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University of Central Lancashire

AUA ANNUAL CONFERENCE AND EXHIBITION 2019
Higher Education: Fit for the future?

University of Central Lancashire

Outside-in: preparing for and adapting to change through environmental scanning

Monday 15 April 2019
12.00-13.15
Manchester University

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Tom Pattinson – Operations and Transformation Manager, UCLan
Rebecca Rimmer – Change and Implementation Officer, UCLan

INTRODUCTION

About UCLan

In 1828, the University of Central Lancashire was founded in Preston as the Institution for the Diffusion of Knowledge. 'Ex solo ad solem', or in translation, 'From the Earth to the Sun', has been its motto ever since – helping talented people from all walks of life to make the most of their potential.

Today the University is one of the UK's largest with a student and staff community approaching 38,000. Internationally the University has academic partners in all regions of the globe and it is on a world stage that the first class quality of its education was first recognised. The University has an increasingly thriving campus in Cyprus delivering UCLan programmes and original research within a Central Lancashire environment and culture.

In 2010, the University became the first UK modern Higher Education institution to appear in the QS World University Rankings. In 2018, the Centre for World University Rankings estimated Central Lancashire to be in the top 3.7 percent of all worldwide universities, highlighting the progress the institution has made in providing students with real-world learning experiences and reflecting the institution's broad pool of academic talent.

Amongst its programme portfolio of some 400 undergraduate and 200+ postgraduate courses, the University has been at the forefront of developing degrees in emerging disciplines such as Fashion and Forensic Science to an evolving portfolio of Dentistry programmes to meet emerging sector needs.

Please visit uclan.ac.uk for more information.

About Corporate Operations

Corporate Operations supports the University, its Faculties, Schools and Professional Services to identify opportunities and risks, prioritise potential new activity and assist with the delivery of projects, improvements and change.

The service is dedicated to supporting the delivery of the University's strategic objectives. Our work focuses on enhancing efficiency, improving the services and experiences that we offer to our students and staff, supporting the business with making improvements to the working environment, delivering transformational change and mitigating corporate risk.

Our portfolio of work is governed by the Academic and Business Enhancement Board (ABEB), which has the primary objective of providing effective and transparent governance of all corporate and strategic programmes, projects and change. The Board oversees processes and procedures that define the scope of new corporate initiatives, responsibilities and resource, and the establishment, management and control of projects. ABEB has the responsibility for selecting, prioritising and controlling the University's strategic projects and programmes, in line with its corporately approved strategies and capacity to deliver. The service focuses on delivering these priorities as assessed by ABEB, however it is important to note that within the University there are also other governance and decision-making channels, including the University Board, Resources Committee, SET and academic committees which can influence and prescribe the work we deliver.

About this session

Today's session, Outside-in: preparing for and adapting to change through environmental scanning, is facilitated by the following members of the UCLan Corporate Operations Team:

Rachel Crane

Rachel is the Head of Corporate Operations at the University of Central Lancashire. Corporate Operations (Co-Ops) supports the University, its Faculties, Schools and Services to identify opportunities and risks, prioritise potential new activity and assist with the delivery of projects, improvements and change. As well as leading numerous change initiatives, through the Service Rachel and her Management Team have established the appropriate institutional governance along with processes and frameworks for facilitating effective project delivery and subsequent change.

Tom Pattinson

Tom has worked in Higher Education for over ten years, leading a number of high-profile initiatives from student experience improvements to regulatory change and strategic partnerships, such as the recently-launched Lancashire Forensic Science Academy. In 2014, he formed part of the University of Central Lancashire's corporate change programme, Student First, where he led a number of business improvement initiatives, before moving to the university's Corporate Operations service.

In his current role of Operations & Transformation Manager, Tom has responsibility for driving the University's continuous improvement agenda, and raising the level of change management maturity through professionalising business change capability.

