Sustainable Excellence Programme

University of Birmingham
What is this about?

Sustainable Excellence (2009-2012) was a three year plan that was initiated immediately prior to the development of the university’s Strategic Framework (2010-2015) in order to unlock the university’s potential, reposition it in a difficult environment and elicit a step change in performance. The overall vision was to establish the university firmly in the global top 50 institutions.

The university realised at a crucial time that, in order to be academically excellent, it would have to reduce its cost base, grow its income and invest strategically. At the point that the strategy began, financial strength was imperfectly translated into academic performance. Sustainable Excellence sought to forge an academic strategy which had quality at its heart, investing in areas of strategic priority, disinvesting in others and enhancing performance in all areas of university activity.

The three mutually dependent aims of sustainable excellence were:

- To raise the university’s academic performance substantially and measurably.
- To secure and maintain financial sustainability, so that investments could continue to be made to drive academic excellence and enhance the student experience.
- To continue to enhance the university’s global footprint through the sustained excellence of its academic disciplines.

The methods used to achieve these aims included investment, income growth, performance management, restructuring, disinvestment and cost savings.

In financial terms the aim was to make £20m over the life of the strategy with £10m to be made up from cost savings and £10m from additional earnings.
What we did and why

The proposals of the Sustainable Excellence Programme were designed to achieve a sustainable base for further improvement and change, following the approval of the Strategic Framework 2010–2015. The proposals also built on work already undertaken in 2008/9 to close the financial gap for 2009/10 which was forecast to be £3.2m.

Each college undertook an analysis of the strengths and weaknesses of its subjects relative to its benchmarks and other areas of the university. Each college also had an indicative financial target to achieve by 2012/13 to contribute to the university’s financial sustainability. Each college then put forward a range of proposals for delivering the academic strategy and contribution to financial targets.

The following activities were undertaken with the aim of raising academic performance:

- **Introduction of a revised academic probation arrangement** that ensures a more rigorous review of probationary staff. This has improved the quality of assessment and increased the completion rate of probation records.
- **Transformation of the staff development review scheme** for academics into a performance development review scheme that focuses on linking individual performance with strategic objectives. A pilot performance development review scheme was implemented in 2011 and is now across the institution. There is an institutional aim of 90% performance development review completion for the 14/15 review year. This is supported by a programme of training for academic managers which equips them for this new approach and for managing difficult conversations. This process has led to a significant increase in grant applications and research awards.
- **Creation and implementation of a new teaching-focused career pathway** to reflect Birmingham’s commitment to teaching excellence and to reward outstanding teaching. This complements Birmingham’s long-established pathways for academics demonstrating research excellence and led to an improvement in relevant National Student Survey scores.
- **From 1 August 2012, the university implemented professorial contribution banding and pay for its professors, following 18 months of HR work developing the arrangements in consultation and collaboration with professors. This has played a vital part in attracting, retaining and motivating the highest calibre staff and academic leaders by identifying their contribution and rewarding them accordingly.
- **Introduction of a more responsive professorial and academic promotions process** containing more frequent appraisal points and a more rigorous internal and external evaluation process.
- **Creation and delivery of a senior leadership programme open to both academic and professional staff.** The programme is just embarking on its fifth cohort and, to date, 52 have completed it. The programme includes tailored training events, networking opportunities, a strategic change project, a leadership exchange, a 360 appraisal and action learning sets. Resulting behavioural changes have been wide ranging and many managers point to increased self-confidence, a greater empathy in dealing with people, a strengthened ability to take a strategic overview and more reflective critical thinking skills.

In terms of financial savings and investment, the following occurred:

- **Reviewing and re-shaping of academic units in response to changes in the research funding landscape, the economic climate and student demand.** This was been achieved through effective HR business partnering and extensive staff consultation, with minimal recourse to redundancy and avoidance of threatened industrial unrest. However, 150 posts were removed, generating a saving of around £8m per annum.

