HIGHER EDUCATION WORKFORCE SURVEY 2017

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Foreword

The Higher Education Workforce Survey 2017 is the seventh survey of recruitment and retention in the sector carried out by UCEA in conjunction with the Higher Education Funding Council for England (HEFCE). The survey offers a detailed analysis of workforce trends and the current challenges facing the HE sector. Staff turnover and recruitment and retention measures are important indicators of the state of the HE workforce and the sector's attractiveness in the many job markets in which it operates.

We are grateful to HEFCE for their analytical support and to both HEFCE and Universities HR for their contribution to the survey design. We would are also like to thank the 71 UCEA member institutions that took the time to contribute detailed responses to the survey as well as the 10 sector HR leaders who provided further insights through interviews.

In 2015-16 staff numbers in UK HE stood at 410,130, a seven per cent increase since 2008-09 and a record high for both professional services and academic staff. It is pleasing to note that, contrary to assertions that the sector is increasing its use of casual contracts, this report shows that the sector's employment of atypical staff has fallen in recent years while the strongest growth is seen in open-ended and full-time employment.

Like other areas of the economy the sector has exhibited restraint on pay levels in recent years, but generally HEIs report that their salaries and benefits remain competitive. The UK labour market has however tightened in 2017 and with this employee turnover has increased and we see specialist and technical skills in high demand. HEIs are inevitably facing similar challenges in the recruitment of professional services staff, particularly recruiting specialists in IT and estates management. The sector has been active in responding to these challenges however and the report highlights a range of initiatives by employers such as improving academic career paths and providing professional development. Pay competitiveness in IT appears a common issue and HEIs are also looking at how their reward packages can be flexed to reflect practice in other sectors. Interviewees also highlighted initiatives to improve their 'employer brand' and more active engagement in their local, national and global job markets.

There does not yet appear to be any immediate 'Brexit effect' in the recruitment and retention data at sector level, although we are seeing a small but significant number of cases where institutions have been affected due to the loss of, or failure to recruit, senior academic staff. This survey also highlights the fact that HEIs have been quick in taking steps to try to reassure their international staff in this time of uncertainty and in assisting them, for example with access to legal advice and help with immigration related applications. UCEA will continue to work with the sector bodies and members to make the case for a globally connected sector that can attract and retain expertise from around the world. There is much to reflect on in the analysis available in this report and we hope that our members and wider stakeholders can use the information and insights from this report to support the development of effective workforce strategies at sector and institutional levels.

Helen Fairfoul
Chief Executive, UCEA

Executive summary

This is the seventh survey of recruitment and retention in the sector undertaken by UCEA in association with the Higher Education Funding Council for England (HEFCE). We received 71 responses from HEIs across England, Northern Ireland, Scotland and Wales covering 46% per cent of the HE workforce. We also interviewed 10 senior HR managers and analysed data from the 2015-16 HESA staff record.

Employment in higher education

The labour market across the UK has tightened with unemployment at its lowest level since 1975. With a tighter labour market, overall levels of employee turnover are increasing with specialist skills and senior managers in high demand. Over four-fifths of UK organisations say that the competition for well-qualified talent has increased over the past two years and this is expected to intensify.

Excluding local government and the civil service, where there has been a significant reduction in headcount, the public sector workforce has grown by 18% since 2008. Over this time the higher education workforce has increased by 10%. Among the academic staff population there has been stronger growth in open-ended employment (14%) than fixed-term employment (6%) and full-time employment (15%) is growing much faster than part-time employment (4%). Contrary to claims that the sector is increasing its use of casual staff, the use of academic atypical staff has fallen by 12% in headcount terms and 8% by hours worked.

Analysis of age data for the HE workforce shows that there has been a slight increase in the proportion of staff aged over 50 but considerable growth in the over 65 population. Since 2005-06, the number of academic staff aged 65 and over has increased by 232% and this age group now comprises 3.2% of academic staff compared to 1.2% a decade ago.

Recruitment

In terms of professional services functions, HEIs are facing similar recruitment difficulties to organisations in the wider economy with particular challenges recruiting specialists in IT, estates, marketing, HR and finance. The main reasons for recruitment difficulties are the lack of required skills or expertise and lack of applicants. While these are perennial recruitment hotspots, the proportion of HEIs reporting difficulties has increased across all categories compared with the last two editions of the survey. The proportion reporting recruitment difficulties for IT staff has increased from 35% in 2013 to 62% in 2017.

Staff in professional services functions are recruited from a range of industries with 23.1% of new recruits in 2015-16 coming from the private sector and 13.9% from the voluntary and public sectors. The sector is also a significant graduate recruiter employing over 1,000 graduates onto open-ended and fixed-term contracts in 2015-16 (8.7% of all new hires).

Academic recruitment difficulties are most commonly reported in STEM subject areas. Among post-92 HEIs, the greatest level of difficulty was reported in recruiting academics in engineering and technology (55% reporting difficulties) while the top area for pre-92s was

medicine, dentistry and health (49%). Outside of STEM subject areas, economics and business studies are presenting the most difficulties. Difficulties are reported at all levels, but most commonly at lecturer and professor levels. Lack of necessary skills or expertise was cited as the number one reason for recruitment difficulties.

The most common response to academic recruitment difficulties is to recruit candidates from overseas with 64% of respondents citing this approach. For professional services staff upskilling existing staff is a common response. Shifting to more active recruitment campaigns is common for both staff groups with passive job ads not deemed to be effective enough in a competitive labour market.

Our interviewees believe that more needs to be done to improve the employer brand of higher education institutions. One interviewee commented that the sector is 'seen as a place of study' rather than a significant employer of people. Some survey respondents and interviewees are already investing time and resource into developing better brands and differentiating themselves within a competitive market.

Retention

Employee turnover has been rising steadily since 2012 but is still low compared to the wider economy with an overall rate of 8.9% compared to 18.5% across the UK. Turnover for professional services staff is higher at 10.4% and lower for academic staff at 7.9%. In terms of voluntary turnover, the figures are lower still at 6.3% and 4.4% respectively compared to 14.1% in the wider economy. Retention difficulties in professional service functions mirror recruitment difficulties with 31% of HEIs reporting difficulties retaining IT staff and 17% reporting difficulties retaining estates staff. Retention of academic staff improves with seniority with overall turnover levels at professor level just 6.2% compared to 12.9% at research assistant level. The most common approaches to addressing retention for both staff groups are to improve line managers' people skills, followed by offering mentoring/ coaching and increasing learning and development opportunities.

HEIs continue to focus on the efficiency of their operations and HR management is no exception with 80% of respondents either recently implementing system improvements or planning to do so in the near term. Over half of respondents are increasing their use of direct recruitment methods and staff restructuring is nearly as common. These approaches are twinned with cost-reduction in agency spend (55%) and additional payments such as overtime (35%) as well as recruitment freezes (28%).

Apprenticeships

The proportion of HEIs offering apprentices has increased since the last survey with two-thirds either currently offering apprentices (61%) or having done so in previous years (6%). The number of apprentices at HEIs is currently modest but has been increasing steadily in recent years with a 40% increase in completions at responding institutions between 2014-15 and 2015-16. Business administration remains by far the most common area for apprenticeships to be offered followed by engineering and IT.

The Apprenticeship Levy is likely to increase apprentice numbers further with half of respondents saying that it will encourage them to start recruiting apprentices or to recruit more apprentices if they already do so. However, the effects of the Levy are unlikely to be universal with several HEIs highlighting barriers to employing apprentices such as the lack of relevant local providers and the management time required. At the median, HEIs in England are expecting to recoup around a quarter of the levy in 2015-16 but there is significant variation between post-92s (60% at the median) and pre-92s (18%). A small minority (14% of respondents) say that they will be unable to spend much of their Levy at all and will effectively write it off as a 'tax'.

International staffing

The academic workforce is internationally diverse with staff from 199 countries other than the UK who comprise 30.5% of all academic staff with 16.7% from other EU countries. There is greater reliance on these staff in the early stages of the academic pipeline, particularly in STEM subject areas. This reliance poses significant risks given uncertainty around international staff mobility and is exacerbated by a STEM pipeline where international students comprise the majority of full-time postgraduate students in both taught (72.5%) and research (53.2%) programmes. Non-EU staff in the UK are typically employed on Tier 2 (highly skilled) visas but significant proportions are also coming through on exceptional talent visas (9.5%) and short-term visas (11.1%).

The result of the EU referendum has had a limited impact to date on institutions' ability to recruit and retain staff although uncertainty as to the future status of EU staff has been damaging to morale. No respondents reported a significant negative impact on their ability to recruit staff from the EU and only one respondent reported a significant negative impact on their ability to retain staff from the EU. Although the impact has been limited, some roles that have been affected have been high level academic appointments where global expertise is limited to a small pool of mobile talent. The international competitiveness of UK HE salaries has also fallen due to the weakened pound. HEIs also remain concerned about their ability to recruit and retain staff during the Brexit negotiation period.

Over a quarter of respondents have teaching operations outside of the UK which require them to employ staff within that country. China and Singapore are the most common countries to situate international operations but Malaysia has the highest number of directly employed staff. The use of 'flying faculty' and secondments are common approaches to staffing international operations.

Alternative staffing arrangements

Legal services are the most commonly outsourced professional service function with 58% of HEIs outsourcing either completely (28%) or partially (30%). Catering (37%) and cleaning (32%) are the functions that are most commonly entirely outsourced. The survey finds a reduction in the proportion of HEIs that are outsourcing security, particularly those doing so only in part. Shared services are most common for maintenance with 11% of HEIs using a shared service in this area. Nearly all respondents use agency workers but expenditure is low relative to overall expenditure at 0.3% in 2015-16.

1 Methodology

The analysis in this report is based on data from a sector-wide survey of HEIs, qualitative interviews with senior HR staff and data from the 2015-16 HESA Staff Record.
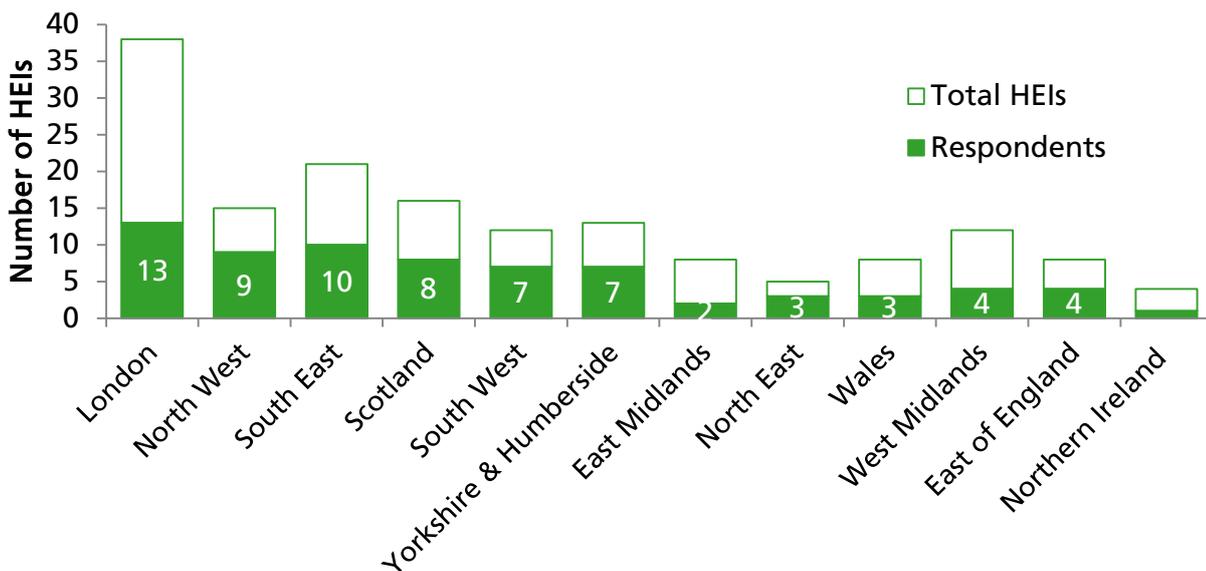
The survey

The survey was developed by UCEA in collaboration with HEFCE and was based on the 2015 survey to ensure some comparability between years. Input was also provided by Universities HR. The survey was sent to all UCEA member institutions in May 2017 and we received responses from 71 members by the June deadline.

The analysis provides some splits of the data between pre-92 (48% of respondents) and post-92 institutions (45% of respondents). Although this distinction is becoming less meaningful as time goes on, the data shows noticeable differences between these broad groups and we are aware that institutions still find these groupings useful for other benchmarking. We have not included a separate analysis for HE colleges (7% of respondents) as the sample size was too small, in part due to the designation of many colleges as universities.

| Pre-92	Post-92	HE

Looking at respondents by region and nations, the North West (9 out of 15), the South West (7 out of 12), Yorkshire & Humberside (7 out of 13) and the North East (3 out of 5) had above average response rates and Scotland and the East of England had average response rates – Figure 1.

Figure 1: Survey respondents by region and nation

The size of responding HEIs, as measured by the number of employees, varies significantly with 46% employing between 1001 and 3000 staff – Figure 2. There are also several smaller and larger institutions in the survey with 10 employing fewer than 500 staff and 9 employing over 5000 staff.

Figure 2: Survey respondents by workforce size
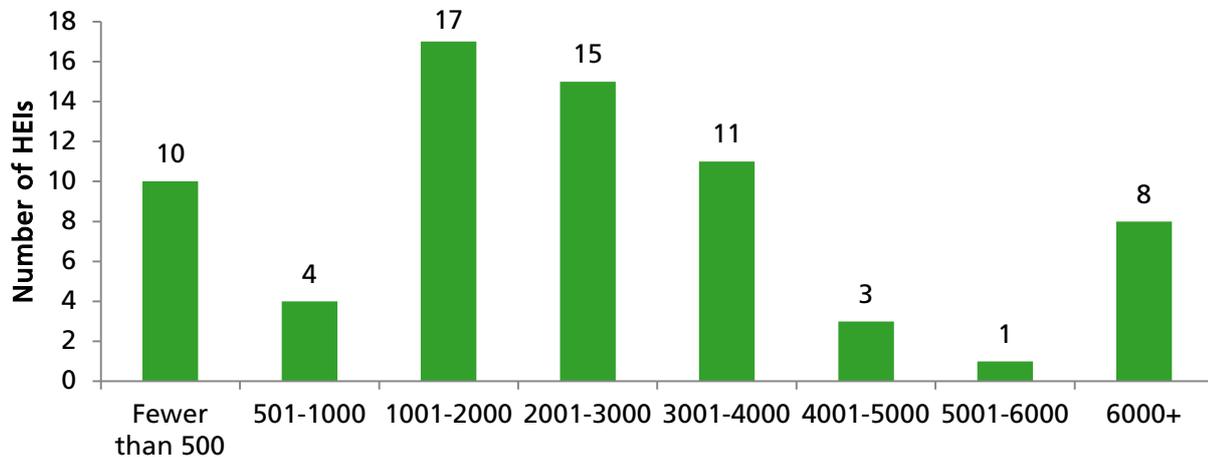
Interviewees

In addition to the 71 survey responses, UCEA interviewed 10 sector HR leaders from a mix of post-92 and pre-92 universities and HE colleges in England and Scotland to discuss recruitment and retention challenges, apprenticeships, international staffing and resourcing approaches. All interviews were recorded, transcribed and coded for common themes. Anonymised verbatim quotes from these interviews appear throughout the report to elaborate on some of the key findings from the survey. Some quotes have been edited for readability and anonymity.

Use of HESA data

HESA data used in the survey is from the 2015-16 collection unless stated otherwise. Data are presented in line with HESA rounding requirements.

Turnover data are based on the number of staff that left the HEI in the year from 1 August 2015 to 31 July 2016 as a proportion of those present at the HEI on 1 August 2015. New joiners in 2015-16 are excluded. Unknown responses have been excluded from the analysis of the data.

If you have any questions regarding the report please contact UCEA by email research@ucea.ac.uk or telephone 020 7383 2444.

2 Context for employment in 2017

The UK employment rate is at its highest level since records began in 1971 with 74.8% of people aged 16 to 64 in work during the three months to April 2017. Employers have continued to hire more staff and the unemployment rate has decreased to 4.6%, down from 5.1% the year earlier, and is at its lowest level since 1975. Although the headline employment and unemployment rates are at historically healthy levels, there have been significant compositional shifts in the labour market. The most striking is the 24.4% growth in self-employment since 2008 including a 50.6% growth in part-time self-employment (the 'gig economy'). Full-time employment has grown just 4.3% over the same period, less than the labour market as a whole (7.6%) leading to a reduction in the proportion of the labour market in full-time work.

	Employed (Full-time)	Employed (Part-time)	Self-employed (Full-time)	Self-employed (Part-time)	Temporary employees
% of all in employment (2008)	64.6%	21.7%	9.9%	3.1%	4.8%
% of all in employment (2017)	62.6%	21.8%	10.7%	4.3%	4.9%
Net employment growth (2008 to 2017)	4.3%	8.5%	16.3%	50.6%	11.6%

The higher education workforce

Higher education has fared relatively well compared to the wider economy. According to HESA data, net employment reached an all-time high of 410,130 in 2015-16. The growth in net employment levels during this period stands in contrast to what has happened to staff numbers in local government and in the civil service – Figure 3.

