#### **ACU-HRM Network Conference**,

#### **Keynote Address on**

## Challenges for Tertiary Education Institutions: Implications for the Management of Universities

by

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#### Ladies and Gentlemen

#### Good Morning.

First of all, I would like to extend a warm welcome to all the delegates who have made it for this Conference in Mauritius. I would also wish to thank the Director of the Association of Commonwealth Universities, distinguished Professors from the University of Mauritius, the Conference Chairs and organisers for having kindly invited me to deliver a keynote speech at this 7th ACU HRM Network Conference.

#### Let me start with a truism.

Organisations are driven by people and human resource management and development are considerations that all countries, companies, CEOs and Heads of States are called upon to handle and deal with. An understanding of HRM is a skill that all leaders should and must possess if they are to successfully navigate their organizations, countries and people through our modern era.

And what does characterize our modern era is the prevalence of both risks and opportunities.

Although the world economy still remains somewhat fragile, growth in emerging markets is returning tentatively. However, rising inequalities, macroeconomic concerns, and high unemployment—particularly among the young—continue to afflict many economies---and not simply the less advanced. Our world is becoming more complex, and that with countries the world over becoming more and more interconnected. The result is greater competition and also greater risk and this is reflected and evidenced by countries being confronted with major adaptive challenges as well as profound transformational opportunities.

For a University to be successful in this new era, it requires not only strategic agility but, more importantly, the development of strategies that build and consolidate its resilience to risk.

What does this imply and what does it entail?

It implies that manpower alone will no longer suffice to drive a University. And, if Universities the world over are to face the fast-paced and fast-increasing competition that has befallen the tertiary education landscape, it entails the combination of investment in human capital with investment in technology and infrastructure

It is important to recognize that competition can produce results that are both good and bad, both desirable and undesirable. Increased competition will provide more options for students, and students will respond by maximizing benefits to themselves as individuals. The result is that universities will face increasing competition for both students and revenue generation.

This is why I shall highlight some of the key factors that can act as drivers of a University's operational and financial resilience but also

factors that erect barriers towards such sustainability.

**Ladies and Gentlemen**, The measures that were used to gauge a university – excellence in teaching and research -- are changing with the advent of new competition. Because undergraduate education is the largest part of the educational component of universities, it plays a key role in the form the integration of functions takes.

Following the highest aspirations of education, universities focus much of their rhetoric and efforts on providing an undergraduate education that will prepare the student for a lifetime of achievement and successful adaptation to change. That is, much of the focus is not on skill development for the first job, but on aspects of a liberal education such as critical thinking, love of learning, curiosity, judgement, etc., that prepare the student to be a lifelong learner.

As valuable as these attributes are, they are very hard to measure. Consequently, various alternative yardsticks are used to value the product and service offered by a University.

Today, one measure to gauge the quality of an undergraduate university education is the speed with which the graduate can secure employment. We often used to traditionally refer to research as <u>the</u> Critical Success Factor that makes or breaks a University. But now, equally important, if not more important, is the ability of and likelihood for the graduate to secure lasting employment, and that, shortly after having finished her tertiary studies.

And herein lies perhaps the real acid test, both for the graduate and also for the university: the success of a University will increasingly be judged by the employability of its graduates. Notice that I stress the term "employability" and not "employment". Employment always comes with the potential risk of no longer being employed. Employability, for its part, mitigates that risk simply because the person has and is developing a set of attributes that will ensure that he gains, retains and maintains his employment status.

It is common knowledge that there have been huge changes in the higher education systems of most countries over recent decades. In particular, the increasing importance of the service sector coupled with the growth and buzz of the knowledge-based economy have led to an increase in the number of universities, the world over. Mauritius is no exception. However, this significant increase in Higher Education provision has also been accompanied by fundamental shifts occurring in the ever so dynamic labour market, a market in dire need of professionals. These are now expected to be equipped, paradoxically, not only with specialist skills but also a very versatile set of soft and technical skills spanning finance, management, psychology. accounting, taxation, public relations, marketing, production and, above all, ethics.

Ground reality has it that a degree is no longer enough to guarantee a graduate a satisfying future career. In many sectors, recruiters are looking for 'work-ready' graduates with clear evidence of job specific skills in addition to high level graduate attributes.

The implication for a University or a tertiary education service provider is obvious.

For a University to have the competitive advantage in the job market, its students need to have developed their employability throughout their time at University!!

And for Employability to transpire and immerse itself in an undergraduate or post graduate programme, the university must have embedded it in its operational and strategic plans.

