



Challenges Faced in Higher Education

- Workshop
Outputs
July 2020

Contents

| | |
|-----------------------------------|----|
| Context | 3 |
| Challenges | 5 |
| Structural Challenges | 6 |
| Caja Organisation Design Approach | 8 |
| Culture | 9 |
| Students | 10 |

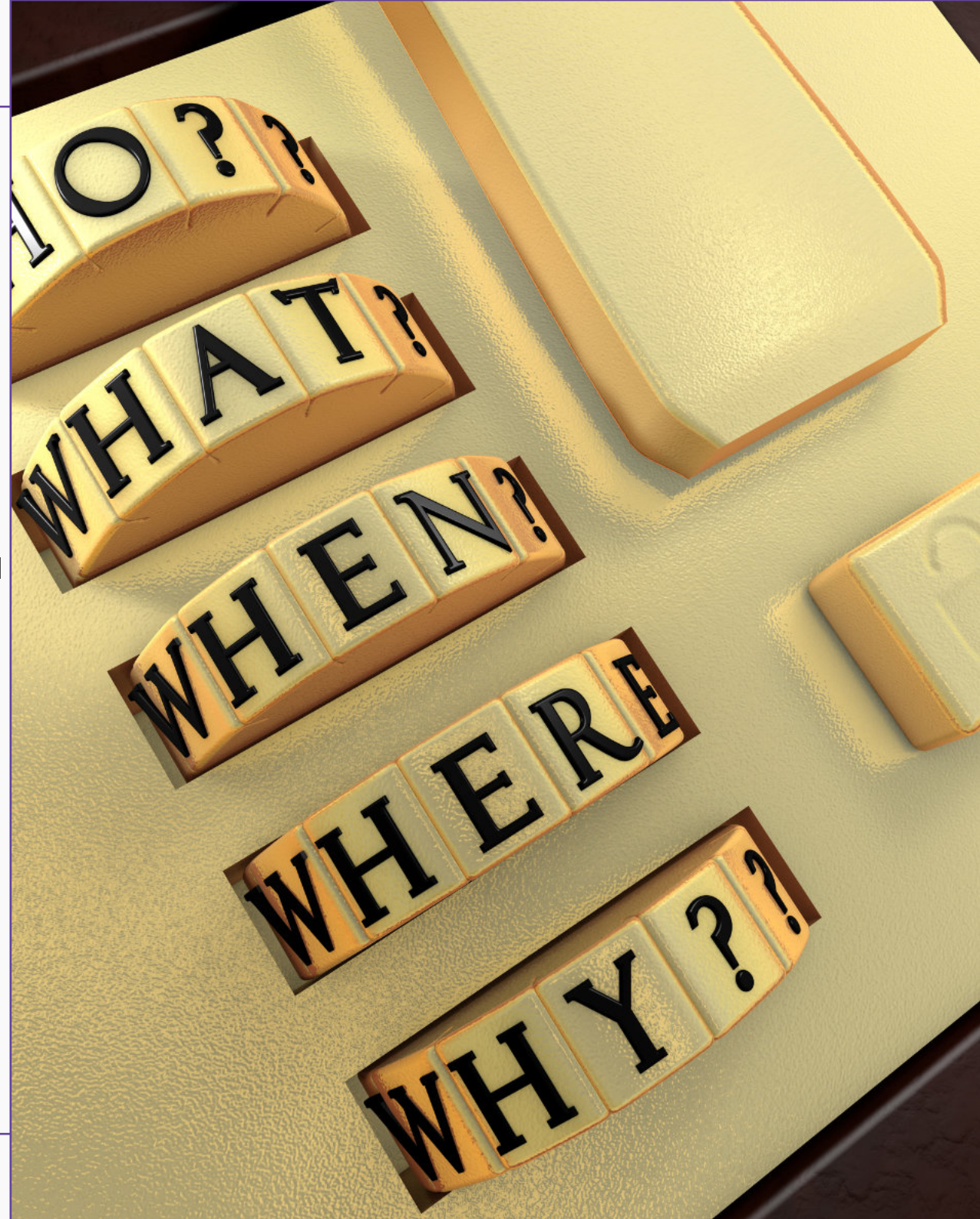
Context

The following document covers the outputs from a couple of Higher Education workshops identifying the challenges in the marketplace and the potential areas for productisation within Caja's offering. I would like to formally recognise the importance of the contributions of the members of the Caja Higher Education working group on which this material is based.