Figure 3: Change in HE and government employment (excluding public corporations), 2008 to 2016
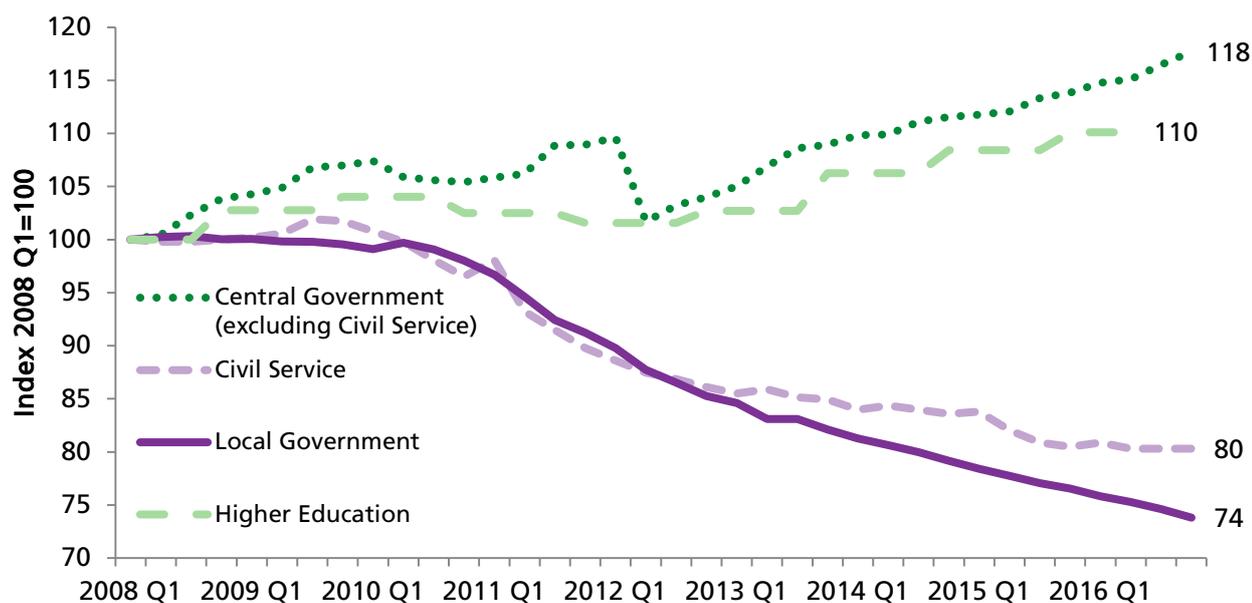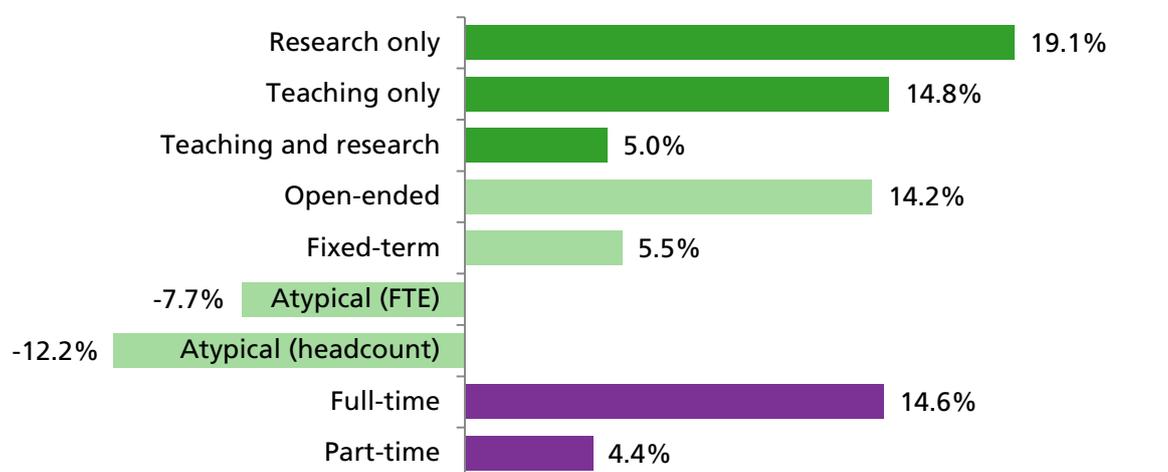

Source: ONS/HESA.

Between 2011-12 and 2015-16, the HE workforce grew by 8.4% overall, with faster growth in academic staff (11%) than in professional services (6%). This compares to 6.2% growth in total employees in the UK over the same period. In terms of the academic workforce, there has been significantly more growth in research only and teaching only positions, compared to teaching and research roles (typically lecturers and professors) – Figure 4. The number of full-time staff is growing at three times the rate of part-time staff with the growth in part-time employees nearly identical to that in the wider economy (4.1%).

Contrary to assertions that the sector is becoming increasingly reliant on casual and fixed-term contracts for academic staff, the fastest growing type of contract over the past five years is open-ended. The use of atypical (casual) contracts has fallen significantly both in terms of total number (-12.2%) and full-time equivalence (-7.7%).

Figure 4: Workforce change, by contract type, academic staff, 2011-12 to 2015-16

Contract type	Change
Research only	19.1%
Teaching only	14.8%
Teaching and research	5.0%
Open-ended	14.2%
Fixed-term	5.5%
Atypical (FTE)	-7.7%
Atypical (headcount)	-12.2%
Full-time	14.6%
Part-time	4.4%

Source: HESA

An ageing workforce?

Over the past decade there has been a slight shift in the age profile of the workforce. The proportion of staff aged over 50 has increased slightly from 29.4% in 2005-06 to 30.7% in 2015-16 while the proportion of staff aged under 36 has remained the same at 29%. Most notable is the rapid increase in the number of academic staff aged over 65 which has increased by 232% since 2005-06. Although part of this increase is likely to be due to the extension of the retirement age and the abolition of the Default Retirement Age, this group was expanding quickly even before these changes, growing 73% between 2005-06 and 2010-11. This rise has meant that this age group now accounts for 3.2% of academic staff, up from 1.2% a decade ago. Assuming this rate continues and academic staff growth continues in line with the last five year trend, this group would comprise 4.6% of all academic staff by 2020-21. There has also been a significant increase (95% since 2010-11) in the number of professional services employees working beyond 65, but this group only comprised 1.3% of all professional services staff in 2015-16. Of greater concern for this group is the fall in the number of staff aged 30 or younger over the past five years, with a fall of 6% compared to overall staffing growth of 4%.

3   Recruitment

## Recruitment in the wider economy

The Chartered Institute for Personnel and Development's (CIPD) latest Resourcing and Talent Planning Survey 2017 found that three quarters of organisations experienced difficulty in filling vacancies in the previous 12 month period with one tenth reporting difficulties in recruiting more than 50% of their vacancies. The hardest area to recruit was professionals/specialists (64% reporting difficulties), followed by technical roles (40%) and senior managers/directors (30%). For all three areas, lack of specialist and technical skills, pay and lack of relevant sector/industry experience came within the top three reasons for the recruitment difficulties.

Over four-fifths of organisations said that competition for well-qualified talent has increased over the past two years and two-thirds believe that the skills needed for jobs are changing. Further intensification of competition for well-qualified talent is predicted by 72% of the CIPD survey respondents and 61% expect to experience difficulty in recruiting senior and skilled employees.

Recruitment of professional services staff in HE

Professional services staff[1] in HE are recruited from across all sectors of the economy with 23.1% coming from the private sector in 2015-16, greater in proportion than those coming from within the sector, and 13.9% from the public and voluntary sectors – Figure 5. Recruitment from within the sector is still common but made up just over one in five hires in 2015-16. The sector is also a significant graduate recruiter with 8.7% of its new hires coming directly from having been a student.

Figure 5: Previous employment of professional services staff recruits, 2015-16
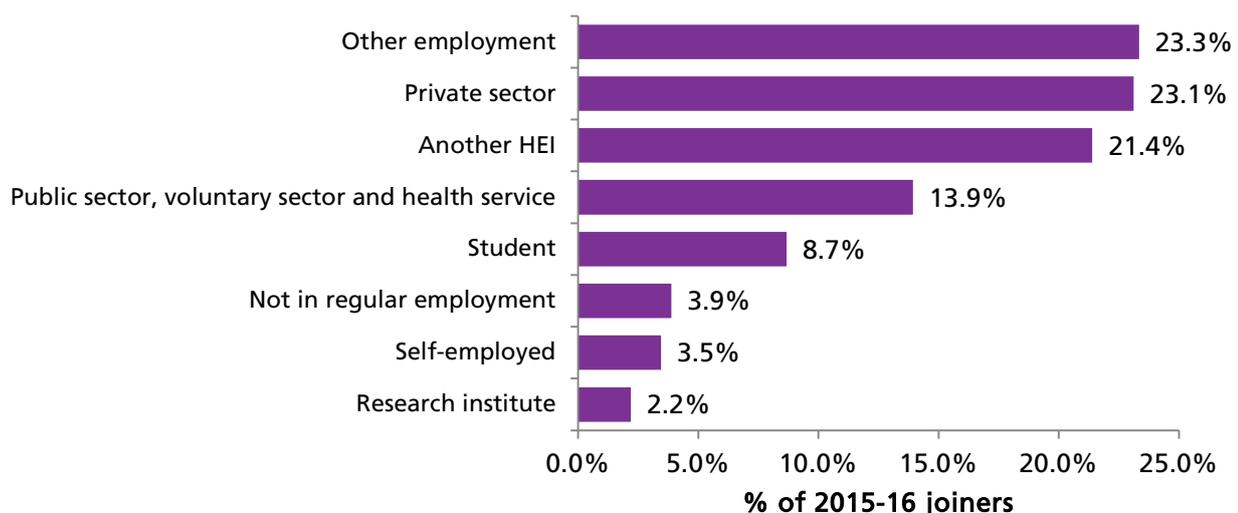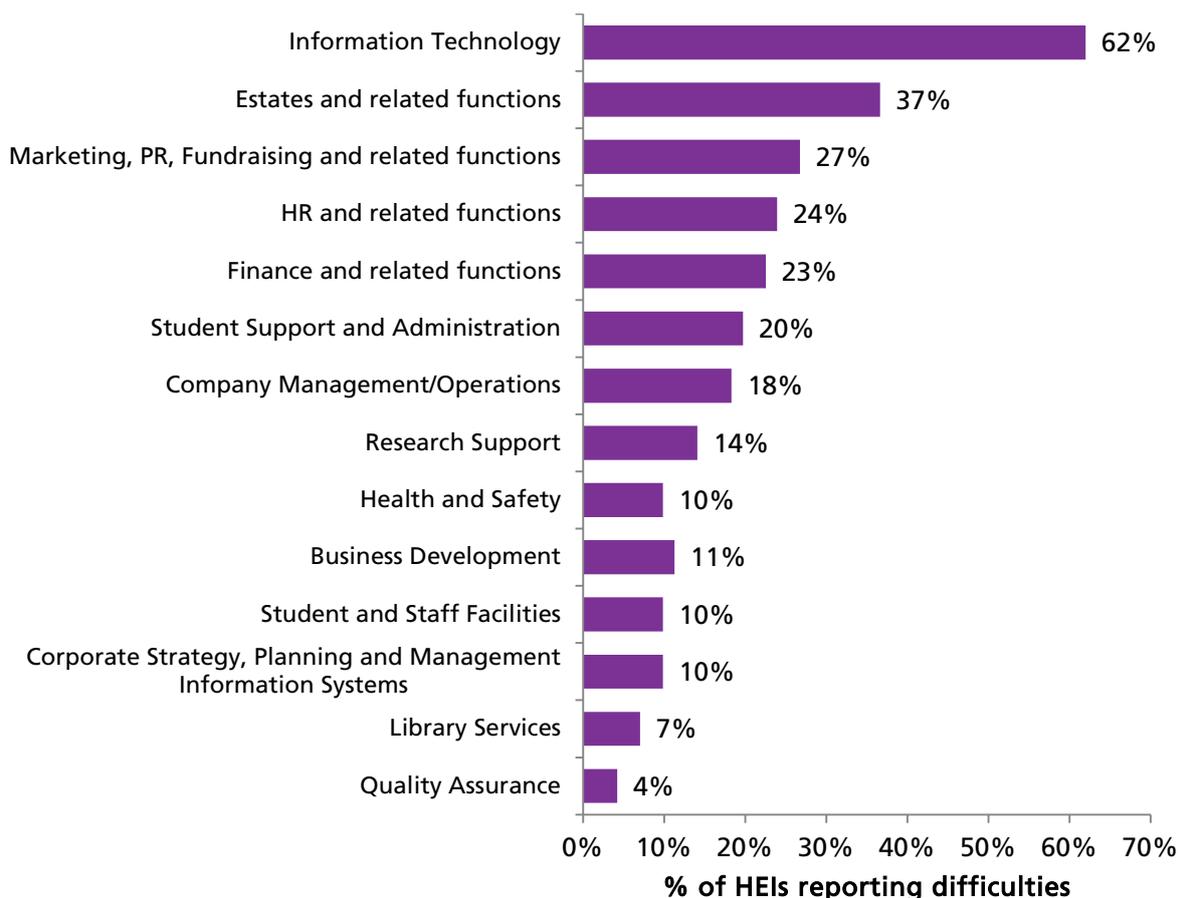

Source: HESA

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[1] 'Professional services' refers to staff that support the operation of the HEI but not in an academic capacity. These include IT, finance, marketing, HR, catering, security and information services.

Our survey finds that nearly all HEIs experienced difficulty[2] in recruiting professional services staff in the previous 12 months staff with 91% of respondents reporting recruitment challenges in one or more areas. This is a significant increase from 2015 where 66% of responding HEIs reported recruitment challenges. The number of areas in which HEIs reported difficulties has also increased with 50% of HEIs reporting recruitment difficulties in three or more areas, up from just 8% in 2015. Although these percentages have increased significantly, most interviewees stressed that difficulties have been limited to a small number of roles and therefore the overall impact on operations has been low. Recruitment difficulties were more prevalent in post-92 institutions compared to pre-92 institutions (43% and 20% respectively).

In terms of functions, information technology continues to present the greatest difficulties for HEIs with 62% reporting difficulties in this area (Figure 6) up from 52% in 2015 (Figure 7). The second most common area experiencing challenges has been the same as previous years: estates and related functions. Marketing, PR, fundraising and related functions is now the third most common with finance and related functions dropping from third in 2015 to fifth.

Figure 6: Percentage of institutions that experienced recruitment difficulties by function in 2015-16

| Function	%
Information Technology	62%
Estates and related functions	37%
Marketing, PR, Fundraising and related functions	27%
HR and related functions	24%
Finance and related functions	23%
Student Support and Administration	20%
Company Management/Operations	18%
Research Support	14%
Health and Safety	10%
Business Development	11%
Student and Staff Facilities	10%
Corporate Strategy, Planning and Management Information Systems	10%
Library Services	7%
Quality Assurance	4%

% of HEIs reporting difficulties

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[2] The survey defines 'difficulty' as having to re-advertise for a vacancy or positions that are left unfilled for six months or longer.

Figure 7: Reported recruitment difficulties in recruitment hotspots, 2013 to 2017
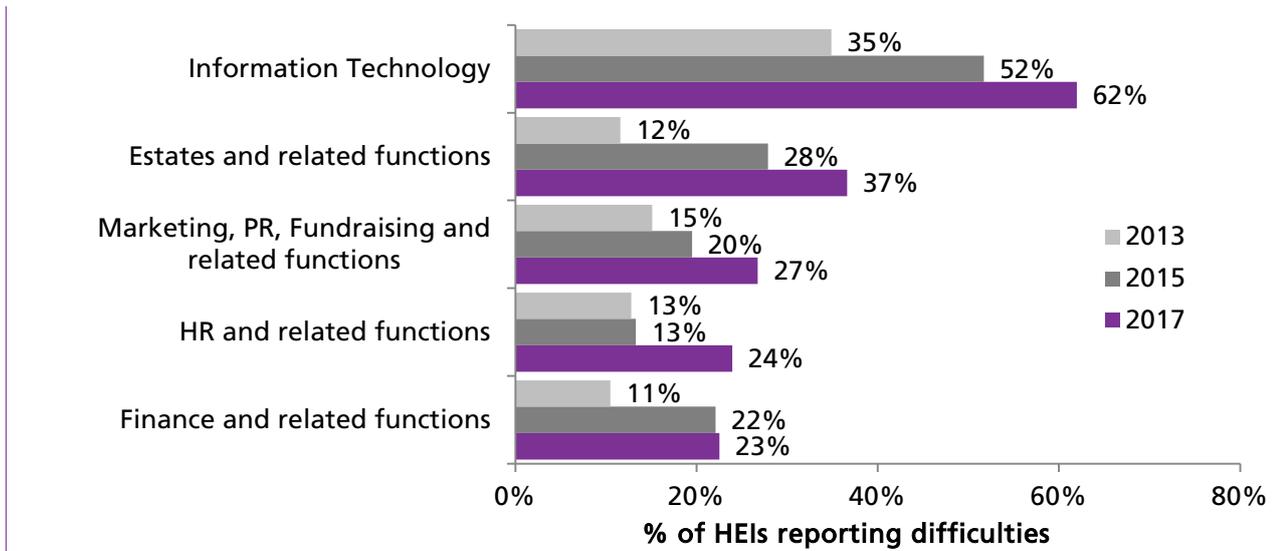
The three most commonly cited reasons for recruitment difficulties were lack of necessary skills/expertise, insufficient or no applicants and lack of competitiveness with private sector pay levels – Figure 8. These three factors are typically linked as advertised salaries might not attract suitable applicants or attract applicants with different skill sets to those required. However, our interviews indicate that pay remains competitive for most roles and UCEA pay data indicate that market supplements are used sparingly. Interestingly, 'Brexit' was provided as an option in the survey for professional staff recruitment difficulties but it was not chosen by any institution. Similar to previous years, insufficient or no applicants appears to be more prevalent in HE than other sectors.

Figure 8: Most common reasons for professional service recruitment difficulties
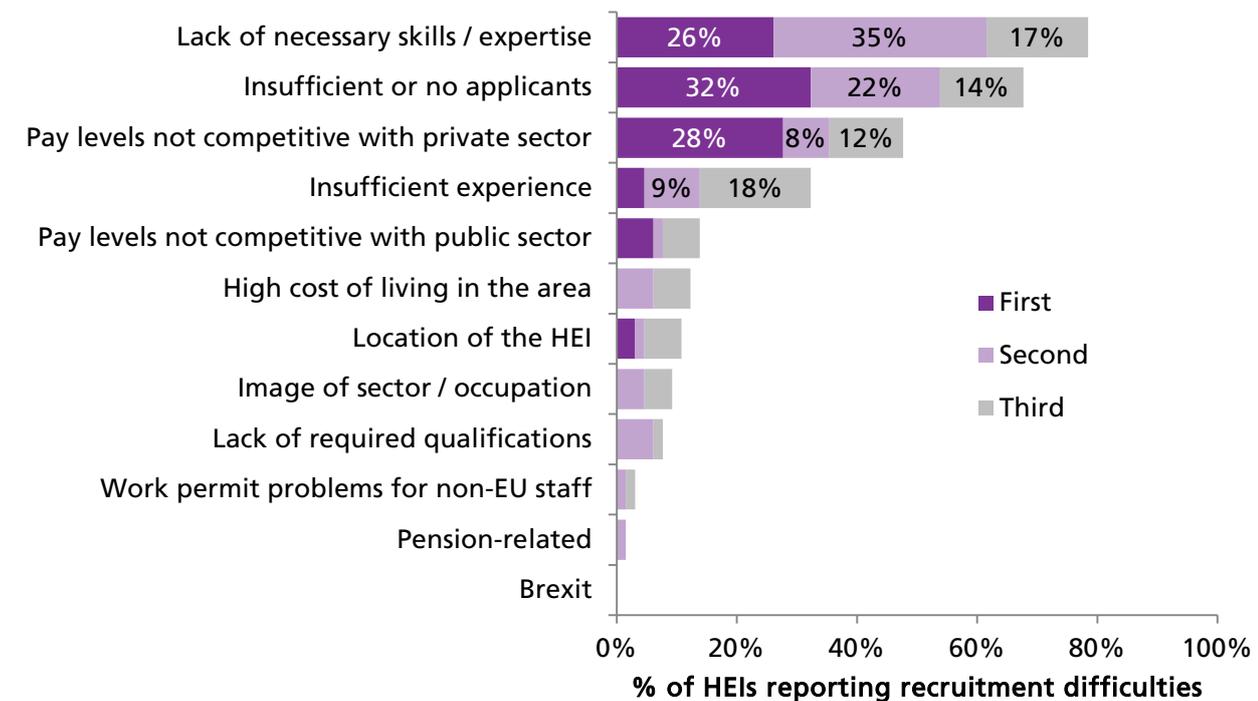
IT - Comments from respondents indicate that pay levels and competition outside the HE sector for specialist or technical roles are contributing to the recruitment difficulties for IT staff with many HEIs having to re-advertise certain IT posts. Jobs which have been difficult to recruit to included: technical IT specialist, developer, information security and analyst. Some HEIs indicated difficulties across the whole range of IT roles. In terms of pay, starting salaries are often below market rate or candidate expectations and reward packages lack variable pay incentives provided in other organisations.