Traditional Universities, we know, have always focused on excelling in teaching and research and this often meant that a university would strive to equip the student with a set of life-long learning problemsolving skills which would allow her to embrace and adapt confidently to the several responsibilities at the workplace.

But that does not mean that the student is a work-ready graduate-not by a long shot!

And yet, increasingly, this is what employers are looking for.

How does that add to the threats that traditional Universities face?

Many undergraduate degrees have now mushroomed, academic offerings from proliferating profit-making tertiary institutions. These universities or Higher Education Institutions focus more on the educational component of the programme. The expensive components of research and social infrastructure are almost non-existent, leading to a very different cost structure. Moreover, facilities are often rented rather than owned, and generally contain nothing other than faculty offices, teaching laboratories, and classrooms. Student facilities such as dormitories, athletic facilities, and elaborate student unions are nonexistent. Capital costs are correspondingly quite low in comparison to those of a traditional research- driven higher education institution.

And because the profit -making universities focus more on teaching components of the programme and much less on research, certain degrees on offer can be obtained at a price far lower than that set by a research university.

That further compounds the financial hurdles that research universities face, in itself yet another challenge that Universities have to manage.

Indeed, research is a very expensive enterprise. It requires very costly facilities – libraries for the humanists, laboratories for the scientists, access to data streams for the economists, computers and networks for everyone. The direct external cash flow to cover the research function of the university comes primarily from grants and contracts from government, Research Councils, foundations, and corporations. However, most of these grants and contracts will not cover the complete cost of the research, and implicitly or explicitly require the university to share costs.

In addition, competition for the faculty who do the best research is quite intense, and they are expensive to hire. And what makes matters more difficult for a research- led University facing new competition is that the revenues attributable to the research component of the university often fall short of its costs. As a consequence, the research component of the university requires considerable internal subsidization.

Ph.D. programs are a perfect example of the integration of the research and educational functions of a research university. However, educating a Ph.D. student is among the most expensive forms of education ever invented. It requires an immense amount of faculty involvement and university infrastructure. Although some portion of the cost of educating some of the Ph.D. students is covered by grants, most of the total cost must be covered by internal subsidization.

#### Distinguished Guests, Ladies and gentlemen,

I would like to nonetheless emphasize that, irrespective of the financial constraint, research is of paramount importance for a university.

It is the research productivity and visibility of the faculty that primarily define faculty quality to the general public. The importance of having the "right" people who are actively creating knowledge to teach students has been widely propounded by the research universities for decades. Thus, striving towards a research-driven culture is imperative for any university that wishes to move up the University rankings.

What, then, does create a difference, a sustainable difference and a definite competitive advantage for a University, is its ability and willingness to carry out and disseminate meaningful research.

What do I mean by 'meaningful' research? Doubtless, publication in rated journals is highly important, but of equal if not greater importance is the <u>outreach of the research</u>. Research universities are defined by their serious and pervasive commitment to research, the excellence, breadth and volume of their research outputs and the way in which that research culture permeates all of their activities, from teaching and learning to their engagement with business, government and the broader community.

The intellectual cognoscenti present here certainly know that four University Groups, including the Association of American Universities, the League of European Universities and University groups in Australia and China, have laid down 10 characteristics of effective research universities. Allow me to briefly share these features with you:

1. The pursuit of excellence across all University operations: this will entail a commitment to transparent, meritocratic systems for

selecting faculty, staff and students, creating an internal environment that nurtures learning and creativity conducive towards tapping and unleashing the potential of both students and staff.

- 2. Research effort which has both depth and breadth, producing internationally recognized research results disseminated through publication, teaching and community engagement
- 3. A commitment to research training, especially through PhD programs, which provides and inculcates a continuing flow of quantitative and qualitative research skills which are VITAL for research publishable in highly rated or high impact-factor journals.
- 4. A commitment to teaching at both undergraduate and(post)graduate levels, to produce professionally and ethically educated graduates able to contribute to the national welfare across a wide range of activities.
- 5. A dedication to the highest standards of research integrity and its associated ethical obligations.
- 6. The responsible exercise of academic freedom.
- 7. A tolerance, recognition and welcoming of competing views, perspectives, frameworks and positions as being necessary to spearhead progress.
- 8. *The right to set its own priorities*, on academic grounds, for what and how it will teach and research based on its mission, its strategic development plans, and its assessment of society's current and future needs.
- 9. A commitment to support its local and national communities and contribute to international wellbeing by taking actions and

developing a culture which works to maximise the short and longterm benefits of the research and education it performs.