The current context of the higher education sector at the moment is one of great challenge and difficulty. With the onset of the COVID-19 pandemic many Universities are finding themselves in a challenging situation in how they return to campus life for both their staff and students, whilst operating within their financial capability further hampered by the conditions in attracting overseas students. The Office for Students are suggesting that there are currently 14 Universities that are currently in severe financial difficulty and this number is likely to rise.

This provides Caja and its Associates and partners an opportunity to support Universities in the Sector to identify where there may require support for Transformation activities to realign their new operating models to the new paradigm.

This document outlines the key challenges as identified by our Higher Education Working Group as well some key areas for focus where it was felt that Universities most needed some external support that Caja might be able to provide.





At the first workshop, context was provided outlining the key issues that the sector face at the moment. This included:

- The need to stabilise the sector and quickly move to new 'normal'
- Universities to redefine and be clear what they are there for –
 - are they a civic university or an entrepreneurial university?
 - movement away from just being there to develop the elite
- Clarity on their purpose
- Provision of strategic Leadership and management
 - Is there a new to shift from just focusing on students but having people at the heart of everything they do?
 - Change Leadership - Universities have always been seen as unchangeable leviathans that struggle to adopt and adapt to change. This has been debunked with their quick response to the Covid-19 pandemic which has meant that they have had to improve and speed up their decision making where in the space of 6 months a complete rethink of their delivery mechanisms have had to be revisited as well as deep planning on bring staff and students back to campus
- Teaching & Learning
 - With the pandemic, came different thinking on the delivery of pedagogic activities such as the embracing of digital mediums for delivery.
 - With this movement to digital, question are being raised about the physical space and the estate. As it is, Universities have wrestled with all year-round utilisation and now there could be potentially less students and staff on site all year round? Potentially this could move University's to revisit their role and civic duty amongst the communities that they are located in.
- Falling International Student numbers
 - Due to travel restrictions and enhanced border controls, it is likely that there will fewer higher fee paying international students. It is hoped that the Government introduce international student caps that may prevent the top Russell Group Universities 'hoovering' them all up.

