



Future fit: reshaping our higher education workforce

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Higher education organisations are under pressure to act fast – not only to survive current financial challenges, but to strategically reposition themselves for a post-COVID-19

world. We reveal ‘no regrets’ actions institutions can take now to transform their workforces and differentiate themselves for the future.

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Introduction

COVID-19 has triggered an unprecedented period of rapid change in the Australian higher education sector – from the way institutions teach to how they are funded. Economic uncertainty, geopolitical volatility, exponential digitisation and physical distancing have all pushed the sector into a new normal. While some of the changes are no doubt temporary, universities also face immense pressure to reshape plans and articulate aspirations.

Against this background, how and where can your institution act to ensure it remains sustainable and fit for the future? Based on the [Australian higher education workforce of the future](#) study PwC produced for the Australian Higher Education Industrial Association (AHEIA), we believe five external factors will drive change in the next decade. These are industry expectations, technology, competition, student expectations, and policy and funding.

To act and adapt in these areas, you must have a clear sense of your strategy, or what we call your ‘way to play’. By knowing exactly how you want to ‘play’, you can develop a fact-based view of the workforce capabilities you need to respond to drivers of change – and strategically position your institution for the future.

Defining a new workforce model isn’t easy in these uncertain times, but there is a need to act quickly. In this article, we identify several ‘no regrets’ actions your institution can take now to alleviate current financial pressures while ensuring your workforce – academics and professional staff – remains aligned with the broader strategy. We also outline seven business models to consider for your strategic positioning for the future, and their implications for your workforce.

Key areas driving change



Even before COVID-19, higher education institutions had already been under pressure to introduce changes to their workforces. Many of them had relied on fee income from international students, possessed limited agility and lacked market differentiation, making them ill-prepared for a post-pandemic world.

As their environment rapidly changes, institutions need to future fit their workforce. We recommend focusing on five external areas where critical changes will likely come from in the coming years.



1. New industry expectations

In a job market where unemployment is rising and wages have stagnated, employers have a larger pool of skilled and experienced candidates to choose from – and can hire for less. Why would they employ graduates from your university? What can your graduates offer that’s unique? Consider shifting your emphasis from legacy towards emerging skills that align with predicted economic growth areas and will ensure market relevance.

Having the right combination of skills and attributes has never been more important as employers look for flexibility, entrepreneurial acumen and industry experience. To meet changing demands, deepen the capabilities of your academic and professional staff to provide specialist offerings. Build core capabilities that are essential to service delivery and consider outsourcing those that are more generic, and can be provided more cost effectively by industry partnerships.

Key areas driving change (continued)



2. Changes in technology

Technological change continues to affect how universities deliver professional services and engage with students. Increasingly, they require digital acumen and must focus on digital enablement, such as through data management and analytics, to support learning management systems and big data in education. With the rise of robotics and AI, we are bound to see further changes in job outlooks, and the ability to harness technologies will only become more critical.



3. Increased global competition

Competition for domestic and foreign student enrolments will only intensify, particularly with the growing number of internationally competitive universities, including those with online offerings. In terms of talent, competition for academics and professionals is driving a need for collaboration, innovation and agility. To improve your pipeline, create compelling employee value propositions and grow talent internally. Upskilling your people to remain relevant in a rapidly changing marketplace will be essential.



4. Higher student expectations

Students' expectations for exceptional learning experiences have never been greater. They demand digitalised learning, flexible curriculum and lifelong education. Meeting these requires a strong emphasis on andragogy, better digital acumen, and greater flexibility and specialisation in roles. Make room for more para-academic roles and focus on equipping students with applied skills and better employability outcomes.



5. Policy and funding

Policy direction and funding will grow more uncertain in this period of economic recession. This calls for institutions to find new and better ways to create value, such as by ensuring your academic staff are flexible and adaptable to change. Develop a clear and agreed upon strategy for building new workforce capabilities such as business acumen. With research no longer a key revenue driver, focus instead on building partnerships with industry to develop capabilities through secondment opportunities, for example. These partnerships can help you grow graduate employability in the long run and boost competitive differentiation.