> *In IT we are competing within quite a buoyant area and a lot of people within the IT pool are looking around at other big employers and we know we have a particular problem in terms of salary.* (Pre-92, England)

> *It's a market situation and certainly something I have felt and experienced for a number of years in HE. The difficulty is attracting people at the higher end of the pay scale with 10 or more years' experience and in specialised roles.* (Post-92, England)

> *IT skills are transferable to any sector. We've had struggles at various points to get professional services staff over the years but over the last two to three years it's mostly been IT staff where we have had difficulties.* (Pre-92, Scotland)

External competition for IT staff was reported as an issue both in terms of competing for a small pool of specialist skilled staff as well as the HE sector not being an attractive environment when compared to the private sector.

> *Why would somebody who could be snapped up by the likes of Apple want to work here? We don't have the environment to foster them. These people want to be given the freedom to get on with their roles, they don't like working with restrictive budgets or hierarchy. They tend to be creative individuals and they want to be able to test digital boundaries. But when you get caught up in papers and approvals it's not a good fit for somebody who is creative.* (Post-92, England)

One HEI has responded to the challenge of competing with private sector organisations by employing some of its IT staff through a subsidiary company.

> *We have a subsidiary of the university which is on different terms and conditions which gives us a bit more flexibility, it's got more of a private sector feel.* (Pre-92, England)

Estates and related functions – Shortage of skills and low levels of applicants were identified as the most common reasons for the difficulties in recruiting estates and related functions role. HEIs reported the need to re-advertise certain roles and use recruitment agencies to attract more candidates or candidates with the necessary skills. Roles which had been difficult to recruit to varied considerably and included part-time plumbers, grounds staff, building surveyors and senior management.

Responding institutions also said that pay for some roles was not competitive with the market. Some interviewees said that those working in estates and related functions are often self-employed and can earn more as a sole trader.

It is about salary because we have some people who are self-employed and they can earn more as being self-employed. There is also a national shortage of those skills (plumbers, electricians). (Pre-92, England)

If you put an advert out for a conventional employment very few people would apply and anyone we did speak to said why would I come and work for you for normal pay scale rates when the market will pay me three times that on a short-term contract at an hourly rate. (Post-92, England)

Marketing, PR and fundraising – Lack of applicants was also a factor in the recruitment of marketing, PR and fundraising roles. The difficulties tended to be in marketing roles and 'anything digital'. Attracting 'dynamic candidates with private sector experience' was reported as difficult with the potential pool of candidates described as 'typically not attracted to the public sector'. Uncompetitive salary levels were also highlighted as a reason in this area by interviewees.

We have a 'major gift' position and we received a number of CVs where it was going to be a stretch to meeting the market rates and the salaries they were on. So we have looked at market supplements as one option to address the issue. We've also had some issues over the last few years with fundraisers as generally there is only a small pool of people we are looking for. The most recent ones, we've had two vacancies where we've not gone through our normal routes, we've had a specialist headhunting firm to attract candidates. (HE College)

HR and related functions – Lack of necessary skills was cited as a challenge in the recruitment of HR and related functions staff; responding institutions cited difficulties for a number of different levels from entry level roles to managers. From qualitative interviews, the hybrid nature of HR roles in HE was seen as a challenge to recruiting higher level positions, as well as being unable to compete with higher private sector salaries.

The problem we have had with HR is to do with the size and make up of our department. We have been attracting people with the right level of skill but in roles where they have quite a lot of administration. (Post-92, England)

Two places I really struggle with are an International HR Partner, primarily because we are competing with multinational corporations. The other post I struggle with is the reward specialist, again because the reward specialist is generally quite a highly remunerated role in the private sector. (Pre-92, England)

Finance and related functions – Uncompetitive salary levels were cited as a reason for recruitment challenges for finance and related functions staff with one institution in the West Midlands commenting that the HE 'sector is not an obvious choice for candidates due to lower salaries and the lack of bonus systems'. The most common roles cited were senior roles such as management accountants, pensions manager and director of finance.

Recruitment of academic staff

Academic staff recruited in 2015-16 typically came from another HEI (37.1%), including nearly half (49.4%) of all staff recruited onto open-ended contracts – Figure 9. The next most common 'previous employment' is not employment but studying, at 17.2%, including 22.2% of those recruited onto fixed-term contracts. Recruitment from the public and private sectors is relatively low accounting for 16.9% of all recruits. The proportion is higher for those in lecturer roles with 21.3% of senior lecturers recruited from the private and public sector.

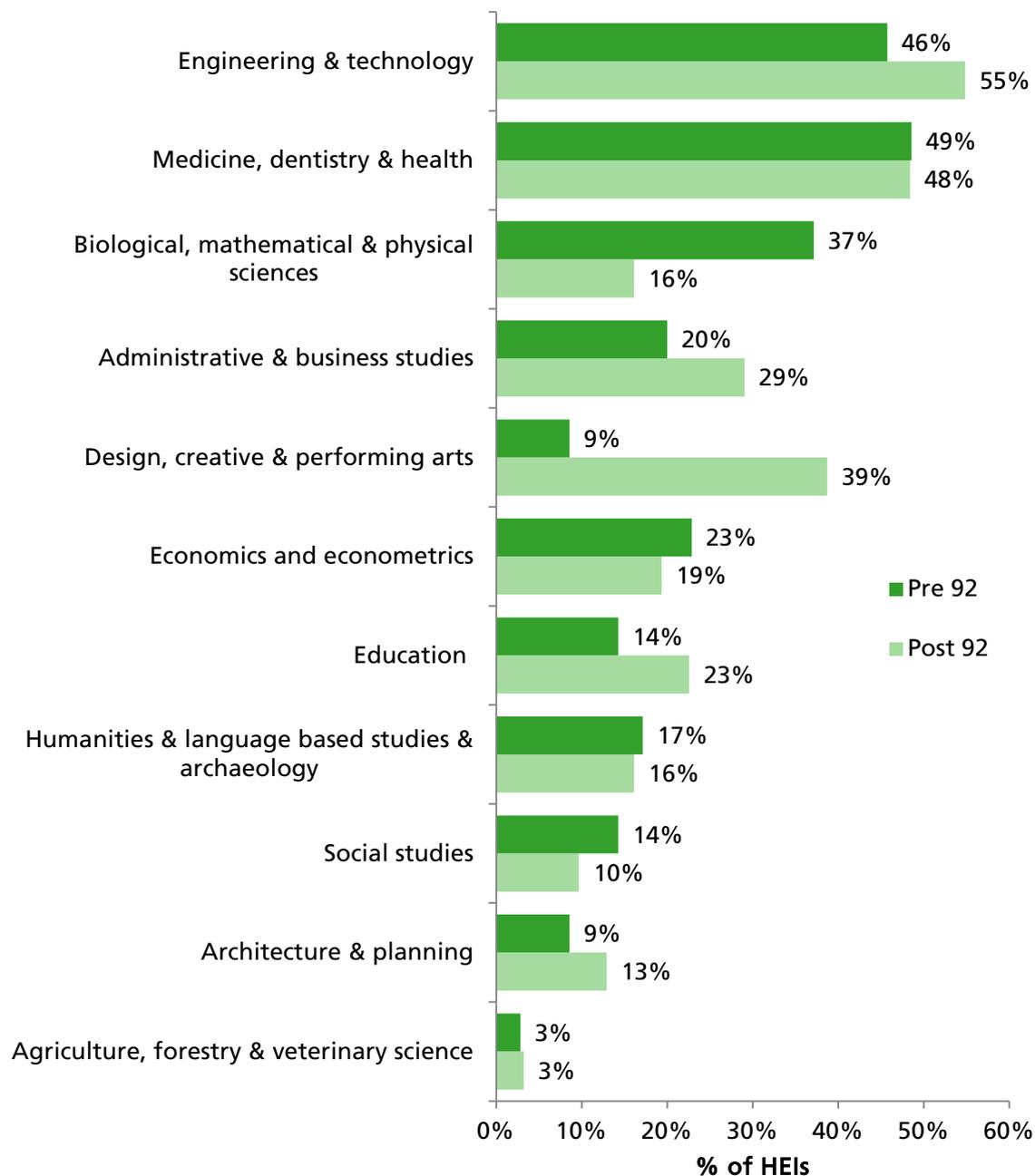**Figure 9: Previous employment of academic staff, 2015-16**

Chart refers to the previous employment of all academic staff that joined HEIs between 1 August 2015 and 31 July 2016. Excludes unknown (14.3% of records).
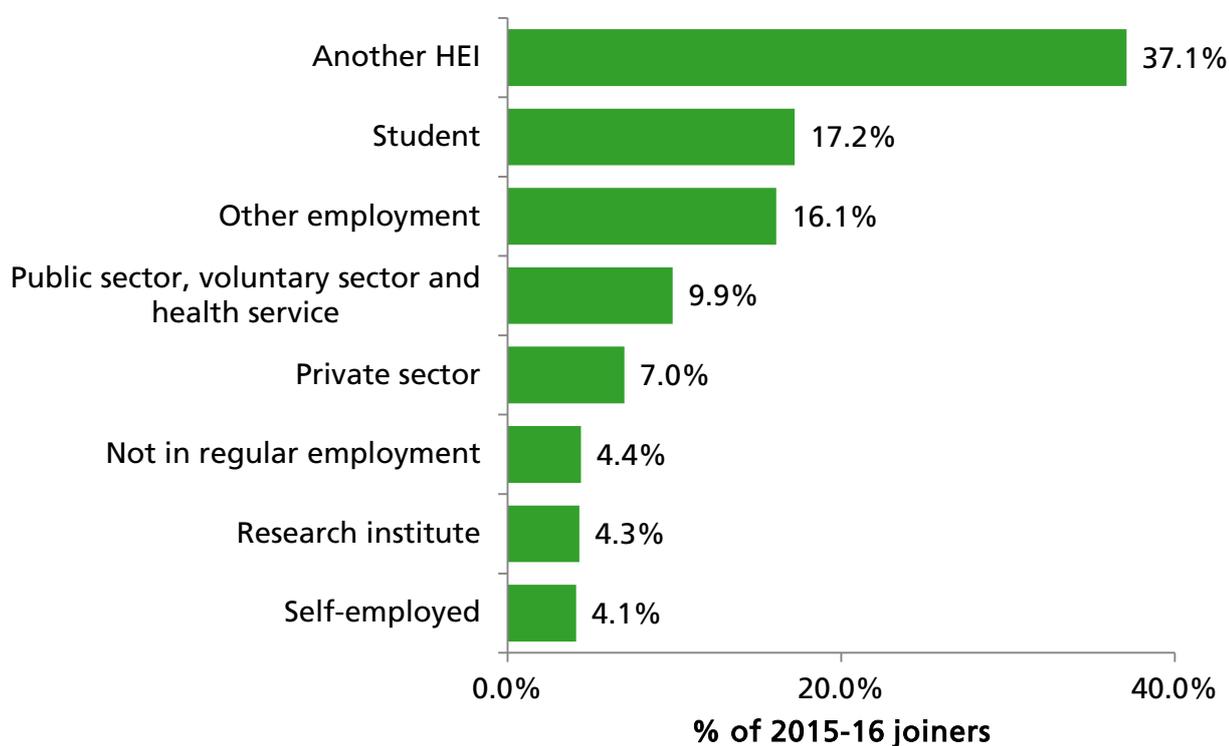
Source: HESA

Academic recruitment difficulties were most commonly reported in engineering and technology and medicine, dentistry and health. Figures were similar across pre and post-92 institutions in all accept biological, mathematical and physical sciences where pre-92 institutions experienced higher levels of difficulties, and in design, creative and performing arts where post-92 institutions experienced higher levels of difficulties – Figure 10.
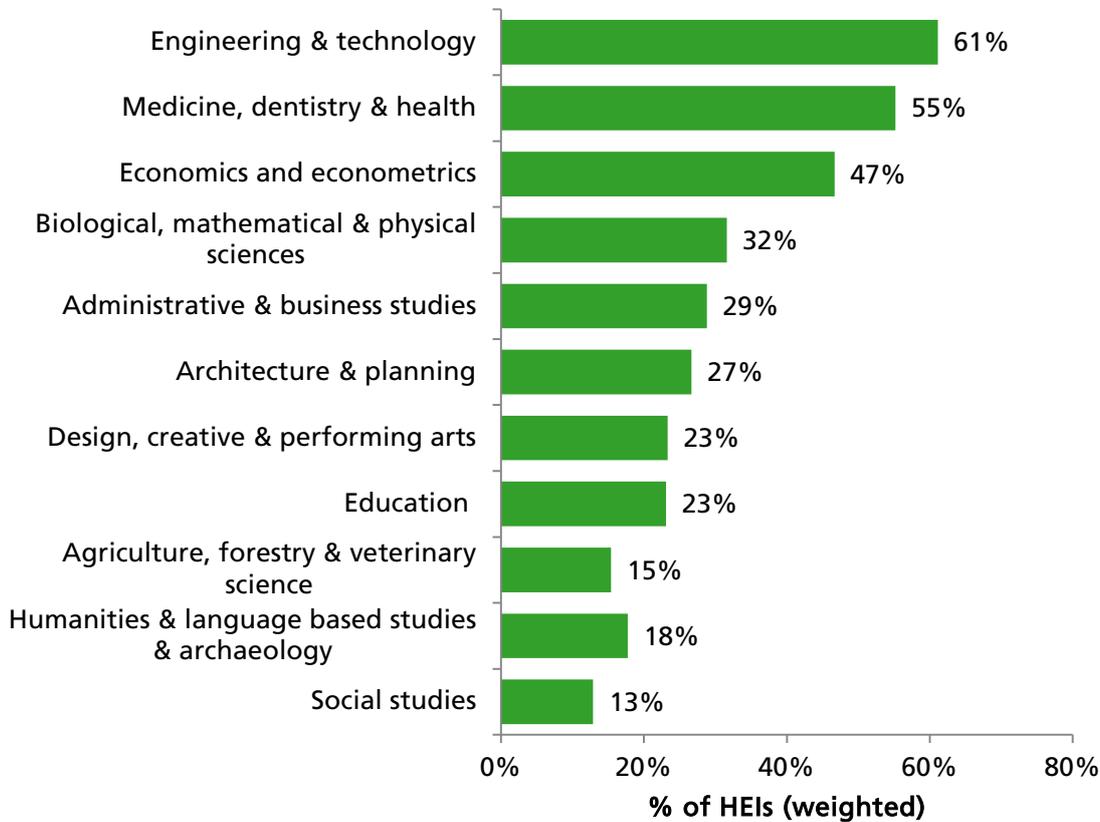
Figure 10: Academic staff recruitment difficulties by area

Figure 10: Academic staff recruitment difficulties by area

Area	Pre 92	Post 92
Engineering & technology	46%	55%
Medicine, dentistry & health	49%	48%
Biological, mathematical & physical sciences	37%	16%
Administrative & business studies	20%	29%
Design, creative & performing arts	9%	39%
Economics and econometrics	23%	19%
Education	14%	23%
Humanities & language based studies & archaeology	17%	16%
Social studies	14%	10%
Architecture & planning	9%	13%
Agriculture, forestry & veterinary science	3%	3%

% of HEIs

Although Figure 10 identifies the most commonly cited areas for recruitment difficulties, not all HEIs recruit employees in all areas so some more commonly taught subject areas appear higher in the list due to coverage rather than due to a higher incidence of recruitment problems. Figure 11 addresses this by weighting the subjects according to the number of HEIs that have employees in those categories. Using this approach, economics and econometrics moves from sixth to third place and architecture and planning jumps from tenth to sixth place.

Figure 11: Academic recruitment difficulties by subject area (HESA cost centre), weighted by subject provision

Percentages are calculated based on the number of HEIs reporting difficulties as a proportion of survey respondents that had staff in those cost centres in 2015-16 (HESA).

In 2015, difficulties in academic staff recruitment were most commonly seen in professorial roles. In 2017 however, lecturer roles were reported to have been the hardest to recruit overall (Figure 12) as well in the different subject groups – Figure 13.