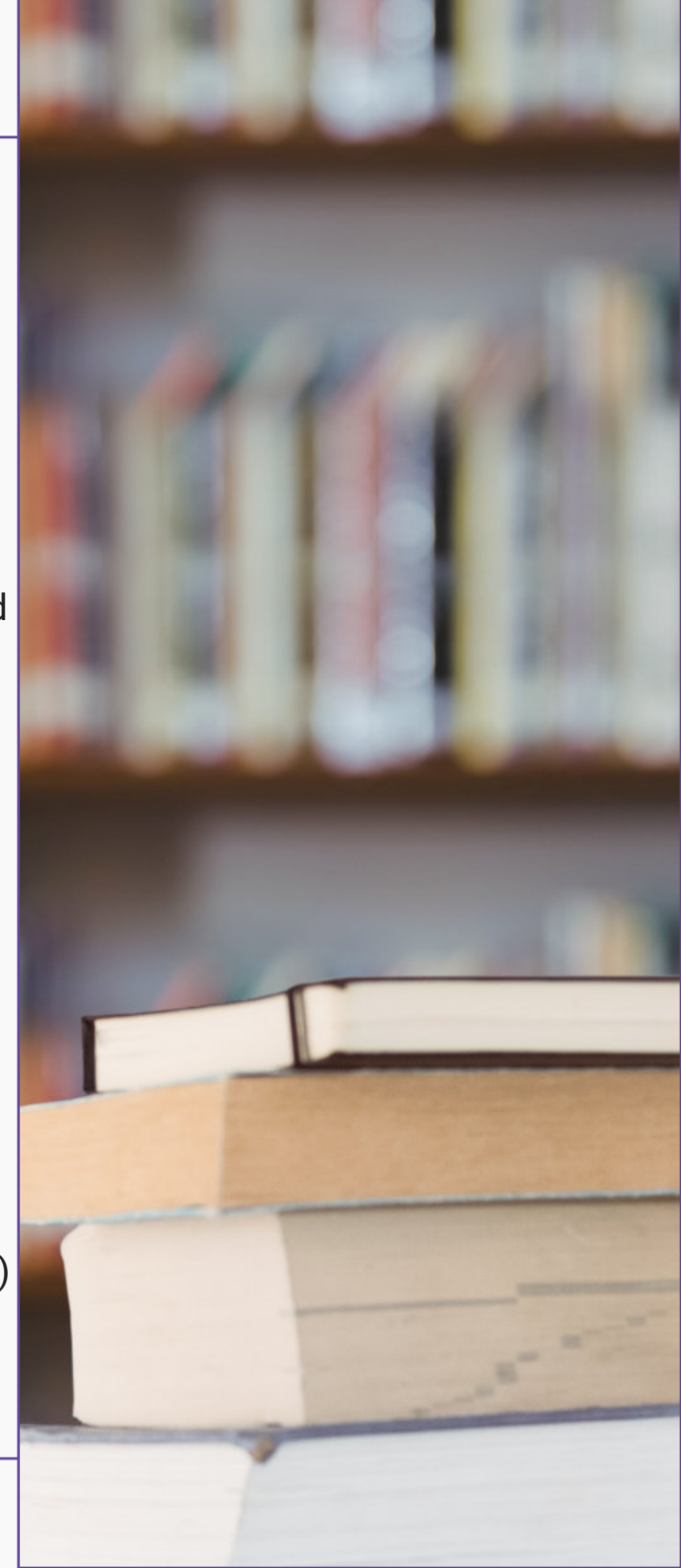


Challenges

Using the context as the basis for discussion, the group started to identify the specific key areas that are providing challenges for Higher Education Institutions. These were grouped together under 5 categories and in-depth discussions were had on what the group decided was where the highest opportunity for Caja lay (namely Structural and cultural challenges):

Structural Challenges

- a. Strategic operating models and structures
 - i. Universities are not all the same e.g. Russell group vs post-92 so not everyone is operating in the same context
 - ii. Many of the key operational process have evolved and therefore tend to be elongated and inefficient, without clear roles and responsibilities, and clear points of decision making
- b. Professional Services
 - i. There is much duplication of activities and processes – for example, many schools and faculties have their own admissions teams all operating similar processes with variations to reflect their specific disciplines. This is linked to whether universities see their faculties as autonomous business units
 - ii. Lack of skills in being able to identify where processes are going wrong and the requirement to drive efficiency
 - iii. Professional services are costly operations that are viewed as an organisational overhead
 - iv. Support services are not aligned to the academic teaching and learning and perceived to be overly bureaucratic
- v. They are structured around how funds comes into the University rather than how it's used
- vi. There is little communication between operating Units other than at the top of the hierarchy and therefore decision making, and information dissemination is difficult.
- c. Faculties versus Schools – 'Hub and spoke' operating models
 - i. Faculties and schools are structured around the people that they have rather than the roles they need
 - ii. Many barriers exist to merging schools and faculties to drive efficiencies and improvements to the Student Experience
- d. Drop in Student Numbers
 - i. Many societal changes are contributing towards a drop in student numbers
 - ii. Higher education qualifications are being overlooked by some prospective students in favour of more action oriented learning (e.g. Apprenticeships)
 - iii. Students are choosing to defer their start at University and create different experiences (e.g. travelling) increasing the ration of mature students with a different set of learning expectations