Universities face both cross-industry and institution-specific changes.

Consider these factors in shaping your workforce for a post-COVID-19 world.

These changes are an opportunity to adapt the way you operate for the future. You must act now to respond to the immediate challenges you face, and importantly, reshape your overall purpose and aspirations. Doing so can ensure your institution is fit for the future in a way that is sustainable, impactful and distinctive.

A new pace of change, a new set of needs

Institutions have started adapting to key external drivers of change. In our [recent research for AHEIA](#), we found that there has been a cultural shift towards embracing change and that universities have become better equipped in navigating their workforces through periods of adjustment.

While this is certainly laudable, the serious economic and social impacts of COVID-19 call for more urgency in institutions' responses. The pace of change required to respond to the challenges of the pandemic also highlights additional needs for reform in higher education.



A 'different' way of learning

Accelerating the role of digital and online courses, resulting in an unwavering need for openness and acceptance of a 'different' way of learning.



Reallocation of support requirements

Reducing support in areas such as international students, physical labs and physical events, and increasing focus in others such as mental health, digital support and digitisation of learning.



Additional financial pressure

Navigating the constraints of reduced international student intakes and direct government funding.



Preparing for an uncertain future

Preparing students for increasing uncertainty about the skills needed and how we will work in the future, both in the near and long term.

With all the pressures and opportunities for change, how do you know you're doing the right thing? And what should you be focusing on right now to make sure you're prepared for the future?

To emerge stronger in a post-pandemic world, a balance of both short- and long-term strategies is key. Review your portfolio, business models and operations to see how you can effect change. Create tactical responses to bolster your financial position and align them with your longer-term strategy.



Choosing the right workforce shape for your institution

Clearly defining a workforce model can help you deliver the capabilities you need to position your institution for the future while overcoming financial constraints. Here are three factors to consider when deciding the right form for your workforce.

1

Consideration 1: What do you want to achieve?

Start by deciding what your institution aspires to be and where it can differentiate itself in the market. Then identify the restrictions that might get in the way of reaching that.

Aspirations: be clear on the aspired size and shape of your institution and its chosen way to play, to inform your capability requirements. Keep in mind that what worked before COVID-19 may no longer be applicable now and in the future.

Restrictions: clarify the financial challenges that might limit your ability to attain your desired size and shape. Are there other gaps that you need to close in the short and long term?

2

Consideration 2: Where should you focus, spend and save?

Based on your way to play and the needs of the market, determine the capabilities that are critical to setting you apart from others. Which ones are essential? Where will you need to invest to build new capabilities and deliver on your strategy? For each type of capability, assess what's vital and identify measures you can take to realise savings. Do the same for your professional and academic staff.

Essential capabilities: keep costs for basic capabilities below the industry's and other institutions' benchmarks. Can digitising student and support services lower your costs? How about reprioritising your IT and infrastructure investments?

Differentiating capabilities: identify capabilities that are absolutely necessary in driving your competitive advantage in the short term against those where you can minimise spending and invest further over the long term.

3

Consideration 3: What other measures can you take?

If earlier measures don't deliver savings for your institution, explore other actions to achieve cost-effectiveness. Can you further review and adjust your course, property or staffing portfolios to reduce spending on less essential areas?



Ways to play that you can consider when deciding the right workforce model

Align your strategy with your value proposition to ensure you're emphasising the right market differentiators

	'Ways to play' play for universities	Strategic value proposition
	Value player	Cost and efficiency focused on standardisation and basic ('lights on') services
	Academic prestige	Quality academics, strong research capabilities, premium rankings
	Geographic reach	Reaching student populations through multiple campuses under a mono or multi-brand
	Discipline focus	Provide industry leading education in specific areas of expertise
	Digital delivery	Scale focused capabilities through standardised, digitised curricula
	Innovative partnerships	Provide industry leading and innovative capabilities with potential commercialisation
	Values-aligned	Provide a learning curricular and environment that is underpinned by core values



No regrets actions

With an understanding of the key drivers of change and how you can shape your workforce, seize the opportunity to future fit your institution by making no regrets moves. These are simple steps that you can take now to get your workforce

transformation moving. As a people-based organisation, having a well-trained and engaged workforce can be your strategic enabler and key differentiator in the future.