Rebecca Rimmer

Rebecca joined UCLan in June 2018 and supports the Universities Corporate Operations Team members with the successful delivery of projects by taking the lead on change management activity; driving organisational results and outcomes by engaging employees and inspiring their adoption of new ways of working. Prior to working at UCLan Rebecca worked at a senior management level within the third sector and has a track record of successfully implementing change plans to ensure the achievement of strategic objectives, working on numerous large scale service and business process reviews.

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ENVIRONMENTAL ANALYSIS
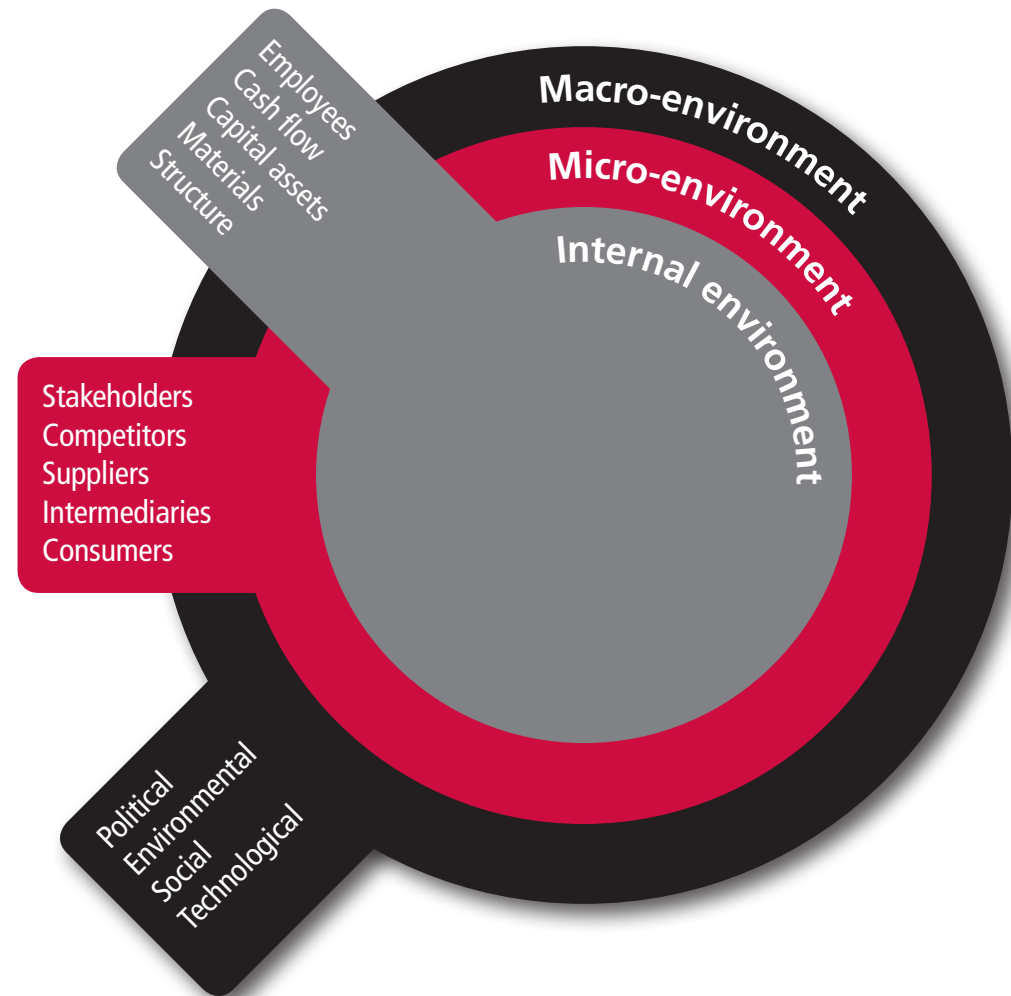
What is it and why do it?

Environmental analysis is the process of looking around the organisation's environment to obtain information that can be used for planning and decision making.