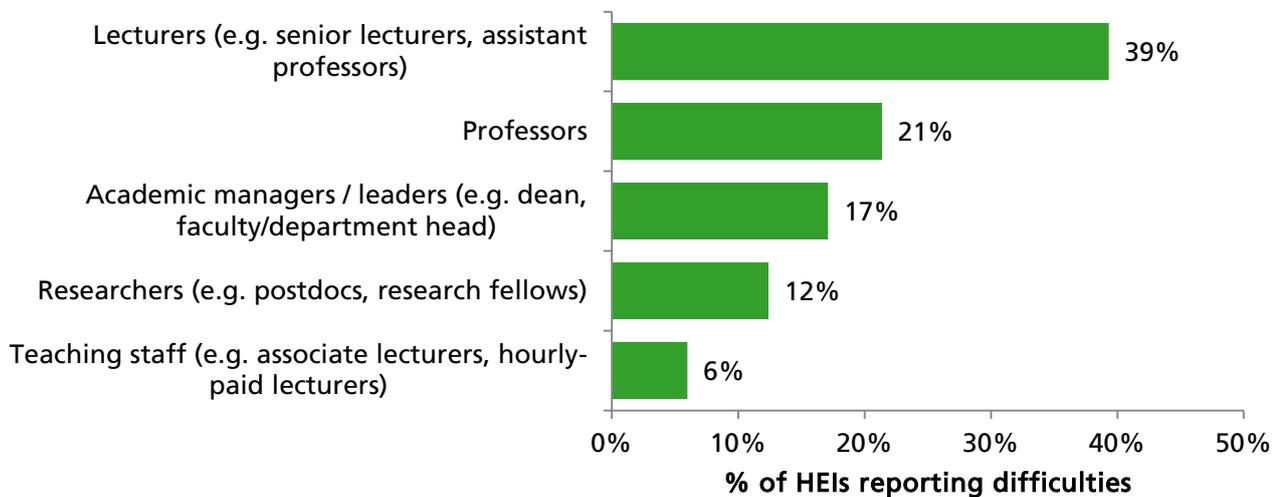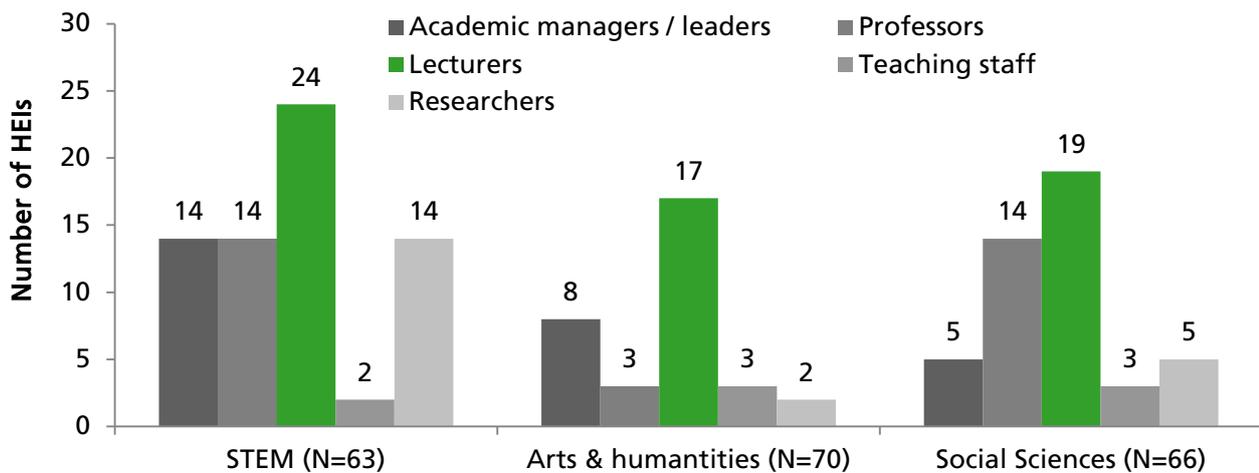**Figure 12: Academic recruitment difficulties by level**

Figure 13: Academic staff recruitment difficulties by level and subject area

Reasons for difficulties

Consistent with the 2015 survey, lack of skills and expertise was the most common reason for academic staff recruitment challenges, with 41% of respondents reporting it as the top reason – Figure 14. As was the case with professional services staff, no HEI chose Brexit as a reason for difficulties in recruitment. Competitiveness of pay is less of a factor for academic staff which may reflect the similarity of pay structures within the sector at levels below professor.

Figure 14: Most common reasons for academic staff recruitment difficulties
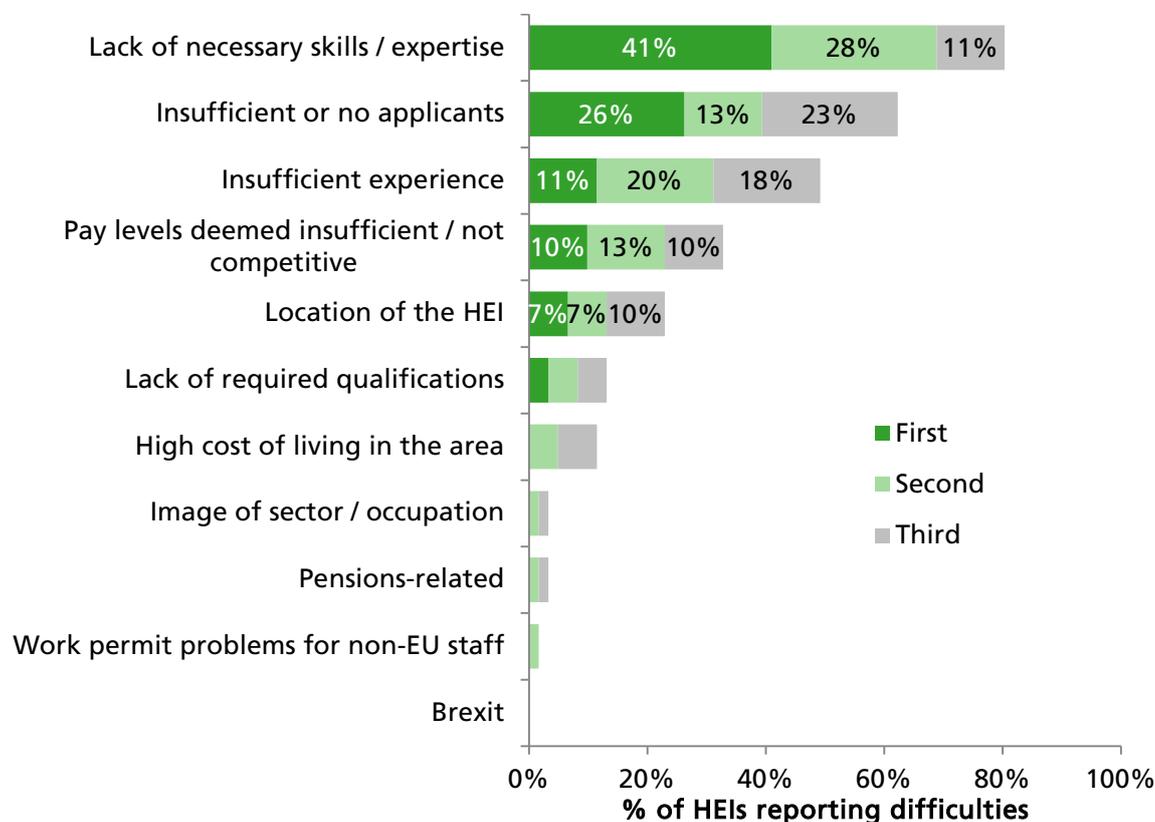
Lack of skills and lack of applications were also reasons highlighted in the interviews, particularly in niche areas.

> *In medicine, there was a post for forensic pathologist which is a very specific field and with only small numbers of people trained. I think that's where the institution loses out by being in an area that is quite remote with a high cost of living.* (Pre-92, Scotland)

Although pay competitiveness was not commonly identified as a reason for recruitment difficulties, interviewees noted this as an issue in particular subject areas such as economics, advertising and business courses where skills can be transferred more readily into the private sector.

> *We struggle with economics. We can offer higher salaries because we are aware of the markets we have to compete in. However, for economics in particular, we are getting into a very small pool and there is lots of competition out there.* (Pre-92, England)

> *What you can earn at an advertising agency, if you're good, doesn't necessarily match up with what we are offering.* (HE College)

> *In the business school it's not only the fact you have a high number of vacancies but as fast as you recruit them they leave. They are highly poachable and they will leave for better offers.* (Post-92, England)

Employer brand

In addition to the survey responses, interviewees commented that a lack of strong employer brand was affecting recruitment campaigns for both academic and professional services staff.

> *Although we are one of the medium to biggest employers we are not seen as such. We are predominantly seen as a place of study so how do you switch that on to somebody with that mind-set. You've got the additional challenge that the sector has a reputation that it is very different to the private sector. (Post-92, England)*

Some interviewees have taken steps to improve and promote their employer brand to both existing staff and potential candidates.

> *We are engaging with a recruitment advertising partner to develop our employer brand because we don't tend to set ourselves apart from anyone else. We try to follow what everyone else is doing in the sector. If you look at universities' strap lines they all tend to have the same type of things. I think the sector is quite far behind the curve in employer brand.* (Post-92, England)

> *We have a global talent attraction platform for professors which is open year round…We held a strategic recruitment marketing working group to help identify who it is attracting, why it is attracting these individuals and who it is not attracting. We are now much clearer about our strengths as a university and what differentiates us from other institutions.* (Pre-92, Scotland)
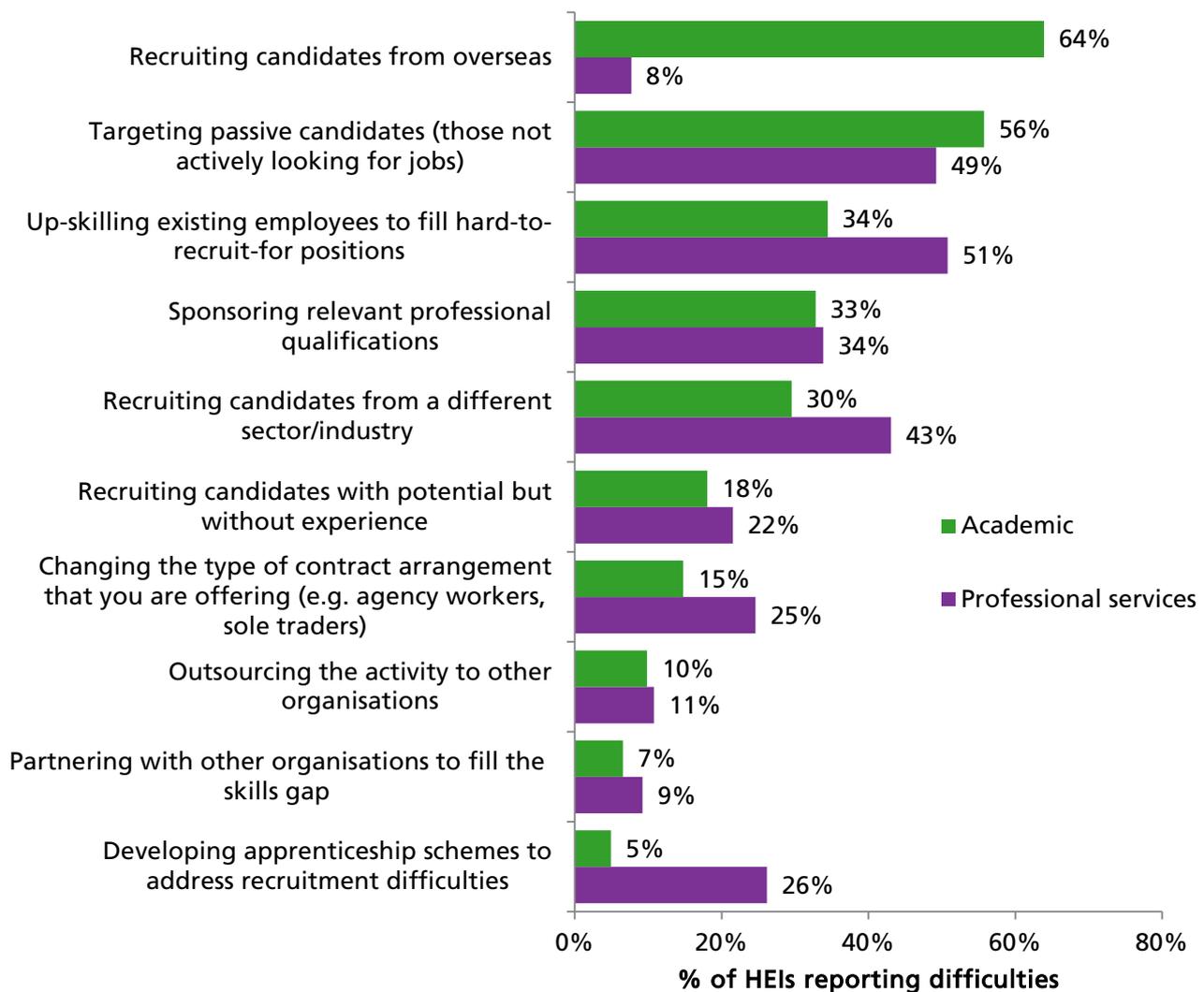
Responses to recruitment difficulties

The most common response to academic staff recruitment difficulties is to recruit candidates from overseas with 64% of responding institutions utilising this response in contrast to only 8% of responding institutions using this for professional services staff – Figure 15. One interviewee mentioned that they have taken further steps to encourage international staff to settle in the UK.

> *We are helping find schools for their children, helping them to find temporary accommodation and ensuring that from the point of offer to the point of them commencing that we don't lose them.* (Pre-92, England)

For professional services staff, the most common responses are upskilling existing employees, active recruitment campaigns and targeting candidates from different industries. Reflecting some of the challenges identified regarding the employment of estates and IT staff, a quarter of relevant respondents have looked at offering different contractual arrangements with a similar proportion developing apprenticeship schemes.

Figure 15: Initiatives undertaken since 1 August 2015 in response to recruitment difficulties

Outside of the options provided in the survey, interviewees offered several alternative initiatives to address recruitment difficulties including reviews of pay and related benefits. This included offering market supplements, reduced accommodation costs and offering low interest loans.

> *We are constantly looking at the market and making sure we remain competitive in those areas.* (Pre 92, England)

> *We offer accommodation as we are conscious we are in a high cost area. We also offer accommodation loans, season ticket loans, and an accommodation site for up to two years to helps settle in. We have also started to look at business school pay just to ensure we are competitive.* (Post-92, England)

One interviewee also mentioned the changing nature of academic roles when working with industry and the differing terms and salaries expected.

> *A key matter for us is academic recruitment of knowledge exchange staff. Our USP is working directly with industry, business and government to help them solve their problems. We've had to develop a knowledge exchange career path, because our traditional academic career path didn't wash with industry facing academic staff and we've had to be very aware that they are on different terms and conditions (outside the sector). They are much more used to having different base salaries, much more flexible based commission salaries, and more performance-related pay.* (Pre-92, Scotland)

While HEIs are responding to recruitment difficulties with a number of different initiatives, HEIs do not appear to have responded as actively as organisations in the wider economy, particularly in the five areas in Figure 16. Of the five areas, four are related to developing people within the organisation which suggests this could be an area for greater focus by HEIs.

Figure 16: Responding to recruitment difficulties, HE compared to all sectors
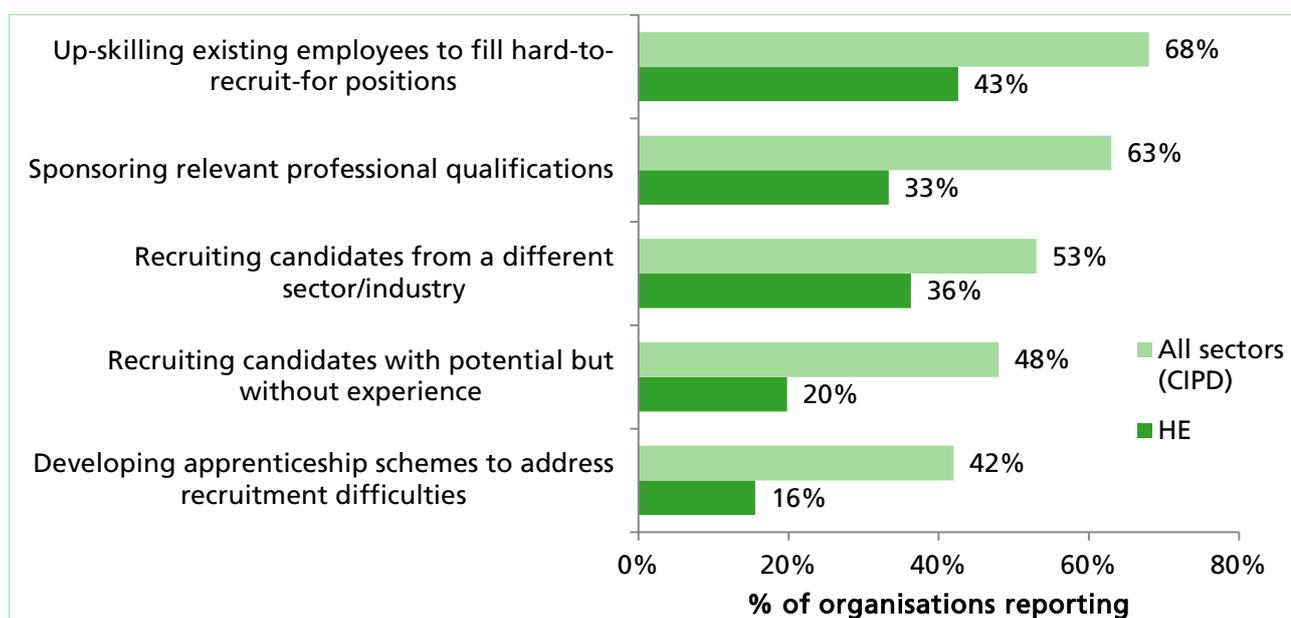
4 Staff retention

Overall employee turnover rates at UK organisations have been increasing steadily as the labour market has tightened with unemployment falling below 5%. XpertHR data show an increase in the median level of turnover from 10.6% in 2012 to 18.5% in 2015. The CIPD's latest figures show a similar recent trend in employee turnover from 13.6% in 2014-15 to 16.5% in 2016-17.

Although the so-called 'wastage rate' of overall employee turnover is often used as a staff retention indicator, voluntary resignation rates are typically a better gauge of staff retention as they exclude turnover due to retirement, redundancy and other non-voluntary reasons. For 2015, XpertHR reported that the UK voluntary resignation rate stood at 14.1%. Voluntary registration rates were higher in the private sector (20.3%) compared to the public sector (14.7%), although this largely reflects the inclusion of high turnover industries such as hospitality and catering in the private sector figures. Professional occupations, which are in the majority in HE, tend to have significantly lower turnover rates. The professional occupations with the highest voluntary resignation rates were HR staff at 7.4% and IT staff at 7.0%. The lowest rates were for engineering technician at 2.6% and actuaries at 3.2%.

Employee turnover in HE

The overall turnover ('wastage rate') for staff on open-ended contracts in the sector was 8.9% in 2015-16 up from 8.5% in 2014-15 – Figure 17.[3] For professional services staff it was 10.4% and for academic staff it was 7.9% with turnover for both groups increasing from the previous year.

Figure 17: Overall turnover, by staff group, 2014-15 and 2015-16, open-ended contracts only
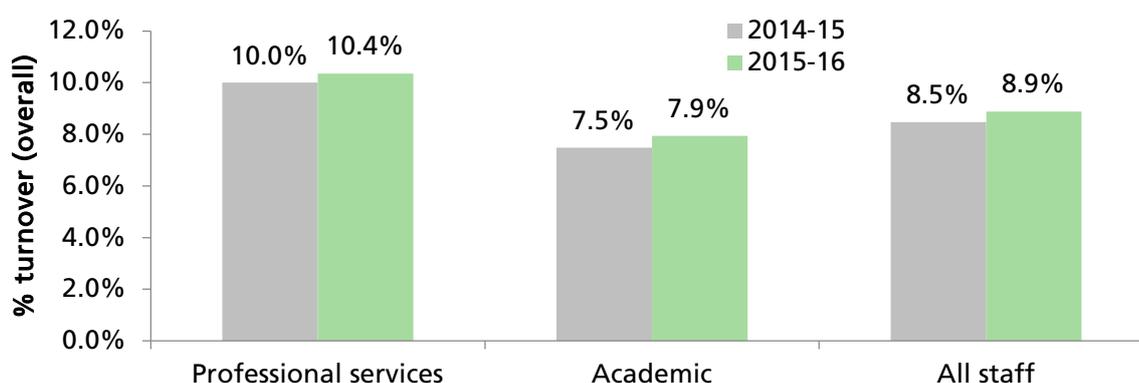
Source: HESA

In terms of voluntary turnover, resignation (voluntary turnover) accounted for 58% of turnover for employees on open-ended contracts with rates of 4.3% and 6.3% respectively for academic and professional services staff – Figure 18.[4] Redundancy and retirement rates for professional services staff are marginally higher than for academic staff.