- **The vacancy target was increased from 3% in 2009/10 up to 5% in current years, so there is a 2% vacancy real saving, which in 2014/15 terms is over £6m over the five years.**

- **In 2012/13 £5.2m of cost in year was removed to recover a shortfall in recruitment.**

The cost savings resulted in an ability to substantially reinvest in areas of strategic importance including:

- **Development and implementation of a Birmingham fellows programme that has recruited 70 exceptional early career researchers to the university within the last two years (costing c £20m over five years to 2018).**

- **Appointment of high quality academic chairs (£5m).**

- **Research into National Student Survey scores and direct work to improve the student experience (£1.2m).**

- **In 2011 the University of Birmingham’s College of Medical and Dental Sciences made a decision to bring pharmacy research and teaching into its existing subject areas (£3.5m).**

- **Investment into an IT strategy to address future academic and business needs in IT (£6m).**

- **Providing funding for students to be able to undertake internships as part of their learning experience (£1.5m).**

- **The creation of an Institute for Railway Engineering (£6m).**
The diagram below demonstrates the complementarity and interconnections of these initiatives along with their outputs.
What impact did it have?

These initiatives have had a transformational effect on the university’s performance and the progress that the university has made against its objectives as evidenced by:

- Birmingham’s improved Sunday Times University Guide ranking, rising from 25th in 2012 to 13th overall in 2013. It was awarded Sunday Times University of the Year for 2013-14.

- Significant increases in research funding. The new performance and development review scheme for academics which links individual performance with strategic objectives had an impact on research awards. 2011-12 saw a 12% increase in the number of grant applications and a 56% increase in research awards compared to 2010-11. The university is currently (April 2014) 2% up on the same point in 2011-12 which indicates that the increased research performance has been sustained and built upon.

- Improved student satisfaction ratings in relation to teaching quality. Following the introduction of the teaching-focused career pathway to reflect the university’s commitment to teaching excellence, student satisfaction in relation to the “teaching on my course” section rose to an all-time high of 90% in the 2014 National Student Survey. In the International Student Barometer, the university was ranked first out of all Russell Group universities taking part in the survey for “learning that will help me get a good job” (86% satisfaction) and third for “the teaching ability of lecturers/supervisors” (86% satisfaction).

- All stages of development of the academic family have been addressed. This starts with the Birmingham fellows, who are the future of research at the university, but also develops infrastructural support for academic careers, facilitates exceptional academic performance and supports managers. To date the university has appointed over 60 outstanding high potential early career researchers as part of its sector-leading Birmingham fellows programme. In 2013, it widened the programme to recruit teaching fellows.

- The professorial contribution banding and pay scale initiative was widely welcomed by the professoriate and introduced with very little recourse to the appeal process. Through this process Birmingham University has defined what excellence is for our academic leaders, and provided transparent and equitable career, development and pay pathways to excellence. Implementation of new pay scales typically costs c 3% of the pay bill but the University of Birmingham managed to implement scales that are competitive in the Russell Group (two months ahead of time) at a cost of only 0.77% of the pay bill thus saving the university £360k.

- Since 1 Aug 2012, recruitment of professors has increased by 70% and turnover has remained stable at 7%.

- The revised academic probation arrangements improved the quality of assessment and increased the completion of probation records from 30% to 80% from 2013 to 2014.

- In the recent all staff opinion survey, positivity towards the performance development review scheme increased by 31% among support staff and 17% among academic and related staff as a direct result of the revision of the existing performance development review system.

- The International Herald Tribune, the global edition of The New York Times, has ranked the University of Birmingham 55th in the world and ninth in UK for post-qualification employability. High Fliers research in 2014 showed that 37% of graduate vacancies with 100 top graduate recruiters went to graduates who had already worked for their organisations, either through internships, vacation schemes or industrial placements.
Lessons learned

This is a flexible and integrated approach that provides a menu of initiatives which could be adapted and implemented in part or as a whole by other HEIs depending on their key strategic objectives.