"Organisations scan the environment in order to understand the external forces of change so that they may develop effective responses which secure or improve their position in the future. They scan in order to avoid surprises, identify threats and opportunities, gain competitive advantage, and improve long-term and short-term planning"[1] and according to Albright, "Environmental scanning is the internal communication of external information about issues that may potentially influence an organisation's decision-making process. Environmental scanning focuses on the identification of emerging issues, situations, and potential pitfalls that may affect an organisation's future".[2]

Environmental scanning is not only a tool for business. Every organisation, whether it is a for profit or a non-profit, needs to be aware of its environment if it wants to be competitive – and in today's environment HEIs must be competitive if they are going to survive.[3]

The following pages provide a high-level overview of some of the common tools that are used in the process of environmental scanning.

Environmental analysis

Environmental analysis models

Overview	Int	Ext	Advantages	Limitations
SWOT This analysis is mostly applied in the initial stages before an organisation launches any new plans. In this analysis, there are four contributing elements that need to be examined to complete the analysis, namely strengths, weaknesses, opportunities and threats. **Strengths and Weaknesses** This analysis figures out all advantages and disadvantages that the organisation has regarding human resources, capital resources, infrastructure, organisation structure and so on. **Opportunities and Threats** This step focuses on identifying the outside environment to figure out the supporting element as well as deterrent to the development of the organisation. This analysis concerns the effects from competitors, rules and regulations from local governments, economic situation, and so on. **Resources:** https://www.mageplaza.com/blog/top-10-analytical-tools-for-business-analysis.html#swot-analysis https://www.mindtools.com/pages/article/newTMC_05.htm	✓	✓	• Simple to use • Can be used as both a quick brainstorming activity or a more in depth analysis • Application neutrality i.e. can be used for anything from product development to strategic planning	• Tendency to 'oversimplify' factors, eg 'good VFM' rather than verifiable statements • Can generate lots of SWOTs, but doesn't prioritise them/ there is no weighting • Each problem is assigned to one category and as a result only appears to have one influence on the problem being analysed

SWOT Analysis

S STRENGTHS	**W** WEAKNESSES	**O** OPPORTUNITIES	**T** THREATS
• What does the institution do well? • Qualities that set the institution apart from its competitors • Internal resources such as skilled, knowledgeable staff • Tangible assets such as intellectual property, capital, proprietary technologies etc.	• Things the institution lacks • Things that the institution's competitors do better • Resource limitations • Unclear unique selling proposition	• Underserved markets for specific products or services • Few competitors in the institution's area/ field • Emerging need for the institutions products or services • Press/ media coverage of the institution	• Emerging competitors • Changing regulatory environment • Negative press/ media coverage • Changing customer attitudes toward your company

[1] Choo, C.W. (2001). *Environmental scanning as information seeking and organizational learning*, Information Research, 7(1)

[2] Albright, K. (2004). *Environmental Scanning: Radar for Success*, Information Management Journal, 38(3): pp. 38-45.