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[3] All turnover rates are based on staff employed on open-ended contracts on 1 August 2015.
[4] 'Other' includes death in service and ill-health.

Figure 18: Employee turnover by reason for leaving and staff group, 2015-16, open-ended contracts only
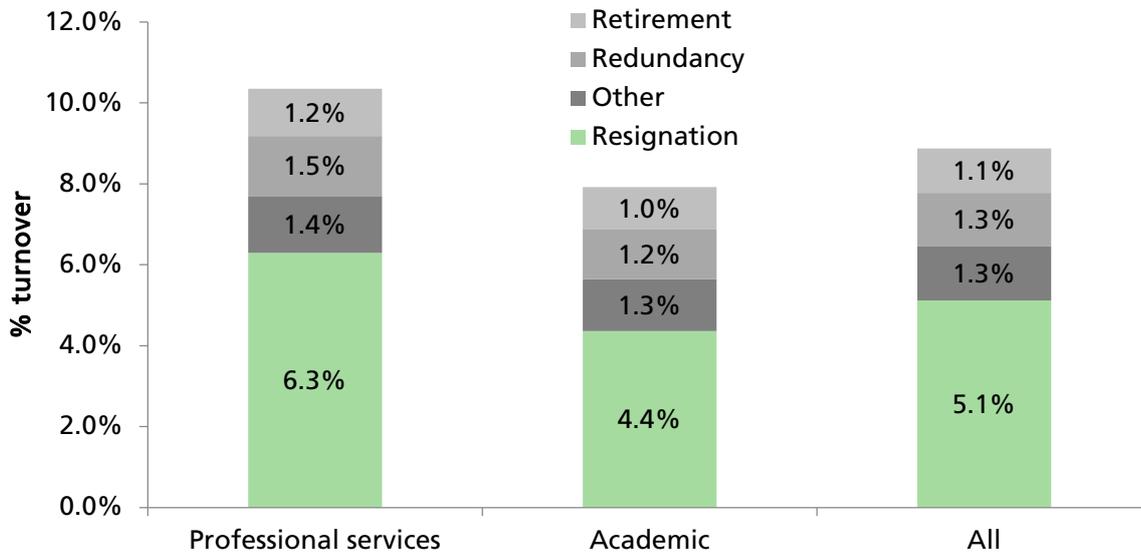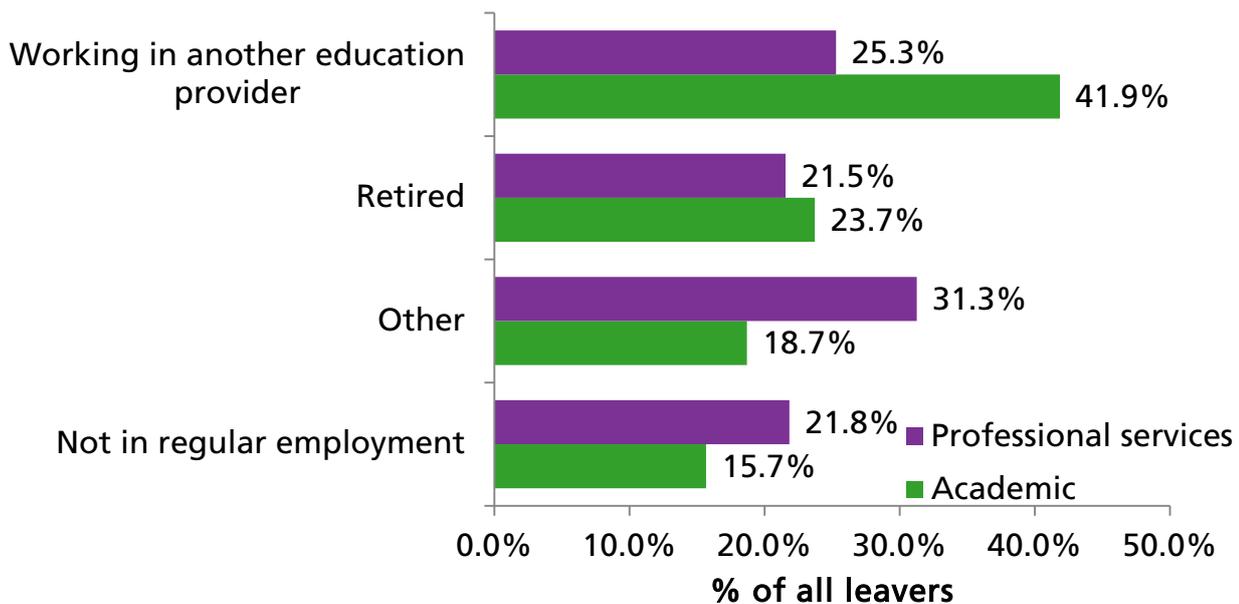

Source: HESA

Similar to data on previous employment of recruits, the data on destination of those voluntarily leaving employment show that academic staff typically stay in the sector while the destination of professional services staff is more diverse with 31.3% going into employment in other sectors – Figure 19. Retirement accounts for a significant proportion of voluntary leavers in both the academic (23.7%) and professional services workforce (21.5%).

Figure 19: Destination of leavers, 2015-16

This chart shows the destination of leavers on open-ended contracts only. Other employment includes public and private sector employment. Excludes records where destination is unknown.
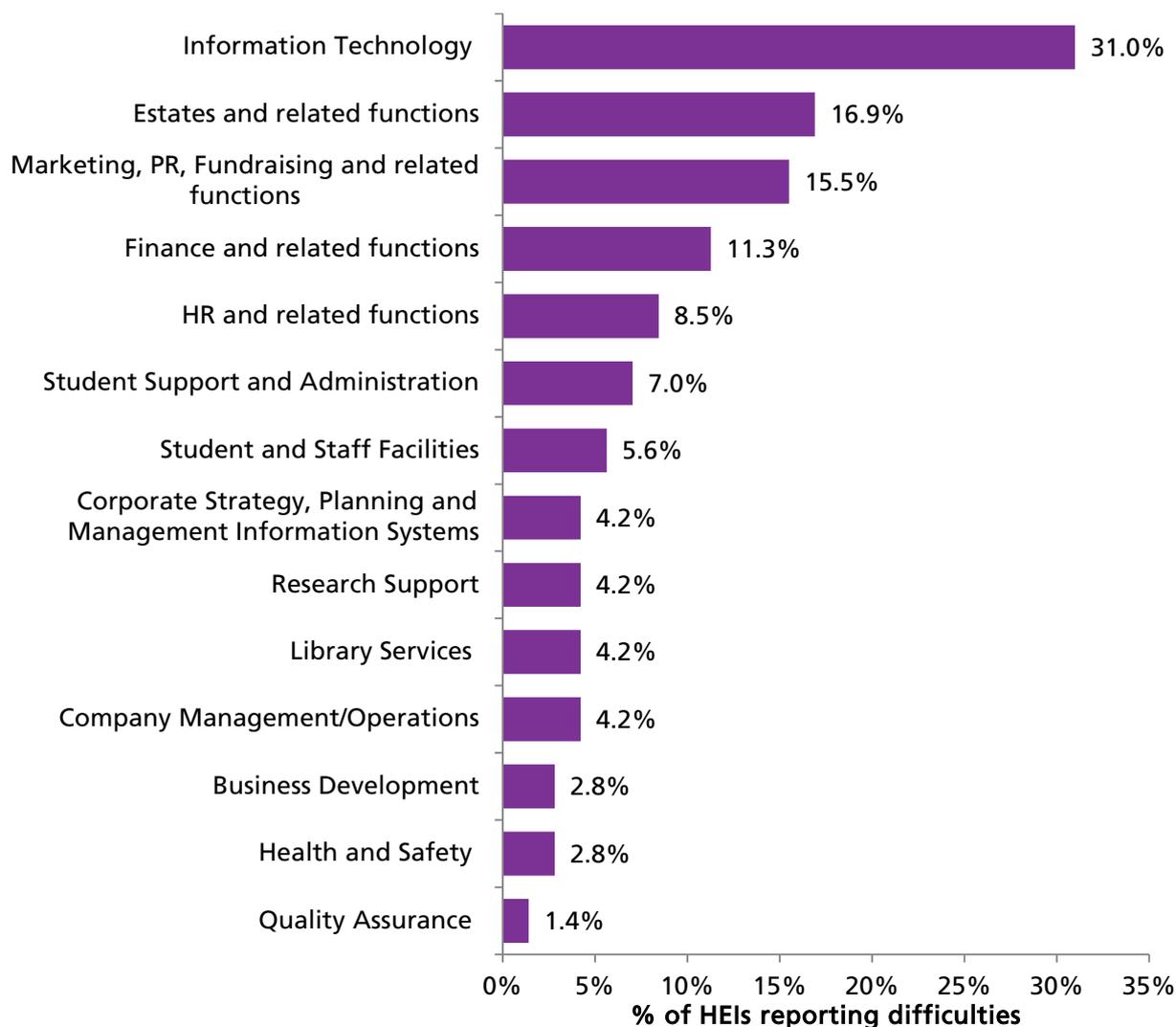

Source: HESA

Retention of professional services staff

While professional services staff retention was less of an issue than recruitment, 53% of survey respondents reported difficulties and 35% reported difficulties in more than one area. The five areas reported as having experienced the most retention difficulties are the same as for recruitment challenges albeit reported by half the number of institutions – Figure 20.

Figure 20: Professional services staff retention difficulties by function

Function	%
Information Technology	31.0%
Estates and related functions	16.9%
Marketing, PR, Fundraising and related functions	15.5%
Finance and related functions	11.3%
HR and related functions	8.5%
Student Support and Administration	7.0%
Student and Staff Facilities	5.6%
Corporate Strategy, Planning and Management Information Systems	4.2%
Research Support	4.2%
Library Services	4.2%
Company Management/Operations	4.2%
Business Development	2.8%
Health and Safety	2.8%
Quality Assurance	1.4%

% of HEIs reporting difficulties

Reasons for retention issues in hotspot areas were similar to those cited with recruitment, with pay for specialist staff commonly mentioned, but also career progression.

> *If people have got to a certain level in their career, they will be in high demand so others will be able to make them better offers, offer better packages for them and therefore if they choose to go it's difficult for us to retain them. (Pre-92, Scotland)*

Interviewees also attributed some of the high levels of turnover to recent organisational change and restructuring within their institution.

> *We did have some people exit after a recent restructure because they decided that the new way of working wasn't for them.* (Post-92, England)

One respondent also reported that the reform of intermediaries legislation (IR35) in April 2017 had caused some issues in the retention of professional services staff working through a limited company or personal service company.

> *IR35 resulted in some payroll workers leaving in response to the tax and national insurance implications. The vast majority of our operations workers were in scope so there was an initial exodus. Some have subsequently come back but some we lost.* (Post-92, England)

Retention of academic staff

Looking at rates for different academic job levels we can see that overall turnover for staff on open-ended contracts tends to decrease with seniority. The lowest rates of turnover were for senior lecturer level and equivalent (6.1%) and professor level (6.2%) while the highest rate was at research assistant level (12.9%) – Figure 21. Turnover rates were higher at all academic levels in 2015-16. In terms of subject, the highest turnover rates were seen in veterinary science and clinical dentistry.

Figure 21: Employee turnover by contract level, open-ended contracts only, 2015-16
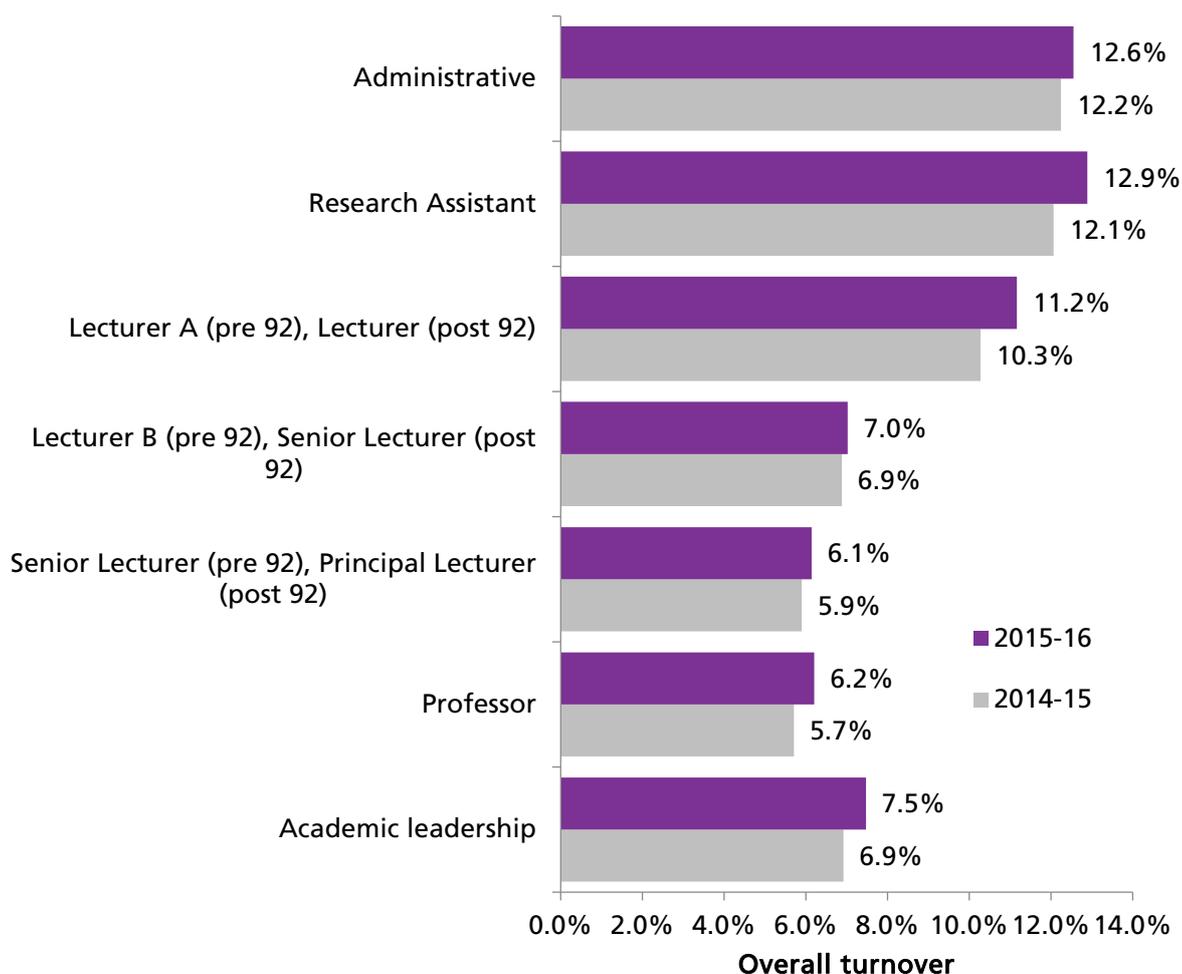
Source: HESA

Responding to retention challenges

The steps responding institutions have taken to address staff retention issues are similar for both academic and professional services staff. However, creating clearer or improved career paths, improving pay and increasing the use of counter offers are more common for academic staff – Figure 22.

Figure 22: Steps undertaken to address staff retention

% of HEIs who had undertaken initatives

26
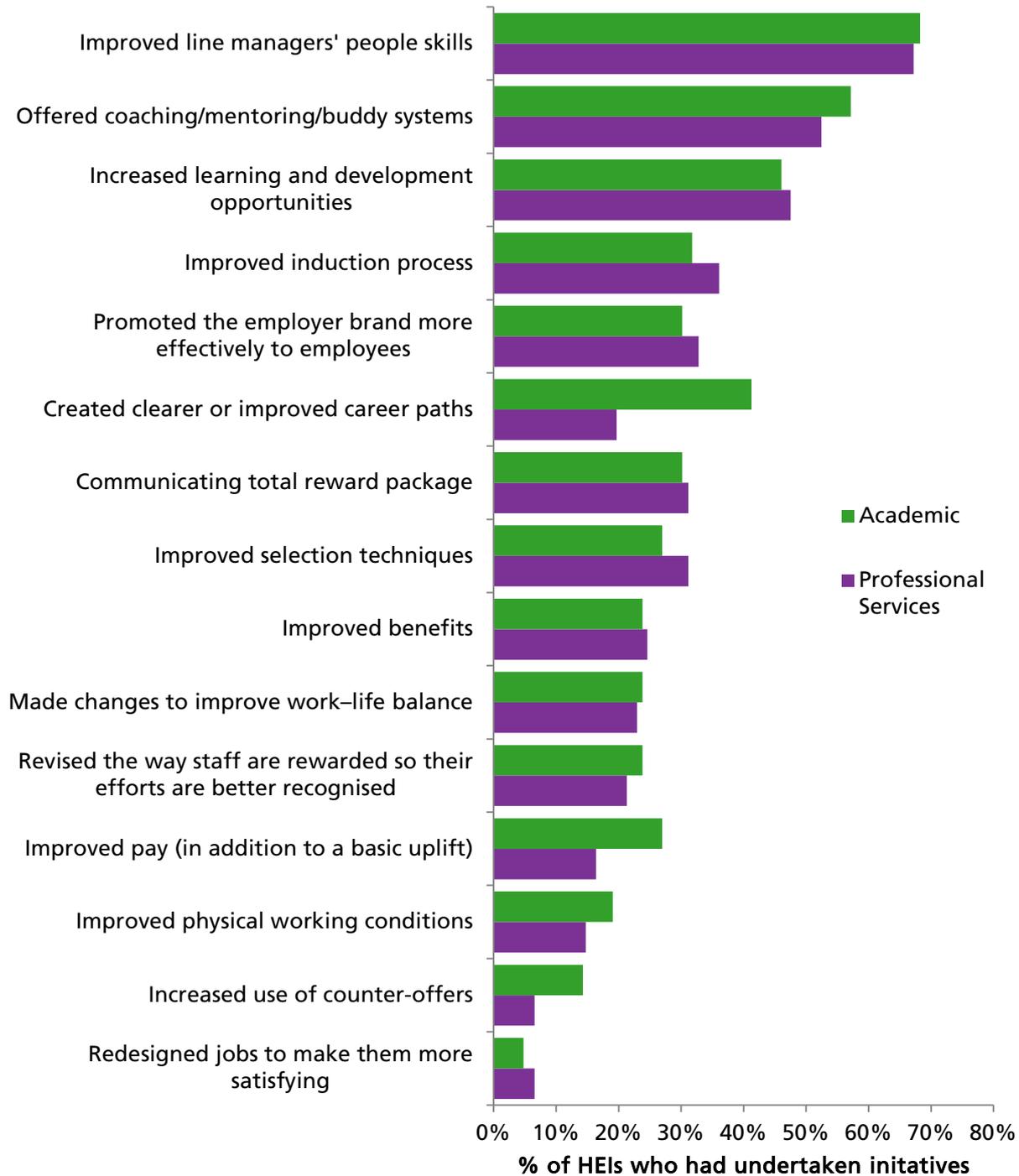
Improving pay appears to be a common approach to retaining IT staff either through market supplements, which are additional reviewable pay supplements based on market evidence, or in the case of one interviewee retention bonuses.