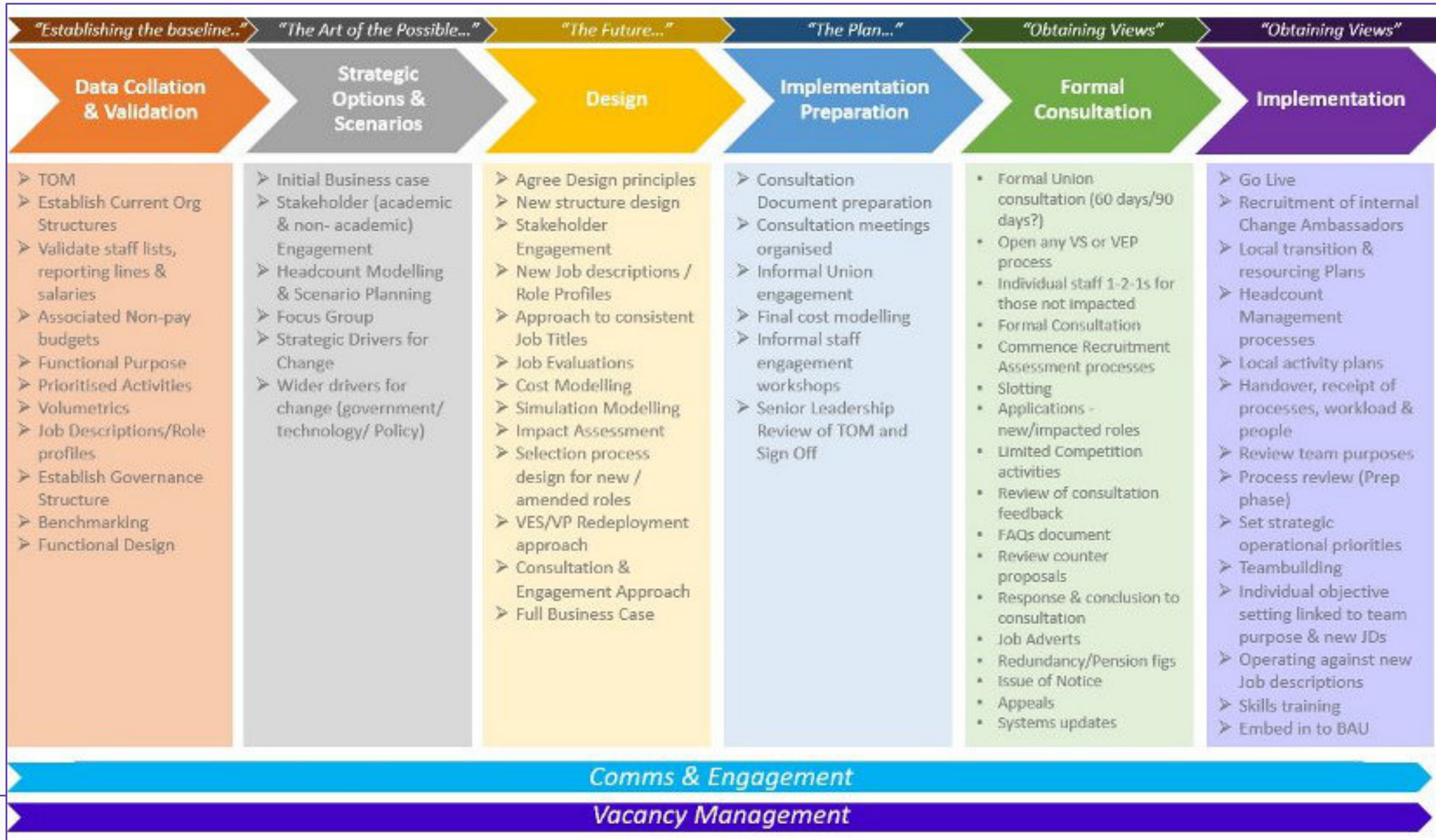
- e. Impact of moving towards blended learning solutions
 - i. Provision of learning for students when they want it using a medium that they want which may differ depending on the day, the topic etc.
 - ii. Impact of Social distancing – whilst learning is done online, universities become more of a socialisation enabler
- f. Digital Use
 - i. Little focus on robust business cases as the basis for digital investment
 - ii. Business Intelligence – the sector is slow at producing real time data from a single point of truth to aid leadership decision making



Caja Organisation Design Approach



As a result of feedback in the session and building on the group's practical experience of implementing organisational change, the diagram below outlines the stages and their associated deliverables that may be adopted in implementing this type of change within in the Higher Education Sector



Culture

- a. Generic similarities between Universities
 - i. Universities are complex & political organisations
 - ii. Based on a meeting/committee structure where decision making is carried out by consensus
 - iii. Lots of questioning as business decisions are viewed as academic debates
 - iv. Vice-Chancellors tend to very much rely on their Chief Operating Officers (COO), their Chief Finance Officers (CFO) and or/their Provosts

- b. Unique behaviours
 - i. Ways of working and cultures vary between depts, schools, faculties and Universities
 - ii. Lack of articulation of what behaviours are acceptable
 - iii. Lack of consequences so any performance monitoring is deemed to be interfering with academic freedom of thinking
 - iv. Collaboration
 - v. The alignment of the behaviours and supporting governance to the achievement of the overall strategic goals
- c. Promotion Routes
 - i. Promotion to top table is based on

academic prowess rather than ability to lead – most VCs are Academics rather than Business Leaders and are expected to run multi-million-pound operations

- d. Leadership
 - i. Managerialism is treated with disdain and is seen as an administrative task
 - ii. Little investment in the generic skills development that is required to drive successful organisations
- e. Appetite for Culture Change
 - i. Undeveloped views inside universities on how to change culture and is deemed to be too difficult
 - ii. Concerns on the relationships with Unions so its easier not to do anything
 - iii. Many VCs on 5-year contracts and therefore take a midterm view as there are no long-term incentive schemes to encourage a more strategic long term view on changing the organisation
 - iv. Students are deemed to be 'co-creators of knowledge' rather than consumers with choice
- f. Communication and Engagement
 - i. There is a fear of giving bad news and therefore it can engender parental cultures
- g. Ability to Partner other commercial organisations





Students

- a. A move in the market to students choosing the top end Universities leaving the remaining Universities to fight it out over low tariff seeking students, affecting their league table results which in turn affects their ability to attract students...
- b. Recognition of students as consumers
- a. A Rise in lifelong learning



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