[3] Katopol, P. F. (2014) *Managing Change with Environmental Scanning*, Library Leadership and Management Journal, 29 (1)
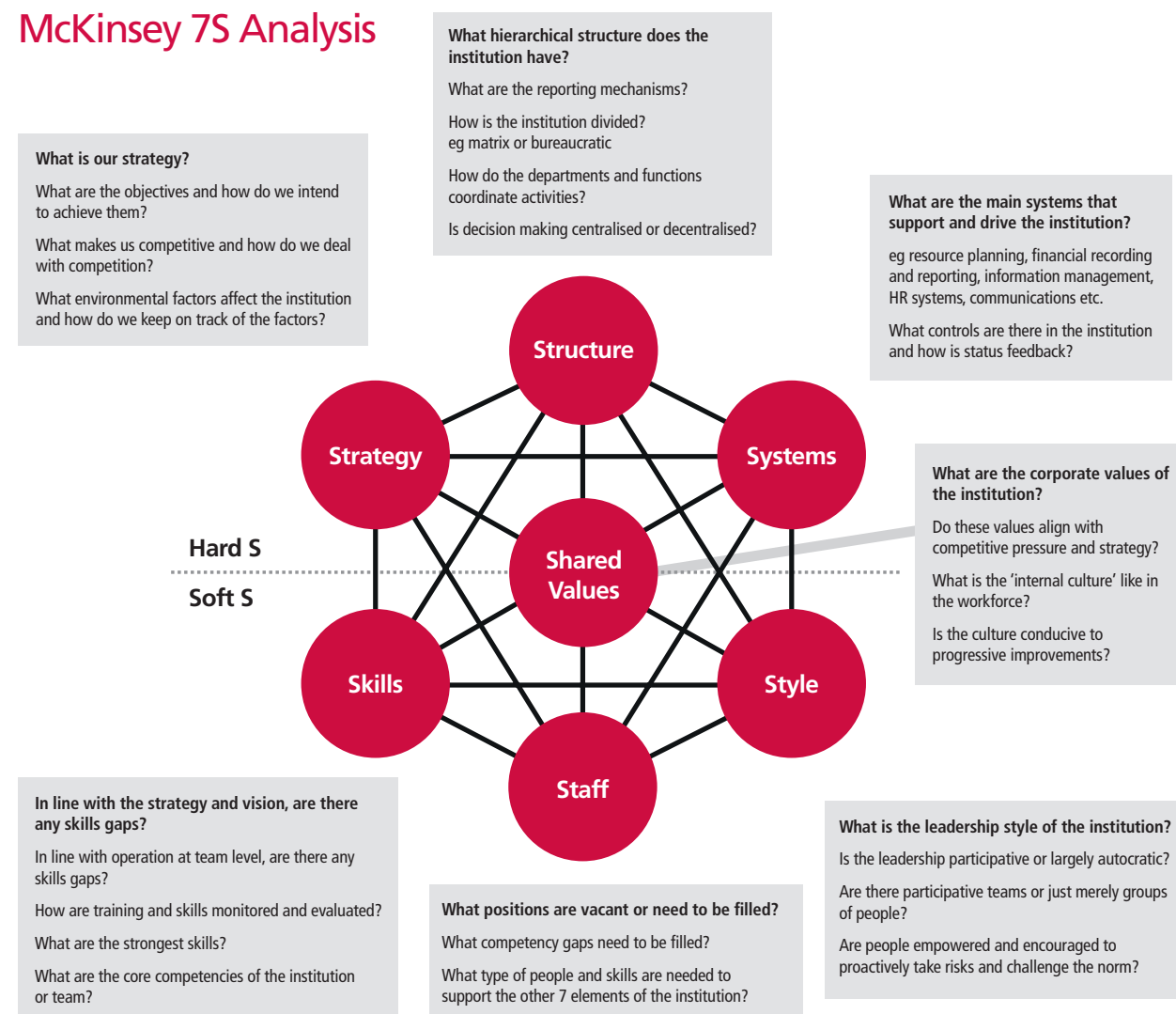
Overview	Int	Ext	Advantages	Limitations
PESTEL In this analysis process business owners are provided with various external factors that directly and indirectly exert impact on their area of work. **Political** These factors determine the extent to which a government may influence the economy or a certain industry, including tax policies, Fiscal policy, trade tariffs etc. that a 'government may levy around the fiscal year and it may affect the business environment (economic environment) to a great extent. **Economic** These factors are determinants of an economy's performance that directly impacts a company and have resonating long-term effects, including inflation rate, interest rates, foreign exchange rates, economic growth patterns etc. **Sociological** These factors scrutinise the social environment of the market, and gauge determinants like cultural trends, demographics, population analytics etc. **Technological** These factors pertain to innovations in technology that may affect the operations of the industry and the market favourably or unfavourably. This refers to automation, research and development and the amount of technological awareness that a market possesses. **Environmental** These factors include all those that influence or are determined by the surrounding environment. This aspect of the PESTEL is crucial for certain industries particularly for example tourism, farming, agriculture etc. Factors of a business environmental analysis include but are not limited to climate, weather, geographical location, global changes in climate, environmental offsets etc. **Legal** These factors have both external and internal sides. There are certain laws that affect the business environment in a certain country while there are certain policies that companies maintain for themselves. Legal analysis takes into account both of these angles and then charts out the strategies in light of these legislations. For example, consumer laws, safety standards, labour laws etc. **Resources:** https://pestleanalysis.com/what-is-pestle-analysis/		✓	• Simple to use • Involves cross functional skills and expertise • Provides an understanding of the wider environment; enabling anticipation of future difficulties and potential opportunities	• Factors change, quickly, therefore the process has to be conducted regularly to be effective • Can be time consuming to collate accurate data to support the analysis • Focusses only on external factors and therefore does not give 'the whole picture' required to support effective strategic planning