> *It is about getting that balance to being attractive enough for someone to say 'there may be a potential continuing contract somewhere else but I'd be walking away from the retention bonus'. We have a very fine line between careful use of public funds and retaining the right people.* (Pre-92, Scotland)

While pay can be a factor for academic staff, one interviewee explained that prestige and resources are equally important and can be more difficult to respond to in terms of matching offers from other HEIs.

> *We have a small to medium size physics, chemistry and engineering areas that are world ranking. However, when some of our senior professors get recognised by bigger players, we are finding these universities offering more competitive packages that we can't compete with. It's about salary but also the kit that they have got around them…Even if you pay them the same, we can't compete on prestige and probably won't be able to for decades to come.* (Pre- 92 England)

Creating clearer and improved career paths was popular with responding institutions, particularly for academic staff. Interviewees also spoke about the significant work they had done in this area.

> *Over the last five years, we've been working on the academic role profiles, which are refined every year and are the basis of our promotion scheme. We've done a lot to clarify the teaching roles and how you can progress through that track and we have seen quite an increase in people following that career path.* (Pre-92, Scotland)

> *We found that our principal lecturer roles were poorly defined so we've focused them on different key areas: teaching, research and management. We've opened different channels for people within the grade as not everyone wants to be a researcher and not everyone wants to go into management.* (Post-92, England)

Increasing learning and development opportunities was also a common response from interviewees and was seen as both a response to recruiting candidates with insufficient experience or knowledge, as well as upskilling existing staff to counter potential recruitment difficulties at senior levels, particularly when trying to replace an aging workforce.

> *From day one we have a very robust staff development process. Every academic member of staff participates in it and we really do invest in our staff. This includes attending relevant conferences, which makes sure that they are remaining current within their field.* (Post-92, England)

> *We do a succession planning exercise periodically to see which roles are due to finish and identify potential successors. Potential successors are assessed as to whether they are ready now or whether they should attend our high potential leadership programme.* (Pre-92, Scotland)

We are now recruiting people at a lower level of experience and a lower level of skill and then committing to develop them though either our post graduate programme or through an intensive training programme working with colleagues. That has made it easier to recruit and get people in and it helps with retention as well. (Post-92, England)

Comments from survey respondents gave further insight into steps taken to improve selection techniques. This included 'targeted recruitment training for hiring managers to ensure they are clear about their responsibilities as a brand ambassador' and workshops 'for managers on recruitment and selection and interviewing skills'. Ensuring that recruitment processes are consistent with Athena SWAN principles was also mentioned by one interviewee in the context of improving women's employment outcomes.

Recruitment panels now include at least one female. We have identified a number of women through Aurora Women as Leaders that will be prepared to sit on interview panels…We have also rolled out an online diversity module and also met with recruitment agencies and briefed them on our approach to diversity so our head-hunters are well aware of what we need to achieve. (Pre-92, England)

While the HE sector is more likely to have taken steps to improve line managers' people skills and offer coaching to their staff, other sectors appear to be more active in utilising initiatives to tackle retention challenges, particularly in improving induction processes, enhancing benefits and reviewing pay – Figure 23.

Figure 23: Responding to retention difficulties, HE compared to other sectors

5 Managing staff-related costs

The most common approach to managing staffing and staff related costs is to implement HR process or system improvements to increase efficiency; 37 HEIs reported having already implemented this and a further 20 HEIs reported considering this. The top five approaches remain unchanged since 2015 – Figure 24.

Figure 24: Initiatives implemented since 1 August 2015 to reduce staffing and staff related costs
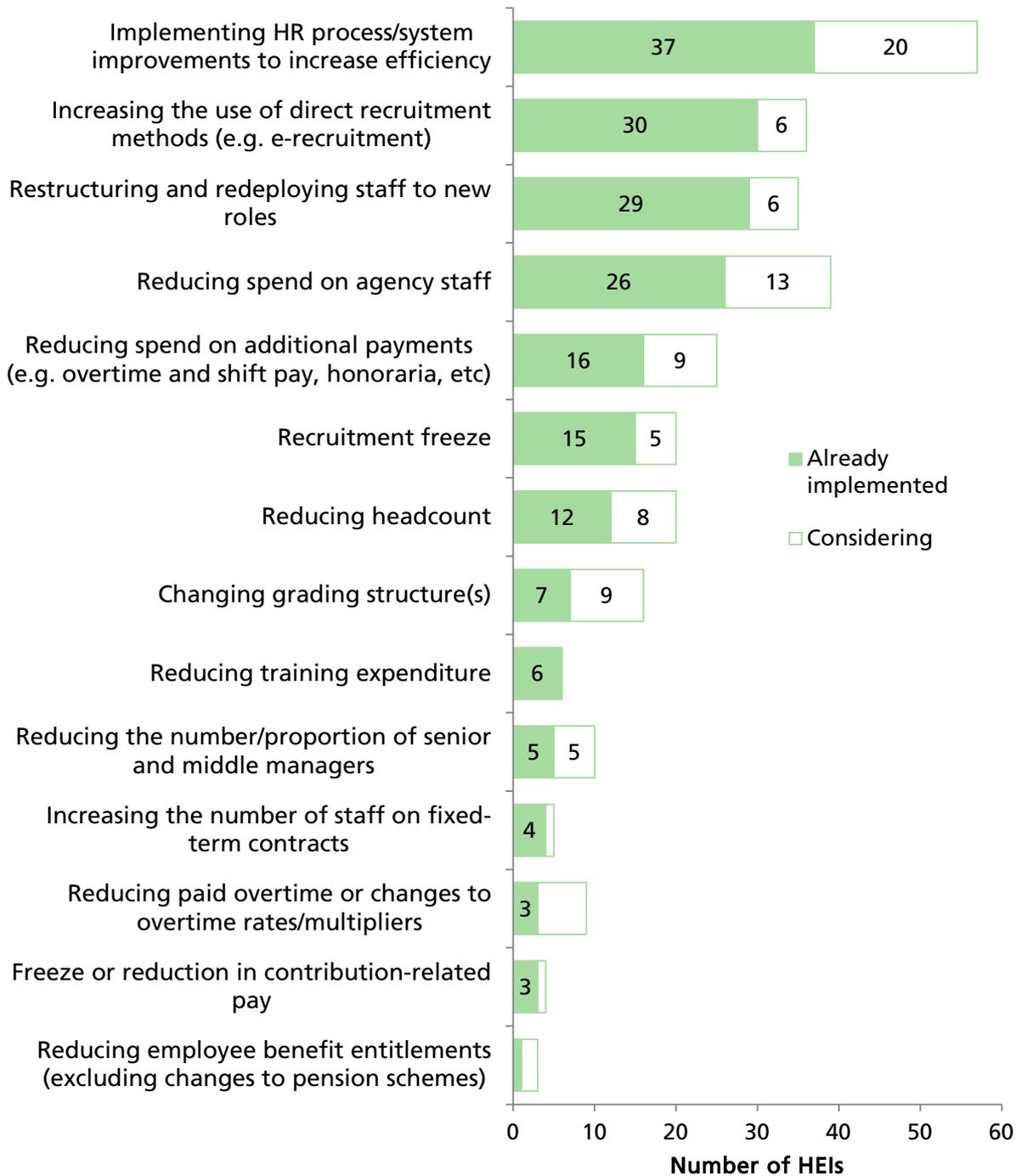
Interviewees provided more detail on some of the initiatives undertaken in recent months with self-service HR emerging as a common recent introduction:

> *A new system has afforded the opportunity for new process and systems created efficiency through digital technologies. It's all about that employee journey for us and there is an expectation that that journey is digital and accessible online; they can do it on their own tablet or phone.* (Post-92, England)

The second most common step to have already been taken by responding institutions was increasing the use of direct recruitment methods. This was also mentioned by interviewees as a way of promoting their employer brand.

> *We have started working more with LinkedIn and social networks. We have done this slowly as we've had a bit of a cultural change to go through. We have also tried to look at using head-hunters for certain roles, such as those in the business school. We are reaching out rather than just doing the same adverts on the usual sites. We have also started to make sure we have a regular presence in the THE. Even though there might not be that many jobs going we still do an advert so that people know that we are there and retaining our brand profile.* (Post-92, England)

> *If I was advertising today for an engineer I would not expect more than a handful of applicants and I would be amazed if I could recruit through conventional means. If I went through a commercial agency they'd have two dozen CVs on my desk within a couple of hours.* (Post-92, England)

Twelve survey respondents indicated that they have reduced their headcount since August 2015. Interviewees also commented on restructuring and its impact.

> *At the moment we've been using those who have left to make savings…If there are certain critical posts that need replacing then we have been replacing them but it is very much on a needs basis and then upskilling our current staff.* (Pre-92, Scotland)
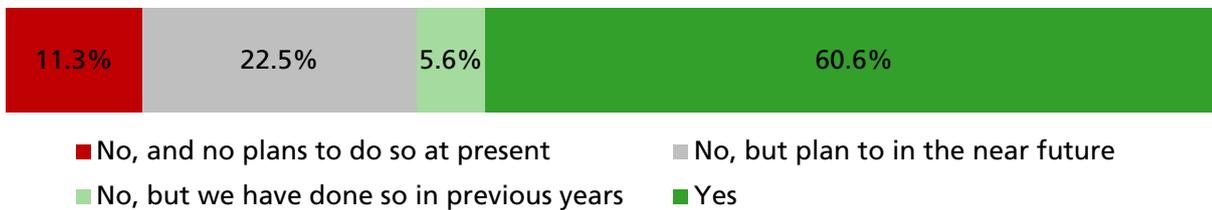
> *We had to reduce headcount by 20% and we've changed the organisation structure. We've also sought to take out as much of the non- teaching, administrative duties from the schools as possible and put those into the support departments. (Post-92, England)*

6 Apprenticeships

Over half of respondents (61%) currently offer apprenticeships in one or more areas, up from 57% in 2015, and a further four respondents have done so in previous years. Just under a quarter of respondents do not currently offer apprenticeships but intend to in the near future – Figure 25. The sector compares favourably with the wider economy, with the CIPD's *Talent and Planning Survey 2017* finding that 50% of medium to large employers in its survey employ apprenticeships with 24% planning to offer apprentices in the future.

In contrast to 2015, pre-92 respondents are more likely than post-92 institutions to offer apprenticeships in 2017. However, a higher percentage of post -92 respondents had offered apprenticeships in previous years and planned to in the near future.

Figure 25: Do you employ apprentices at your HEI?

| 11.3% | 22.5% | 5.6% | 60.6% |

■ No, and no plans to do so at present   ■ No, but plan to in the near future
■ No, but we have done so in previous years   ■ Yes

The number of apprentices at HEIs offering them is modest and has averaged between four and five apprentices over the last four years. However numbers have been steadily increasing since 2011, peaking at 217 apprentices in 2015-16 – Figure 26. Figures for 2016-17 were compiled before the end of the academic year so will be lower than would be expected at the year end.

Figure 26: Apprenticeship starts and completions, 2014-15 to 2016-17

Note: The survey was conducted between April and June2017 – 2016-17 data is therefore incomplete.
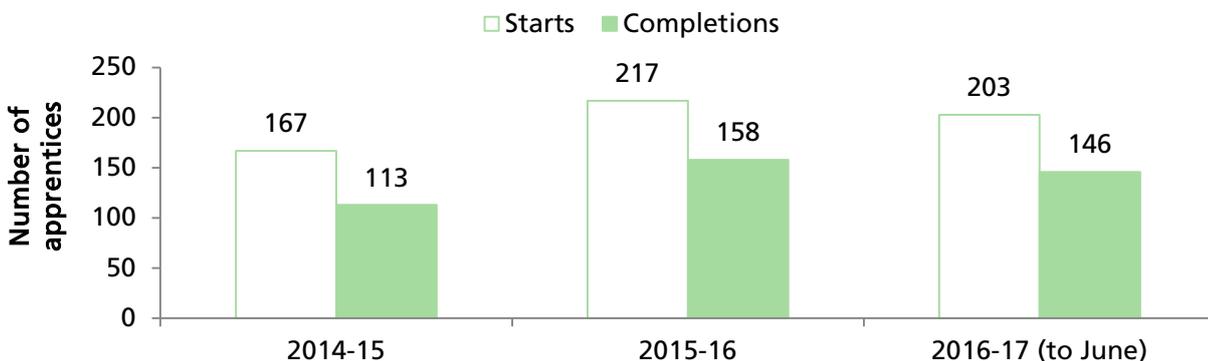
Business administration remains by far the most common area for apprenticeships to be offered with 152 apprenticeship starts reported since August 2015 – Figure 27. Engineering is the second most common, up from fourth in 2015, perhaps reflecting the skills gap in STEM subjects, and IT remains in third. 'Other areas' included childcare/nursery and one institution reporting to have nine apprentices but that the roles were not identifiable on their system.

Figure 27: Number of apprenticeship starts since 1 August 2015, by occupational area
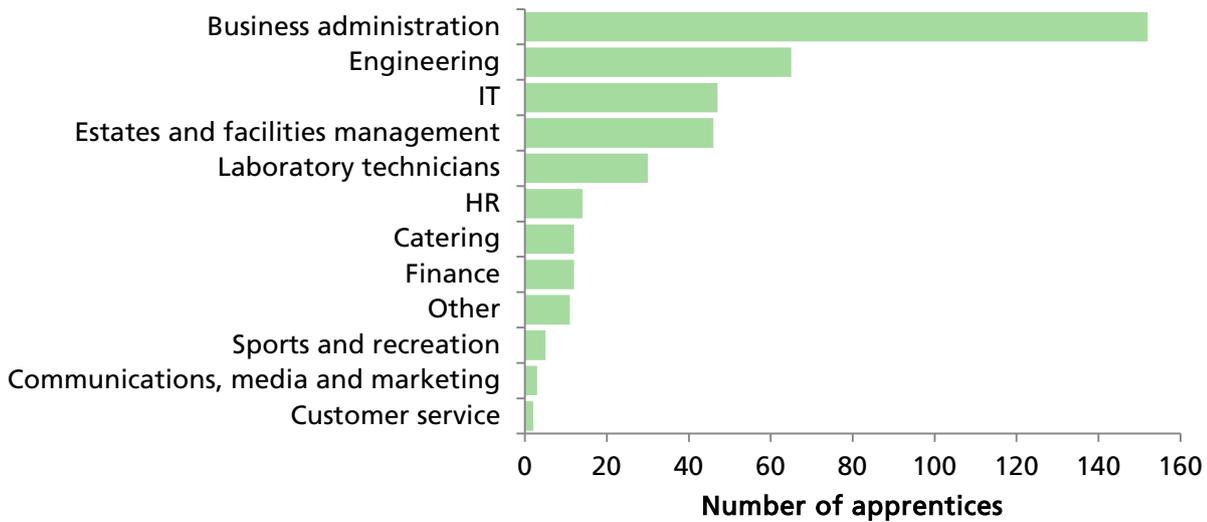
Apprenticeship Levy

It appears likely that the introduction of the Apprenticeship Levy will increase the number of apprentices in the HE sector with over half of respondents stating that it will encourage them to start recruiting apprentices or to recruit more apprentices than they currently do – Figure 28 (excludes Scottish HEIs). However, 13% of institutions stated they will write the cost of the Levy off as a tax on employment and 10% did not know what the effect of the Levy would be. HEIs are more optimistic about the impact on the Levy than organisations in other sectors. According to the CIPD's *Talent and Planning Survey 2017* only 28% of organisations expected recruitment to increase as a direct result of the Levy.

Figure 28: How will the Levy impact investment, training and apprenticeships at your HEI
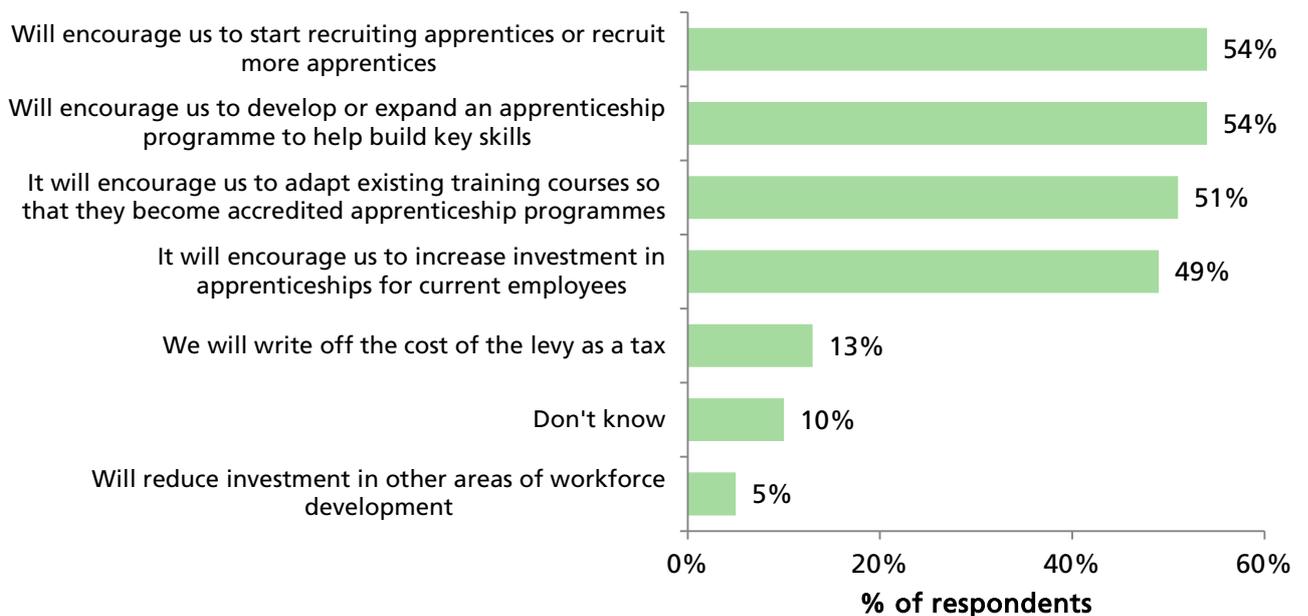
Given the level of the Levy and the potential for this to be lost to other employers, some HEIs have begun integrating apprentices into their overall workforce strategy.