1. Start with the academic strategy as the key driver for change.
2. Release money and reinvest wisely.
3. An integrated approach of several interconnected initiatives is essential to leverage maximum impact.
4. The importance of making connections – particularly for academic colleagues about how improving people management can improve academic performance/ excellence.
5. Partnership working between HR and senior academic leaders with demonstrable support from the vice-chancellor is crucial.
6. Drivers for change must be clearly understood by all.
7. Consultation / communication with all stakeholders – there are complex stakeholder groups.
8. Importance of pilots to refine and test approaches before roll out.

Also in this series:

- **Sustainable Excellence Programme**
  University of Birmingham
- **People Management Framework**
  University of Leeds
- **Delivering excellent campus service with passion, pride and professionalism**
  University of Kent
- **Performance Enabling Programme**
  University of Swansea
- **Academic Promotion and Progression programme**
  Kingston University
- **Financial Turnaround**
  University of Cumbria
- **Cost efficiencies through creativity**
  Ravensbourne
- **HR contribution to business efficiency: Management of Academic Workloads**
  Nottingham Trent University

New case studies will follow this launch series, so please check back on our website for the latest resources.

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About the case studies

This series of case studies has been developed from the work of the Leadership Foundation and partners for the report ‘Efficiency, Effectiveness and Value for Money’ led by Professor Sir Ian Diamond and published by Universities UK in February 2015.

Partners in the ‘Diamond’ higher education workforce group (UCEA, UHR, Hefce, GuildHE, UUK and the Leadership Foundation) commissioned the case studies with support from the joint Hefce/Leadership Foundation Innovation and Transformation Fund.

Dr Lesly Huxley, director of membership and organisational development, leads the LF’s Innovation and Transformation Fund and our contribution to the HE workforce group. She said: “The leadership, development and commitment of people at all levels in higher education is fundamental to successful change and delivery of greater effectiveness in the core activity of our universities and colleges. These case studies and other work funded through the second phase of the Innovation and Transformation Fund show the importance of staff engagement and development in helping higher education institutions improve organisational performance.”

Gwen Wileman, LF Associate, who worked with the universities to develop this series, explained: “The case studies all provide powerful success stories and some real measures of impact on efficiency and effectiveness. However, the challenges of culture and complexity also come through loud and clear and there are many lessons to be learned and shared.”

About the Innovation and Transformation Fund

Acknowledging the central role of leadership in driving change, in 2012, together with Hefce, the Leadership Foundation initiated a £1m, UK-wide Innovation and Transformation Fund (ITF) to progress key themes of the first ‘Diamond Report’ on efficiency in higher education. Nine projects were funded and have now concluded.

Sir Ian Diamond was invited by the Department of Business and Innovation Skills to lead a second phase of this work early in 2014, looking particularly at organisational change and development, the higher education workforce, estates and research assets, open data and evidencing efficiency.

In 2014-15, further joint investment totalling £500,000 is supporting the sharing of existing effective practice particularly in the leadership, management and development of the higher education workforce. A key to the Innovation and Transformation Fund is in unlocking and making best use of good practice. For more information go to: www.lfhe.ac.uk/ITF

About the Leadership Foundation

The Leadership Foundation is a membership organisation that delivers leadership development and consultancy advice to higher education institutions in the UK and around the world. The focus of the Leadership Foundation’s work is to improve the management and leadership skills of existing and future leaders of higher education.

The services provided include consultancy, leadership development programmes and events, including a major series of events for governors. This work is supported by a highly regarded research and development programme that underpins the leadership development programmes and stimulates innovation.

The Leadership Foundation has a small team of experienced leadership and organisational development professionals drawn from higher education, other parts of the public sector, and also from the private sector. Much of the Leadership Foundation’s work is delivered in partnership with the higher education sector and other partner organisations. www.lfhe.ac.uk

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www.lfhe.ac.uk/en/research-resources/itf-projects/index.cfm