PESTEL Analysis

P	**E**	**S**	**T**	**E**	**L**
POLITICAL	**ECONOMIC**	**SOCIAL**	**TECHNOLOGICAL**	**ENVIRONMENTAL**	**LEGAL**
• Government policy • Political stability or instability UK/ overseas • Foreign trade policy • Tax policy • Employment law • Terrorism and military considerations • Environmental laws • Funding grants and initiatives • Trade restrictions • Fiscal policy	• Economic growth • Interest rates • Exchange rates • Inflation • Disposable income of consumers • Disposable income of businesses • Taxation • Wage rates • Financing capabilities	• Population growth • Age distribution • Health • Career attitudes • Customer buying trends • Cultural trends • Demographics • Industrial reviews and consumer confidence • Institutional image	• Producing goods and services • Emerging technologies • Technological maturity • Distributing goods and services • Target market communication • Potential copyright infringements • Increased training to use innovation • Potential return on investment	• The decline of raw materials • Pollution and greenhouse gas emissions • Promote positive business ethics and sustainability • Reduction of carbon footprint • Climate and weather • Environmental legislation • Geographical location (and accessibility)	• Health and Safety • Equal opportunities • Advertising standards • Consumer rights • Product labelling • Product safety • Safety standards • Employment law • Future legislation • Competitive legislation

Overview	Int	Ext	Advantages	Limitations
McKinsey 7S The basic premise of this model is that there are seven internal aspects of an organisation that need to be aligned if it is to be successful. These are: **Strategy:** the plan devised to maintain and build competitive advantage over the competition. **Structure:** the way the organisation is structured and who reports to whom. **Systems:** daily activities and procedures that staff members engage in to get the job done. **Shared Values:** called "superordinate goals" when the model was first developed, these are the core values of the company that are evidenced in the corporate culture and the general work ethic. **Style:** the style of leadership adopted. **Staff:** the employees and their general capabilities. **Skills:** the actual skills and competencies of the employees working for the company. You can use the 7-S model to help analyse the current situation (Point A), a proposed future situation (Point B) and to identify gaps and inconsistencies between them. **Resources:** https://www.mindtools.com/pages/article/newSTR_91.htm https://www.educational-business-articles.com/7s-model/	✓		• Simple to use • Can be used as both a quick brainstorming activity or a more in depth analysis • Enables not only analysis of each of the internal factors within the model, but their interrelatedness • The notion of performance or effectiveness is not made explicit	• Can be difficult to define empirical evidence to support the analysis • Focusses only on internal factors and therefore does not give 'the whole picture' required to support effective strategic planning

McKinsey 7S Analysis

What hierarchical structure does the institution have?
What are the reporting mechanisms?
How is the institution divided? eg matrix or bureaucratic
How do the departments and functions coordinate activities?
Is decision making centralised or decentralised?

What is our strategy?
What are the objectives and how do we intend to achieve them?
What makes us competitive and how do we deal with competition?
What environmental factors affect the institution and how do we keep on track of the factors?

What are the main systems that support and drive the institution?
eg resource planning, financial recording and reporting, information management, HR systems, communications etc.
What controls are there in the institution and how is status feedback?

What are the corporate values of the institution?
Do these values align with competitive pressure and strategy?
What is the 'internal culture' like in the workforce?
Is the culture conducive to progressive improvements?