> *We are looking to recruit about 30 apprentices over the next year and we have a two-tiered strategy. The first is that we want to start getting younger people into the workforce because our university profile has got next to nobody under 25 and our main customer base is under 25. Also there is something about playing a role in social mobility. We then want to develop existing staff. So we are in discussion with local providers and local colleges on how we get the new apprenticeships off the ground.* (Post-92, England)

One respondent stated that the Levy would provide them 'with additional funds to upskill the local workforce' while another wrote that they were:

> *…looking to use the Levy and a driver and enabler of strategic intent to build career pathways, improve succession planning, increase recruitment of younger people and improve social mobility for potential future staff.*

In a similar vein to the survey responses, interviewees mentioned using the Levy for existing staff development and training for staff of all ages.

> *We have been talking to other universities because they have made good use of apprenticeships for existing staff throughout their leadership and management development. We are also looking at our academic career pathways. We believe we can do more with that around existing staff and apprenticeship programmes, particularly the higher apprenticeships.* (Post-92, England)

> *We are looking at some current upskilling of our workforce. For example, the facilities management post we have upskilled someone who had the potential to grow within the role and again it is just utilising our levy to achieve that.* (Post-92, England)

Interviewees were however cautious about how they approached the Levy and acknowledged that more needed to be done to increase their own knowledge about the Levy. Some interviewees had sought advice and potential partnerships before implementing new apprenticeship strategies.

> *We haven't really got the infrastructure set up just yet. We are looking into revising our recruitment practices, at the moment it is a softly, softly approach to explore whether an apprentice would work.* (Post-92, England)

> *What we're doing is a measured, cautious look at apprenticeships to decide whether it could work in parallel with the two development programmes we already have running.* (Post-92, England)

Interviewees also explained the barriers to employing apprentices such as additional staff costs, lack of existing skills or knowledge and lack of apprenticeship training facilities and standards.

Unfortunately our local college has stopped delivering the courses which would have helped facilitate apprenticeships so that's something that will need quite a bit of work for us to get up and running again. (Pre-92, Scotland)

Sometimes the standards are not in place yet. For some of the things that we would like to have recruited someone to, a glass blowing technician for example, there are no standards for that and there are no standards for CIPD (HR qualifications) at a level 3 stage. (Pre-92, England)

If I went to our local FE College and said I want an apprentice in performance and data analytics they wouldn't be able to help us because the colleges are still playing catch up too. The more traditional routes such as engineering and technical roles they are set up for, but the more generic HE roles they are not. (Pre-92, England)

Quite a few line managers are interested in taking on an apprentice but what prevents them is that they have a small team of people and they want someone up to speed from day one. They are quite reluctant sometimes looking at the long term investment in getting a youngster in. (HE College)

I looked at the apprentice route to gaining CIPD membership versus what we currently do and an apprentice is much more expensive, even allowing for the fact we can draw down against our Levy. (Post-92, England)

In Scotland, where the Levy is not managed through individual organisational accounts, survey respondents were less optimistic. They were uncertain as to whether they would have direct access to any funds and until clarity is provided the Levy will be seen as 'effectively just another tax on employers.'

The fact that 39% of HEIs don't currently offer apprenticeships and the challenges in commencing apprenticeship programmes is reflected in the proportion of Levy funds that HEIs expect to recoup in 2017-18. At the median HEIs in England expect to recoup just one quarter of the Levy – Table 1. Post-92 institutions were slightly more optimistic about recouping a higher percentage of their Levy with 60% of the Levy expected to be recouped.

Table 1: What percentage of your institutions apprenticeship Levy do you estimate you will recoup in 2017-18 (excluding Scottish HEIs)?

	All	Pre-92	Post-92
Mean	37.7%	22.6%	53.1%
Median	25.0%	17.5%	60.0%
UQ	70.0%	33.8%	83.8%
LQ	5.0%	0.5%	12.5%

7 The International workforce

International staff working in the UK

The academic workforce is internationally diverse with staff from 199 countries other than the UK who comprise 30.5% of academic staff with 16.7% from other EU countries. In terms of contract level, there is above average representation of EU staff in lower levels such as research assistant (L0 at 22.6%) and lecturer / researcher (K0 at 18.7%) indicating greater reliance on these staff in these early stages of the academic pipeline – Figure 29. The same is true in terms of other international staff.

Figure 29: Academic staff by contract level and nationality, 2015-16
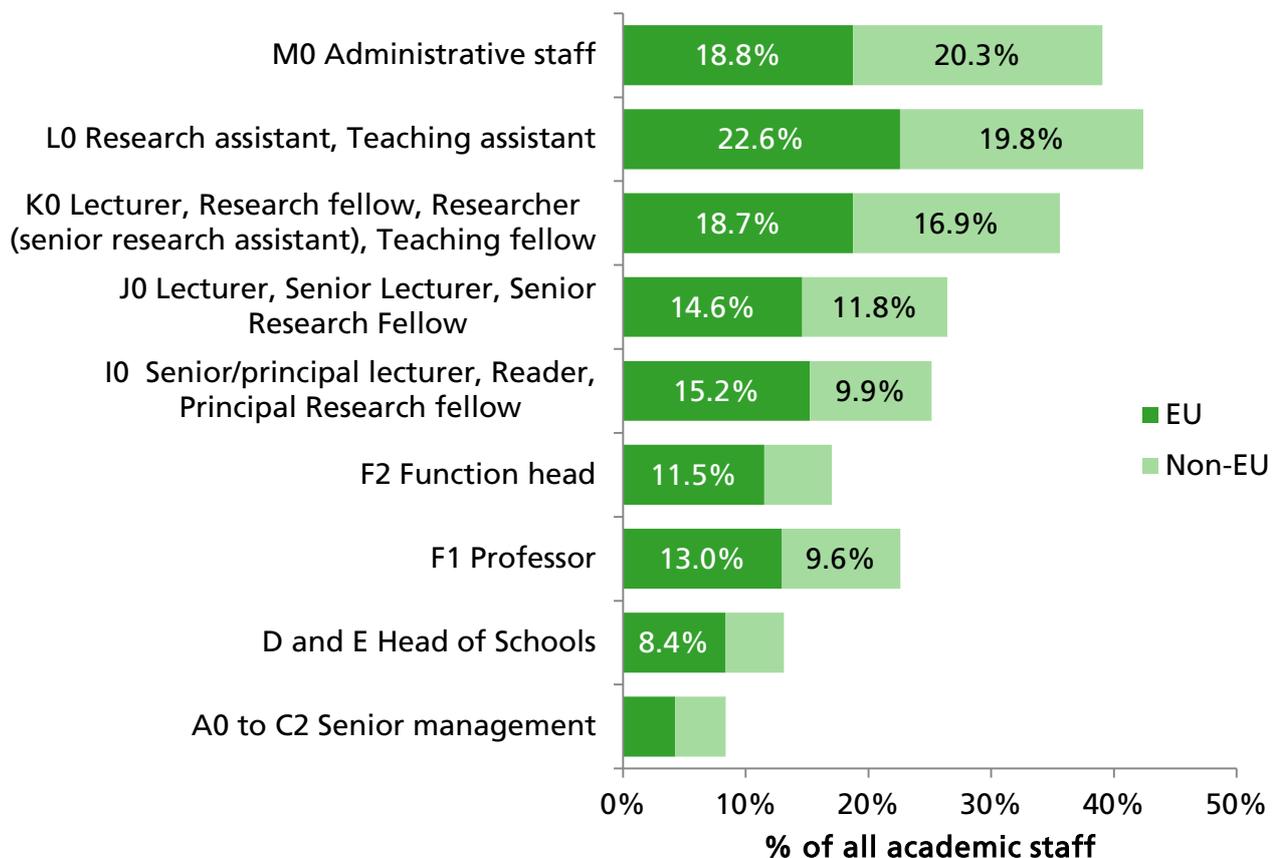
Source: HESA

HEIs are highly reliant on international staff in several STEM subjects as well as economics, modern languages and development studies – Figure 30. There are now four subject areas where a majority of staff are international (economics, chemical engineering, area studies and modern languages). UK HEIs' reliance on international staff for academic staff in STEM subjects is likely to continue with 72.5% of full-time taught postgraduates in STEM subjects in England being domiciled outside the UK and 53.2% of full-time postgraduate research students (MRes/Phd).[5]

[5] Source: HEFCE analysis of HESA data for 2014-15 and 2015-16 (combined).

Figure 30: International academic staff by subject area, 2015-16

Subject area (cost centre)	EU	Non-EU	Total international
(129) Economics & econometrics	35.1%	28.7%	63.8%
(116) Chemical engineering	25.9%	29.9%	55.7%
(125) Area studies	25.7%	26.5%	52.2%
(137) Modern languages	35.7%	15.1%	50.8%
(117) Mineral, metallurgy & materials engineering	19.4%	27.9%	47.3%
(127) Anthropology & development studies	21.6%	25.6%	47.3%
(119) Electrical, electronic & computer engineering	18.5%	28.2%	46.7%
(122) Mathematics	25.0%	21.2%	46.2%
(114) Physics	26.3%	19.4%	45.7%
(128) Politics & international studies	26.0%	17.4%	43.4%
(115) General engineering	16.3%	25.7%	41.9%
(118) Civil engineering	20.2%	20.7%	40.9%
(120) Mechanical, aero & production engineering	16.9%	23.5%	40.5%
(113) Chemistry	22.4%	18.1%	40.4%
(121) IT, systems sciences & computer software engineering	21.2%	18.9%	40.1%

Source: HESA

In contrast to the academic workforce, the professional services workforce has a lower proportion of EU staff than the UK economy as a whole (7.3%) – Figure 31. However, there are still significant numbers of EU and other international staff working in HEIs across the UK and catering, cleaning and security occupations are the most internationally diverse.

Figure 31: International professional services staff by level, 2015-16
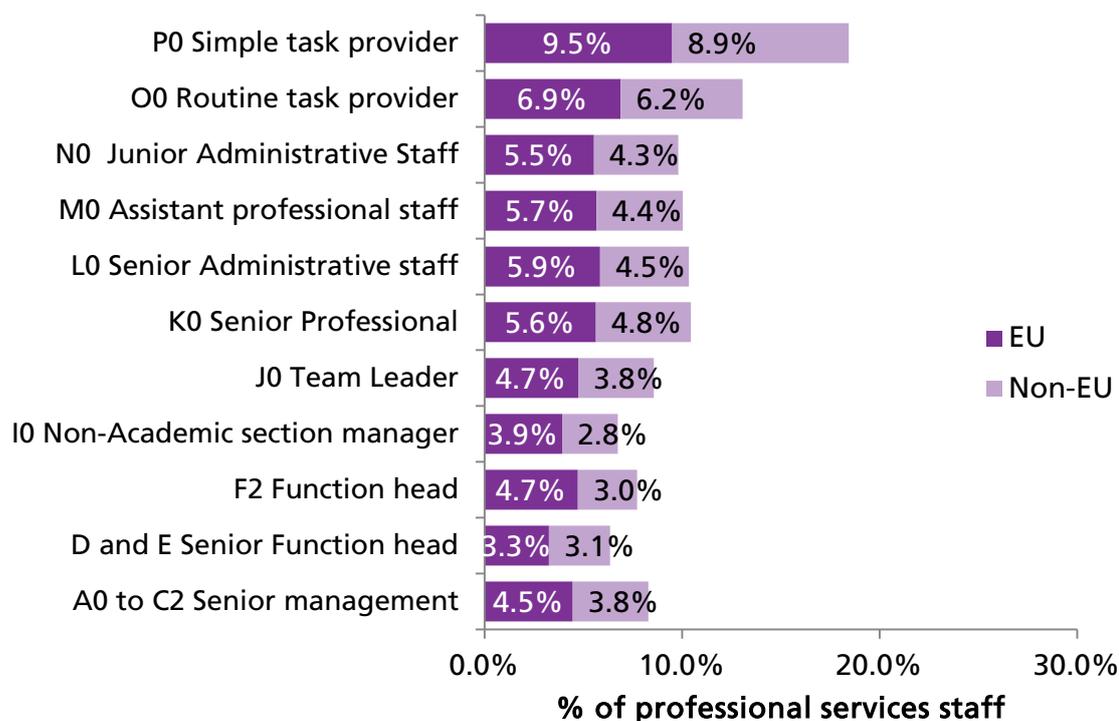
Source: HESA

Non-EEA employees will typically require a visa to work in the UK and most commonly will do this through a Tier 2 (Skilled worker) visa – Figure 32. Apart from academic staff who comprise the majority of staff on Tier 2 visas, there are a wide range of such staff employed in professional services particularly in IT but also technical staff, finance roles, librarians, marketing, alumni development and administration.

Figure 32: Working visa type by use (number of staff)

% of all visas

Tier 2 (Skilled workers): 79.5%
Tier 5 (Temporary workers): 11.1%
Tier 1 (Exceptional talent): 9.5%
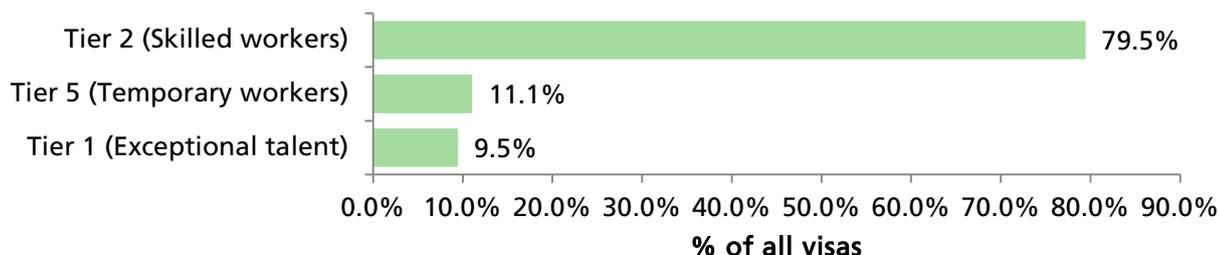
The impact of Brexit

The result of the EU referendum has had a limited impact to date on institutions' ability to recruit and retain staff although uncertainty as to the future status of EU staff has been damaging to morale. No respondents reported a significant negative impact on their ability to recruit staff from the EU and only one respondent reported a significant negative impact on their ability to retain staff from the EU – Figure 33 and Figure 34.

Figure 33: What has been the impact of the EU referendum on the ability to recruit staff from the EU?

1.4%

| 66.7% | 24.6% | 7.2% | |

■ 1 (No impact) ■ 2 ■ 3 ■ 4 ■ 5 (Significant negative impact)

Figure 34: What impact has the EU referendum had on your ability to retain staff from the EU?

2.9%

| 65.2% | 26.1% | 4.3% | |

1.4%

■ 1 (No impact) ■ 2 ■ 3 ■ 4 ■ 5 (Significant negative impact)
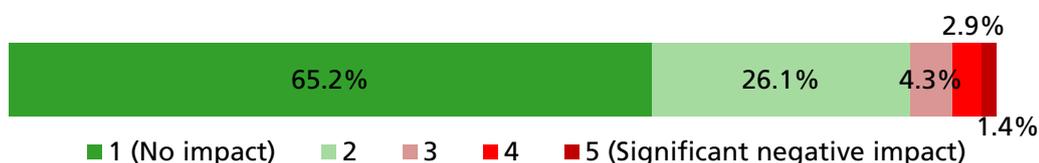
Some interviewees reported that they had actually seen an increase in the numbers of non-UK staff responding to vacancies.

> *We had far more applications from outside the UK than in the previous year. It totally bucked the trend...This might have been the last attempt to get in just before article 50 was triggered. We will know when we go back to market over the next couple of*

months, but we were astonished by the number of non-UK applications this year. (Pre-92, Scotland)

We have had less EU staff leave this year than last year and double the number of applicants this year. (Post- 92, England)

However one interviewee did comment that while the numbers were not statistically significant they have had 'a number of staff citing uncertainty as a reason for thinking about returning to the EU' and 'one or two staff deciding not to accept senior contracts at professorial level following the Brexit vote'. UCEA's Brexit survey conducted in 2016 found that although the total number resignations was small, several of the roles have been high level academic appointments where global expertise is limited to a small pool of mobile talent. The international competitiveness of UK HE salaries has also fallen due to the weakened pound.

When asked how concerned they were about the ability to recruit and retain staff from other EU countries in the two year negotiation period, the median response was 49 out of 100 (mean 42) with 100 indicating the highest level of concern. Post-92 institutions appear less concerned with a median level of concern of 32 compared to pre-92 institutions at 50. The areas and roles which have raised the most concern are: academic roles with 38 respondents citing concern, research with 24 respondents concerned, special/niche areas with six respondents concerned and senior academics with five respondents concerned. There was limited concern regarding the ability to recruit and retain professional services staff from the EU.

As so much of the UK's transition is uncertain, as are the details of the nature of its future involvement in the European Research Area, there are also concerns about the situation once the UK has left the EU, particularly in terms of research. As explained by two interviewees:

When I look at the split within each school of researchers we have a high level of EU citizens. If they were all to leave we could not deliver a product. We are heavily involved in research and we are aligned to industry. We are very reliant on those individuals doing the research and so our business model would have to change completely. (Pre-92, England)

It is going have an impact on our research. In our university we are fortunate to be in quite a lot of EU collaborations and Marie Curie type grants. They provide huge amounts of funding in the fields that we look at so that is a real concern. (Pre-92, Scotland)

Respondents and interviewees identified several employment-related concerns with regard to Brexit including the potential for greater bureaucracy, ongoing anxiety over immigration status of EU staff, future recruitment challenges and the impact on student recruitment.

Onerous application processes – There are worries over the potential administrative barriers and increased costs which may prevent current employees from both being able to work at their institution as well as making the UK an unattractive prospect for potential candidates.

In order to protect our world leading status we need to bring in world leading talent to share their expertise. If we are forced to have difficult recruitment practices for EU staff in line with what we have to do with non-EU staff, America and Australia for example, that is definitely going to have a financial impact as well as an impact on our infrastructure and ability to remain world-leading. (Post-92, England)

We are already quite restricted in terms of immigration for Tier 2 visas and limited in getting people with the skills who often aren't UK citizens so to have further restrictions in terms of EU nationals is going to put a huge administrative burden on the University. (Pre-92, Scotland)

Anything that comes between us and being able to recruit EU staff is going to be detrimental to the sector. Anything that limits our ability to work with people internationally is bad news and potentially show stopping in some niche areas. (Post-92, England)

Status uncertainty – Uncertainty over the future status of existing EU staff was a common theme in the UCEA Brexit survey in October 2016 and was still a concern for institutions now, with no further assurances from the government having been made.

Until we know they have employment rights beyond, we are trying to reassure them. What we don't want to be doing is panicking them at the moment. The truth of the matter is that we don't have any facts to base worries on, we only have media speculation and we're trying to take the stance of 'let's just wait'. (HE College)

Pipeline challenges – While interviewees wanted to ensure that EU staff could remain in and continue entering the UK, they were keen to develop domestic staff.