Get your house in order

- **Health and wellbeing:** make sure to safeguard your employees during and after the pandemic – their health and wellbeing is critical to their effective delivery.
- **Systems and processes:** get your foundations right by putting in place models, systems and processes that enable you to analyse and plan workforce services. Link your workforce data and insights with your financial planning and management to know what is affordable in the near and long term.
- **Use of data:** know your workforce and leverage data to inform decisions about your employees and better support students. Avoid paralysis by analysis – start with the data you have in hand to address the pressing needs of your workforce. From there, you can make incremental, yet impactful changes.



Provide a holistic experience to students

- **Experiences:** enhance your students' experiences and engagement as they shift to online learning. Ensure your students' needs are front and centre in the minds of your workforce. Link employee experience with student experience to drive better connectedness. For example, why not shift from an emphasis on employee health and wellbeing to citizen or campus wellness?
- **Meeting needs:** understand your students' requirements to help you develop HR services that provide value.



Plan and deliver a fit for purpose workforce

- **Workforce planning:** invest in workforce planning to ensure you have the right capacity and capability to deliver on your strategy. In an increasingly sophisticated higher education market, your workforce is critical to achieving and maintaining a competitive advantage.
- **Capabilities and skills:** know your current capabilities and skills to inform decisions on rightsizing your organisation. Be clear on the capabilities you have now and where you will invest to build new ones for the future. Understand your legacy skills and develop a strategy to manage them – know your emerging skill requirements and decide whether you will build or buy them. What funding choices will you make to upskill your existing workforce?
- **People development:** invest in your people and professionalise human resources (HR) teams by supporting accredited learning and development, to deliver better informed and higher quality HR services.
- **HR model:** create a 'hub and spoke' HR service delivery model to build capability and improve impact. Strong business partnering is essential to your success, so make sure your HR teams have the ability and support to do this. As custodians of your workforce, they must have a clear strategic direction in their delivery of services.
- **Prioritising services:** clarify the HR services you will invest in and shape your teams' structure and ways of working around this.



Be a workplace of choice

- **Value proposition:** aim to be known as the place where talented people want to work. To achieve this, create a compelling employee value proposition that's tailored to cohorts of staff across your organisation.
- **Experiences:** give your staff rewarding experiences and the opportunity to make contributions that fit their values.
- **Fulfilling work:** provide dynamic ways of working so your employees will see the value of the work they do. Now is also a good time to rethink how you use co-design opportunities with your staff and students to solve problems and create value.



One size doesn't fit all in digitisation

- **Approach:** choose a dynamic and intelligent approach to digitisation. It's important to be clear about why, where, when and how you will leverage digitisation to deliver more meaningful services. Your people will also need support to embrace your plan.
- **Success factors:** develop a strategy for implementing digitisation and keep in mind the three elements for success: business, experience and technology. This involves reassessing your strategy, operating model, capabilities and processes; optimising student experiences; and using the right technology to enable change.

Case study:

How a university has strategically positioned itself for the future

A local university has future fit itself by reimagining how it conducts business across teaching, learning, research, operations and engagement.

The university wanted to ensure it was financially sustainable and to advance the objectives of its 2020–2025 strategic plan, which included becoming more student-centred and delivering a fit for purpose workforce.

In partnership with PwC, the institution commenced a review of its entire operations. This included assessing the state of each workforce area that must be transformed and developing a university-wide capability framework.