Hard S
Soft S

In line with the strategy and vision, are there any skills gaps?
In line with operation at team level, are there any skills gaps?
How are training and skills monitored and evaluated?
What are the strongest skills?
What are the core competencies of the institution or team?

What positions are vacant or need to be filled?
What competency gaps need to be filled?
What type of people and skills are needed to support the other 7 elements of the institution?

What is the leadership style of the institution?
Is the leadership participative or largely autocratic?
Are there participative teams or just merely groups of people?
Are people empowered and encouraged to proactively take risks and challenge the norm?

SOURCE: https://www.educational-business-articles.com/7s-model/

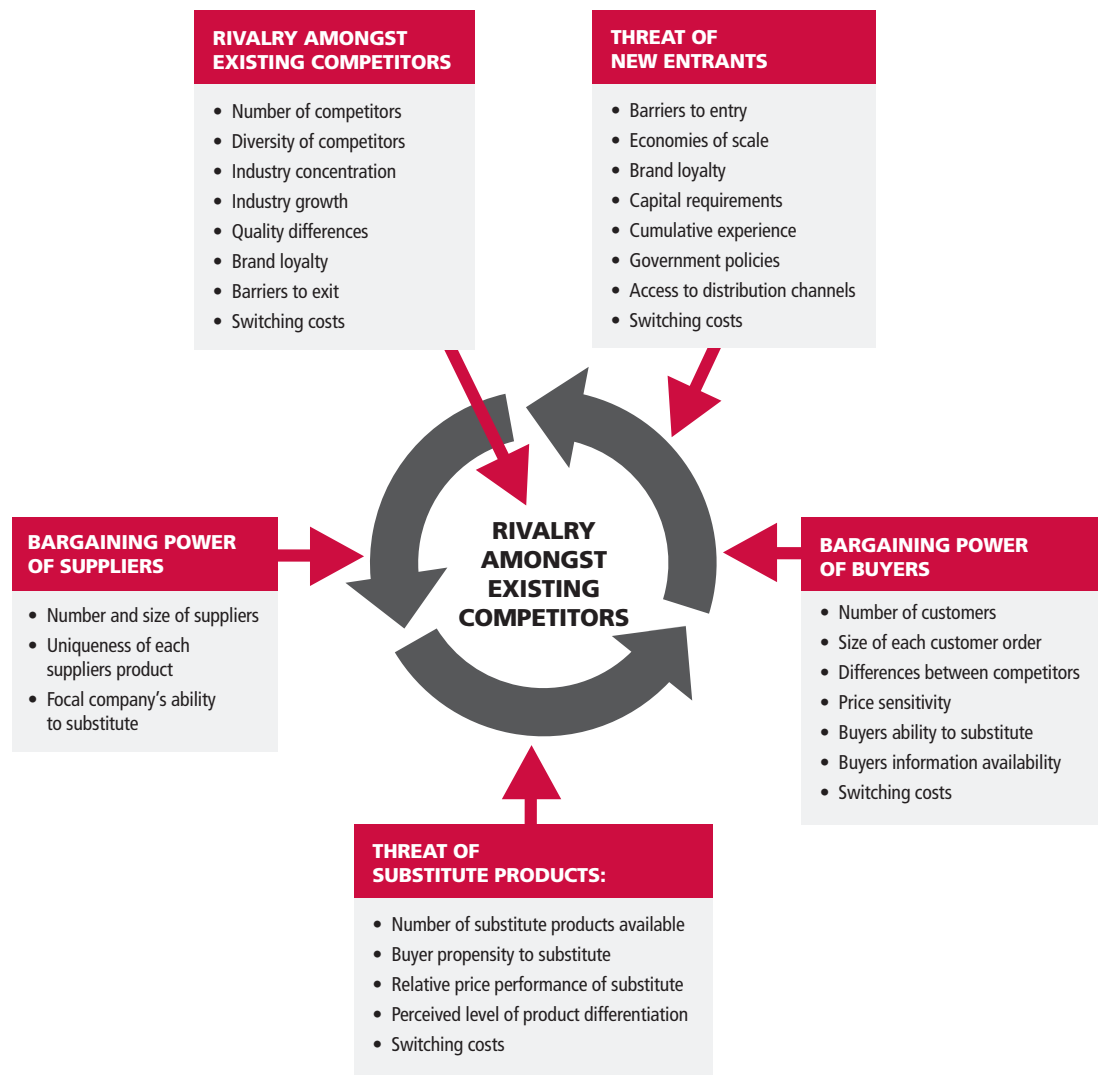| Overview	Int	Ext	Advantages	Limitations
Porters Five Forces A Five Forces analysis can help an organisation assess industry attractiveness, how trends will affect industry competition, which industries the organisation should compete in—and how institutions can position themselves for success. The five forces that are assessed are: • **The bargaining power of buyers** - The buyer's power is significant in that buyers can force prices down, demand higher quality products or services, and, in essence, play competitors against one another, all resulting in potential loss of industry profits. • **The bargaining powers of suppliers** - Suppliers have a great deal of influence over an industry as they affect price increases and product quality. • **Threat of new entrants** - Threats of new entrants into an industry depends largely on barriers to entry, eg product differentiation/ brand identification and customer loyalty, capital requirements for entry. • **Threat of substitute products or services** - Substitute products are the natural result of industry competition, but they place a limit on profitability within the industry. A substitute product involves the search for a product that can do the same function as the product the industry already produces. • **Rivalry amongst existing competitors** - Rivalries naturally develop between companies competing in the same market. Competitors use means such as advertising, introducing new products, more attractive customer service, and price competition to enhance their standing and market share in a specific industry. **Resources:** https://www.isc.hbs.edu/strategy/business-strategy/Pages/the-five-forces.aspx		✓	• Simple to use • Structured, logical • Provides the basis for further research and data gathering needed to formulate an organisation's strategy	• Factors change, quickly, therefore the process has to be conducted regularly to be effective • Does not consider non-market forces • Focusses only on external factors and therefore does not give 'the whole picture' required to support effective strategic planning

