brexit world? As an organisation, how confident are you that you have an evidence-based understanding of your leaders' future potential and aspirations? Such insight can open up alternative, non-traditional career options for individuals and for the organisation.

Life post-Brexit will demand skills and behaviours not traditionally home-grown within UK universities.

This means two things: first, universities will need to become more adept at succession planning, identifying and developing the attributes they need for the future; second, they need to become more attractive employers to talent from other sectors who may historically have been deterred by a traditional perception of the Sector.

This potentially has a massive implication for universities, not just from an HR perspective but also from a strategic positioning and brand management point of view. On a more practical note, simple changes such as ensuring effective induction, understanding of the HE culture and support for those moving into Higher Education for the first time will ensure greater impact and retention of key senior staff. What is your university doing now to prepare for this shift? How are you going to attract candidates to develop diversity and the skillset?

Nearly three quarters of those we talked to told us about the immediate need to strengthen the management and leadership skills within the academic community.

The more recent, intense focus on research output has led universities recruiting key academics to prioritise strong academic credentials over leadership capability and potential. We observe a strong preference for attracting and securing academic talent through academic routes and traditional recruitment methods, with the effect that management and leadership behaviours are often disregarded and ultimately underdeveloped. How will universities review their academic recruitment processes to attract and secure the expertise and credibility they need, whilst also ensuring a more flexible academic staff? How will you manage the development of rising academic talent into strong leaders?

Sharing Practice:
tips from your peers

The purpose of this exercise has largely been to collate and share examples of practice from different universities. It is clear from our conversations that universities' willingness and potential to address Brexit now is, to an extent, linked to their brand (and self-perception), prevailing culture, and heritage and ethos. Consequently, everyone is at a different stage of acceptance of the Brexit situation and their ability to respond to it and resolve any problems ultimately arising from it. Those who have been giving the issue more consideration were keen to offer the following advice to peers concerning finding the right skills for the future challenge:

"Skills you can find; it's much more about behaviours..."

"Be bold and fresh with recruitment... be prepared to go out and look for the skills you need in non-traditional places."

"Maximise your brand and make the most of social media to attract the best people."

"Have the courage to insist that interpersonal skills are vital. This should be part of the recruitment process."

"Build a comprehensive leadership programme. We use coaching and mentoring and have even started designing assessment centres for middle managers to try and spot talent early on."

"Approach recruitment with an open mind. Post Brexit, universities will need to be prepared to take a gamble on less experienced candidates, and then support them to grow into roles."

"It's essential not to recruit in the image of current leaders or teams. In the upcoming new era for universities, different personalities and skills will be essential to help deliver change."

"You need to understand what's beneath the surface of applicants and their cultural fit. You need to appoint people to fit your longer-term strategy, whilst also being agile, as leaders need to complement each other as part of a bigger leadership group. Attracting good quality people is hard work, they need to be excited by a vision; it's not all about money and title."

Conclusion

Whatever the next few months brings, a deal or no deal Brexit has created unprecedented uncertainty for universities as it has for all other parts of the Public Sector, and society at large.

In 2017 we concluded that the two-year negotiation period offered valuable time and space for university leadership to consider their current position, anticipate the change that may be most relevant to them, and put in place the foundations for adaptation. We no longer have the luxury of time. Universities need to act now in getting to grips with the prospect of change. Whilst the onus cannot solely be on HR Directors, this community now has an unprecedented opportunity to influence the Sector's response to many of the operational challenges presented by Brexit.

In the words of one respondent:

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We should work together for the benefit of the sector.

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But how well equipped are today's HR professionals to persuade, influence and adapt in order to ensure their organisation is positioned to overcome such game changing developments? To what extent will this community alone need to come together to review the options available if we are to keep our universities at the cutting edge of higher education internationally?

In drafting this short summary report, we have specifically captured the issues you have raised with us. But we have two questions to ask you in return: do you feel equipped to rise to the challenge of the post-Brexit world in your university? What steps are you taking professionally to ensure you can challenge the status quo where needed, and play your part in protecting the future success and sustainability of your university?

Acknowledgements

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