We have to look at how we are going to fill a potential gap that we'll have and how can we further develop our existing staff to become the staff of the future. We did actually implement a talent management framework last year which we are starting to embed and we can start to build on this year. (Post-92, England)

I think the UK is going to have to think how we create that pedigree of professors in the UK. To get to where you are as a world-leading academic is not an overnight process. How are we going to support the talent of the future? Unfortunately, I don't think HEIs are very good at that forward thinking around succession, it's very reactive. Coming from the private sector, they are light years ahead, especially in terms of graduate level, they know exactly where they want them to be and they will develop them accordingly. (Post 92, England)

The most common form of assistance offered to EU/EAA staff since the EU referendum has been help with applying for residence cards or documents certifying permanent residency, followed by help with applying for British citizenship. Similar questions were asked of UCEA members in October 2016 and we can see increased support with immigration related applications since then with 89% of respondents offering help with at least one type of immigration related application in 2017- Figure 35. Support for potential incidents of xenophobia and racism has decreased perhaps reflecting a change in community relations one year on from the result. Other support offered by institutions responding to the

Workforce Survey was similar to the responses received in the previous survey on the impact of Brexit. These included group workshops and one-on-one sessions with legal advisors, EU staff information seminars, support via an Employee Assistant Provider (EAP) and guidance on the institution's website or staff intranet.

Figure 35: Financial, legal or other assistance offered to EU/EAA staff in October 2016 and June 2017
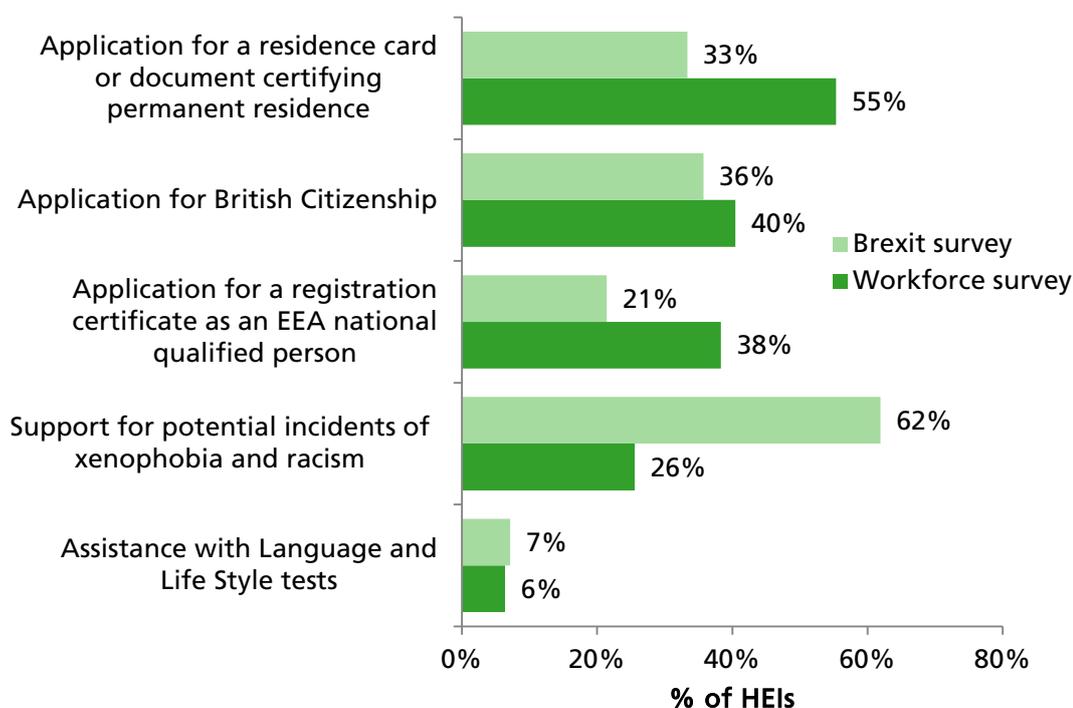
Interviewees also commented on how they have supported their EU staff and in particular, the importance of ensuring that their EU staff feel welcome and appreciated in the UK.

> *We've done a lot to support our EU staff and make it clear that they are still very much valued and a key part in terms of how we do business. (*Pre-92, Scotland)

> *The Vice-Chancellor chaired an event with some local solicitors to reassure people on what they could do to strengthen their position and information they might need for their families. We keep talking to people and reassuring them how valuable we believe they are for our work.* (Post-92, England)

> *We have put together a working group and we are looking at different things such as should we be paying for their visas, permanent residence, what other kinds of support do they need? Is there any kind of community intervention we can put in place? Just regular communication with staff to say they are valued, we do need you and we want you here.* (Pre-92, England)

Transnational staffing

Over a quarter of respondents have teaching operations outside of the UK which require them to employ staff within that country – Figure 35. Pre-92 institutions are much more likely to have international operations with 12 respondents having international operations compared to six post-92 institutions.

Figure 36: Do you have operations outside of the UK?
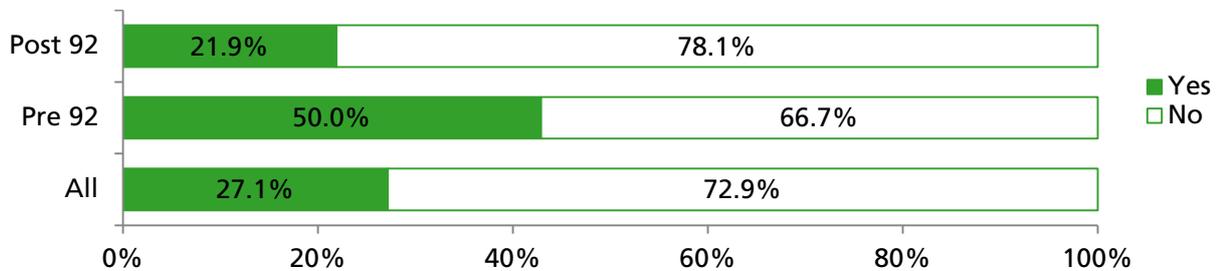
China and Singapore are the most common countries to situate international operations with six institutions operating in China, with 21 staff employed directly, and six institutions in Singapore, with 82 directly employed staff - Figure 37. While only four institutions have operations in Malaysia, together they employ 161 staff making Malaysia the most significant country for HE employment followed by Singapore.

Figure 37: Number of international operations, by country
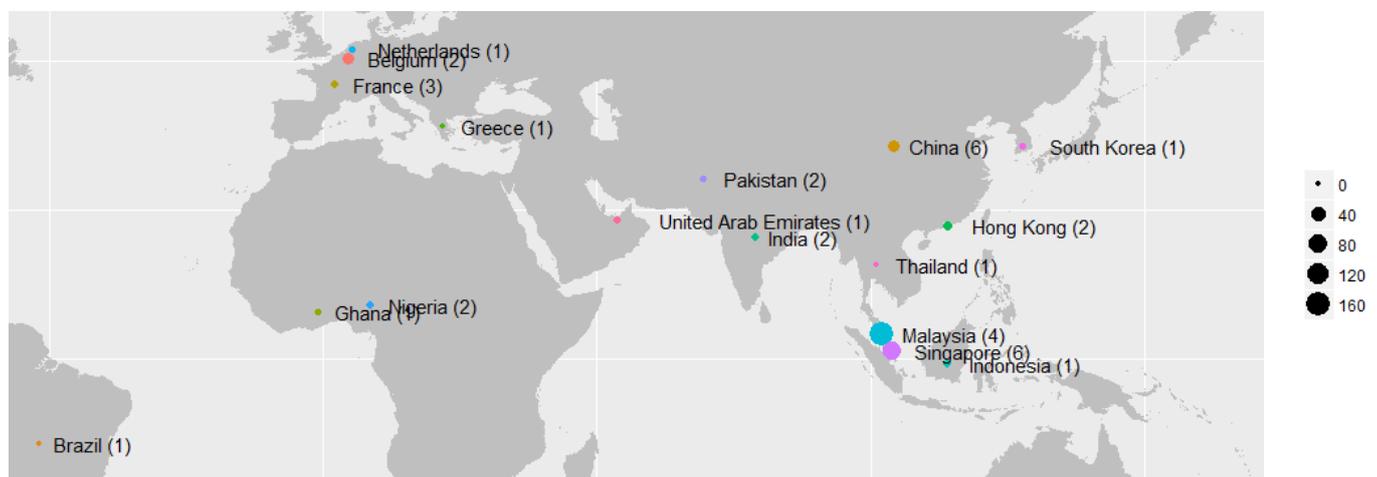
Note: The number of staff refers to staff directly employed in that country. Given the variety of arrangements in place, it is possible for HEIs to have operations in a country with a limited number of directly-employed staff. Survey respondents only. Map: ggplot2 for R.

In addition to staff that are employed in the country itself, many HEIs use staff from their UK operations to deliver teaching abroad. According to respondents, there were 164 'flying faculty' in 2015-16 and 71 staff posted on secondment.

8   Alternative staffing arrangements

Outsourcing and shared services

For the first time since outsourcing information was collected in 2013, legal services is reported as the most commonly outsourced area – Figure 38. Fully outsourced operations have increased from 19% in 2015 to 28% in 2017. Catering and cleaning however remain the two most common areas that are fully outsourced. The number of respondents outsourcing security however has decreased from 28% in 2015 to 23% in 2017. Although this variation could be due to sampling, no institutions partly outsourced security in 2017 compared to 19% in 2015. No HEI fully outsources IT services but the percentage outsourcing it in part has increased from 5% in 2015 to 18% in 2017. Other outsourced areas not included are childcare services, sports facilities, conferencing and accommodation, library services and occupational health.

**Figure 38: Outsourcing and shared services by function**
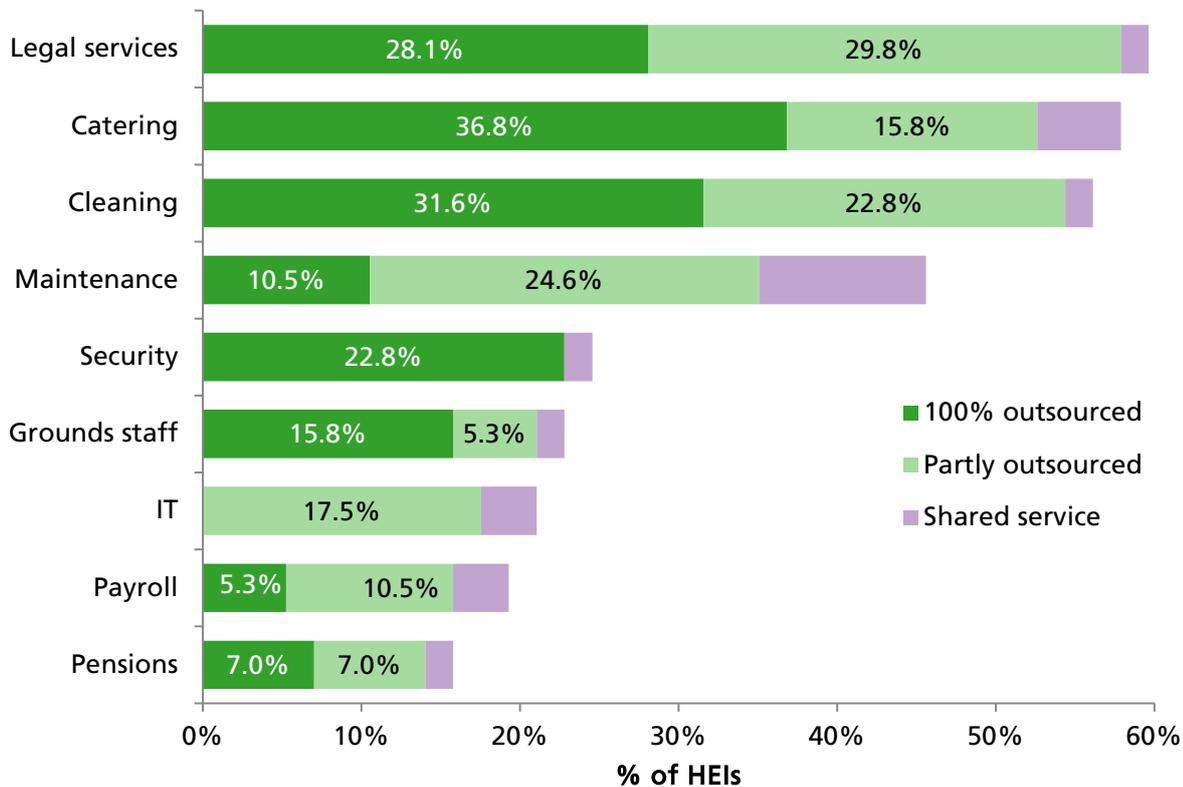
Subsidiaries

Just under a half of respondents (49.3%) run wholly-owned subsidiaries. Only two respondents (three per cent) reported to be currently considering the idea. Subsidiaries are most commonly set up for catering and hospitality (10), consultancy services (8), commercial services (8), conference and venue services (6), student facilities (5) and overseas operations (5). The median number of staff employed in subsidiary or arms-length companies as a percentage of total staff at the HEI is 2.5%m at the median but higher at the mean (9.7%).

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Agency workers

Nearly all respondents use agency workers but expenditure on such workers is low relative to overall expenditure. In 2015-16 the median amount spent on agency workers was 0.3% of total expenditure (mean 0.7%). Pre-92 institutions spent more on agency staff as a percentage of their total expenditure at a median of 0.9% (mean 0.7%) compared to 0.4% (mean 0.6%) for post-92 institutions – Figure 39.

Figure 39: Cost of agency staff expenditure as a percentage of total expenditure, 2015-16

The box plot below provides details on the median amount and range of agency staff spend as a percentage of total expenditure. The shaded boxes represent the interquartile range either side of the median.
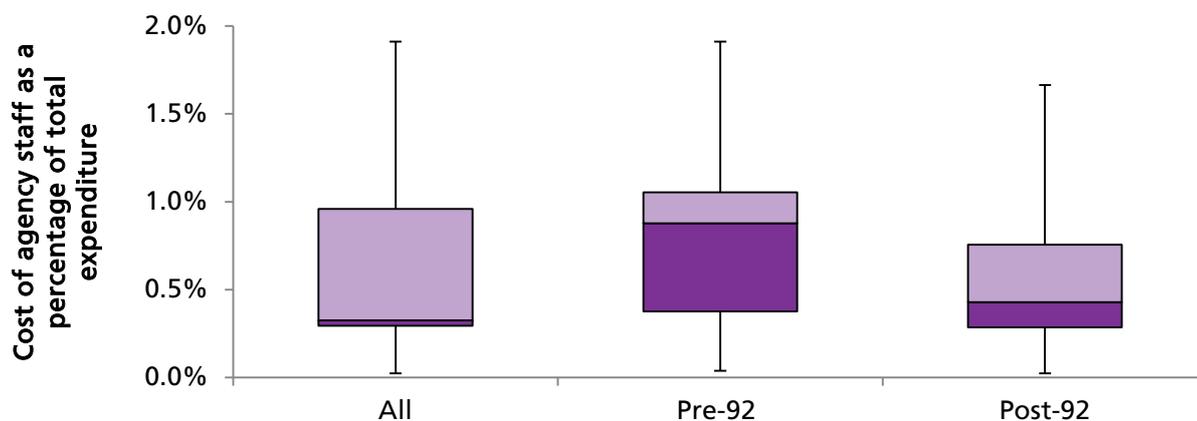

Source: Expenditure data from HESA 2015-16.

Hourly paid and casual staff

The majority of respondents (60%) have reviewed their use of hourly paid and casual staff in the past two years with a further 27% planning on doing so within the next 12 months – Figure 42.

Figure 40: Has your HEI reviewed its use of hourly paid and casual staff in the past two years?

| 60.0% | 27.1% | 12.9% |

■Yes
■No - but plan to in the next 12 months
■No - no review planned in the next 12 months
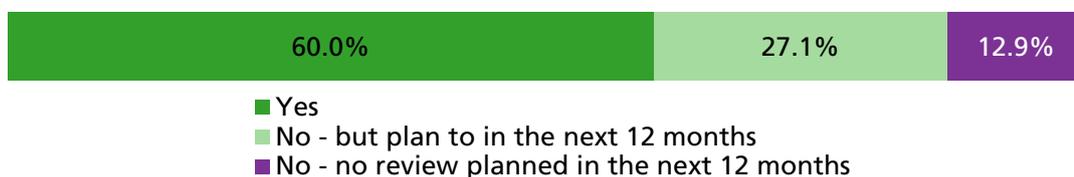
As a result of the reviews, the most common change implemented was to reduce the number of hourly paid staff by offering alternative contracts. Seven respondents now offer fractional contracts, three offer minimum hours' contracts and further three offer fixed term contracts. Other changes included revising eligibility thresholds for transferring staff to different contracts, improvements made to the tracking of hours planned and actual hours worked and ensuring comparable payments for hourly paid staff.

9 Conclusion

In the aftermath of the UK's historic decision to leave the European Union, it might be expected that Brexit would dominate a report on recruitment and retention in higher education. While the potential impact of Brexit on the sector is evident in this report, it is the domestic labour market that is causing the immediate problems for HEIs particularly in important professional services functions such as IT and estates management. With high risks to network security exposed by a large scale cyberattack on NHS trusts this year and shifts towards more active blended learning for students, the sector must compete for world class IT talent. Likewise, the upkeep and renewal of the $14,270,000m^2$ higher education estate requires a wide range of highly skilled occupations which are in high demand across the UK. The report highlights the building of better employer brands and diversification of the reward package as two important parts of the solution for employers.

The UK's academic workforce is at the heart of its research and teaching excellence and is formed of a diverse group of individuals both in terms of demographics but also subject specialisms and work experience. The need to integrate the practical and the theoretical aspects of education and scholarship require inputs from both our substantive staff and contributions from individuals in industry, the public sector and the voluntary sector. While overall there are not widespread recruitment difficulties, this report identifies three important challenges for HEIs:

- Securing a consistent pipeline for academic appointments in STEM subjects with an appropriate mix of international and domestic talent.
- Ensuring adequate investment in and development of the existing workforce, particularly to increase the number of early career staff that can transition to lecturer roles.
- Understanding the impact of the end of the default retirement age and how best to manage a multi-generational workforce.

Findings from the survey and the HESA data also create a case for greater co-ordination between the early career development stages (PhD and postdoc) and the future academic staffing needs of the sector.

Although apprentices form a small part of the HE workforce, this report gives significant coverage to this area because the sector acknowledges it needs to better utilise the estimated £65 million levy it is now paying every year. The figures in the report suggest that HEIs in England could be forgoing millions in unspent apprenticeship development funds. However, the report shows that this activity is growing rapidly and that the vast majority of HEIs are looking at ways to integrate apprenticeships into their workforce strategies.

Brexit has not had a dramatic effect on the academic workforce in terms of the data, but it is clear from this survey and previous surveys that the emotional impact has been high and that ongoing uncertainty is an issue. The sector needs to continue to work with the Government in seeking a settlement and managing a transition that results in minimum disruption for the sector's staff and students. We hope that our members and stakeholders can use the information and insights from this report to support the case for a successful and globally connected HE sector and we look forward to reviewing the workforce landscape in our next survey in 2019.