Now, the university is on track to:

- achieve a cost structure that reflects the revenue reality it faces and ensures it is financially sustainable in the medium to long term
- develop a rationalised, contemporary and student-centred program and course portfolio that's in demand and future oriented, and increases revenue
- create a research portfolio that's strategically consolidated and focused on impact and outcomes
- establish a focused approach to engagement and partnerships that enhance student experiences, create opportunities for new teaching and research relationships, and strengthen relationships with key communities
- develop efficient and effective service delivery models to improve student and staff experiences
- achieve better people capability and development – supported by leadership development, key talent attraction and retention strategies
- gain clarity on the workforce skills and capabilities it needs to build and on the cross-skilling or upskilling programs it has in place to enable a transition
- agree on the legacy skills that are no longer relevant and on the implementation of a workforce-resizing program.



Contacts



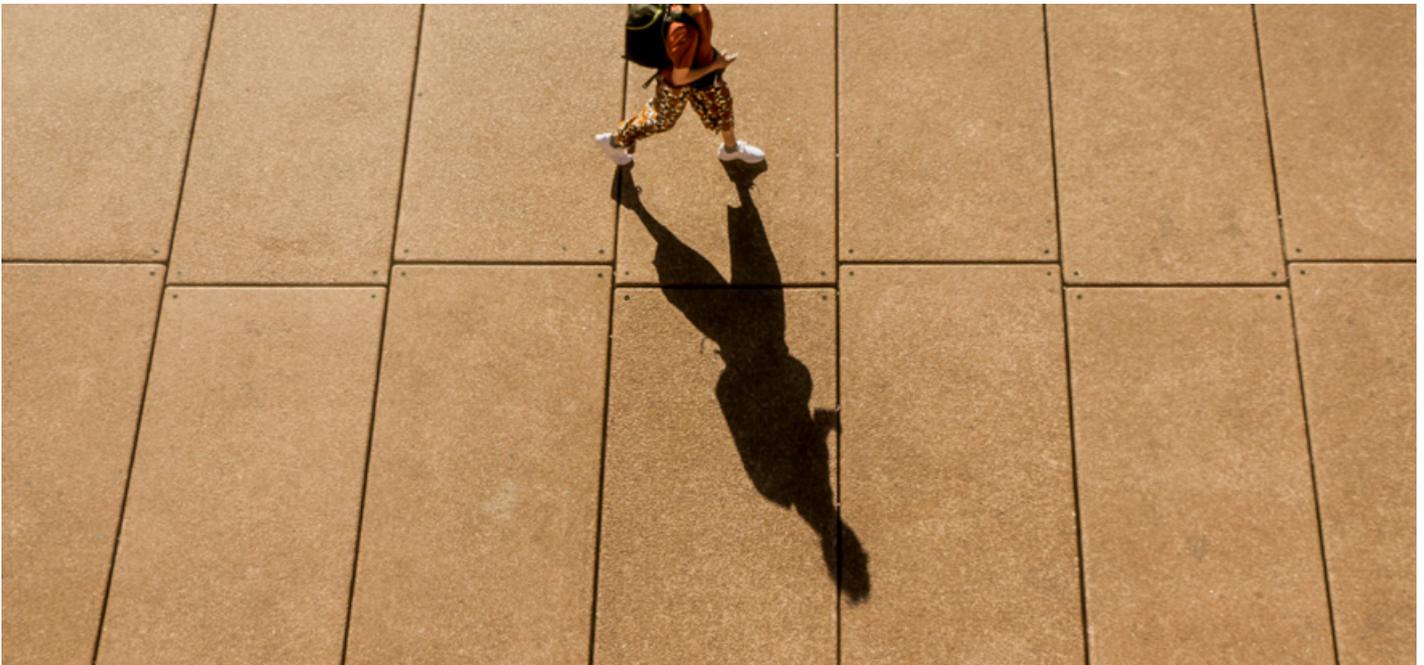
Ben Neal
Partner
**Government & Public
Sector Digital
Transformation**

T +61 2 6271 3471
E ben.neal@pwc.com



Steph Waddon
Partner
**Government & Public
Sector Digital
Transformation**

T +61 2 6271 3406
E steph.waddon@pwc.com



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