10. An open and transparent set of governance arrangements which protect and support a continuing commitment to world class meaningful research.

I believe these 10 characteristics are extremely telling of the research culture, mission and vision that any serious and rigorous university should aspire to.

#### Ladies and Gentlemen,

Yet another yardstick used to gauge the quality of a University is its array of programmes on offer. This leads most universities to sustain numerous majors that attract very few students, yet require a significant investment in faculty and departmental infrastructure. All of these components, taken with the relatively high cost of the excellent quality faculty found in most research universities, mean that means have to be sought for sustainability.

And to round it up, ladies and gentlemen, there is yet another challenger that traditional research Universities have to contend with: it is the competition from flexible programmes typically prized by many students.

Distance learning is a medium of instruction that forms the basis of Open Universities, with centrally prepared multi-media course materials made accessible to the students asynchronously. This enables greater focus of interaction time on tutorial sessions. This combination of a small cadre of research faculty creating advanced curricula, significant resources dedicated to producing effective asynchronous courses, and the intimacy of tutorials has made Open Universities very effective and appealing. Access to DL courses is no longer restricted to a location, as are traditional university classes, or to a time, as are traditional classes or televised distance learning courses.

Distance learning thus allows nonlinear learning approaches based on cognitive learning theories, permitting the student to move at her tempo with an organizational structure that responds to her comprehension of the material. Flexibility to respond to different learning styles is increased dramatically compared to the traditional lecture.

It is not surprising, then, that the for-profit HEIs mentioned before are moving heavily into the distance learning and distance education mode. The result is that the traditional universities would lose out on students who value flexibility around their workplace duties and this flexibility has often been lacking in the time-tabling arrangements of academic programmes of traditional universities.

## Distinguished Guests, Ladies and Gentlemen,

In the face of all these challenges for tertiary education institutions, it would probably be safe to aver that the modalities of Human Resource Management in universities have to change as well. HRM has to go through a real transformation from its traditional administrative model to a strategic and business partner framework.

That will serve to enhance the ability of tertiary education institutions to embrace and be proactive vis-a-vis the continuous changes occurring in the sector.

Allow me to suggest 4 approaches that could be conducive to that goal

# In the first place, it would be salutary for human resource management strategies to align themselves on University strategies, for a strategic fit to be built between the two.

In effect, the University strategy should be driving the human resource management policies and practices. The alignment will make for the HR practices to form part of an innovative, coherent and integrated system, which will, in turn, reinforce the other policy areas serving to sustain the core capabilities of the institution.

Thus, Universities could adopt high performance work practices such as strategic/talent recruitment and selection, learning and development, performance management, employee participation and empowerment, information/knowledge sharing and communication, teamwork and employment security based on improving employability.

Furthermore, the managers should take responsibilities for managing their people, and the HR function would be that of working in partnership with them to build the required people management skills at all levels of management. The HR body will have to ensure that employees' interests are deeply embedded into those of their Universities.

In the second place, HR should be instrumental in **nurturing an** organisational culture in Universities that will get everyone to participate in change and innovation.

This would require the setting up of a collegial culture at Universities, based on a clear set of values, including excellence, transparency, trust, accountability and equity. Creating such a positive working environment will certainly ensure partnership between academics and support staff which will contribute to enhance commitment and engagement to the job and organization. Universities behave to move away from faculty and departmental isolationism and embrace the characteristics of great workplaces which have trust as the foundation in all relationships within the organization-- and which also foster such qualities as credibility, respect, fairness, pride and camaraderie.

Thirdly, the HR department should **engage in organization design that will create flexible and adaptable Universities** in the face of their dynamic and competitive environment.

While this will certainly facilitate Universities' ability to respond to students' and stakeholders' needs, it will also have another positive feature. Jobs will be so designed as to make them more meaningful and fluid enough to allow for the flexibility that employees will require to perform their tasks in attainment of their individual and organizational objectives.

It goes without saying that, to operate with such flexibility, Universities will have to invest in the development of the skills and competencies of their academics and support staff.

Finally, it boils down to developing **retention strategies**. Headhunters, we know, are always on the lookout for the best talents and knowledge workers. Attracting these, motivating them and sustaining them through the setting and maintaining of high performance standards will guarantee international quality standards are in place at Universities.

And Universities always enjoy rich dividends when they bask in a reputation of treating all their staff and stakeholders well and responsibly.

# Ladies and gentlemen,

Allow me to conclude on this note and let me

wish you highly fruitful debates and sharing of perspectives to unleash the power of Universities' key assets, their Human Resources.

# Thank you.