RIVALRY AMONGST EXISTING COMPETITORS

• Number of competitors
• Diversity of competitors
• Industry concentration
• Industry growth
• Quality differences
• Brand loyalty
• Barriers to exit
• Switching costs

THREAT OF NEW ENTRANTS

• Barriers to entry
• Economies of scale
• Brand loyalty
• Capital requirements
• Cumulative experience
• Government policies
• Access to distribution channels
• Switching costs

BARGAINING POWER OF SUPPLIERS

• Number and size of suppliers
• Uniqueness of each suppliers product
• Focal company's ability to substitute

RIVALRY AMONGST EXISTING COMPETITORS

BARGAINING POWER OF BUYERS

• Number of customers
• Size of each customer order
• Differences between competitors
• Price sensitivity
• Buyers ability to substitute
• Buyers information availability
• Switching costs

THREAT OF SUBSTITUTE PRODUCTS:

• Number of substitute products available
• Buyer propensity to substitute
• Relative price performance of substitute
• Perceived level of product differentiation
• Switching costs

SOURCE: https://www.business-to-you.com/porters-five-forces/

Overview	Int	Ext	Advantages	Limitations
Scenario Planning A series of detailed and diverse potential futures are modelled and strategies are modified to accommodate the most likely scenarios. It is important in modelling these scenarios that a wide range of possibilities are considered, in order for all bases to be covered as the future unfolds. This tool is generally utilised by organisations that rely on long-term forecasts, it is a key tool used for government policy for instance. The Scenario Planning process generally consists of 4 or 5 stages and is carried out based on past and predicted future trends. **Identify your driving forces:** To begin with, you should discuss what are going to be the big shifts in society, economics, technology and politics in the future and see how it will affect your company. **Identify your critical uncertainties:** Once you have identified your driving forces and made it a list, pick up only two (those that have the most impact on your business). For example, two of the most important uncertainties for agribusiness companies are food prices and consumer demand. **Develop a range of plausible scenarios:** The goal is now to form a kind of matrix with your two critical uncertainties as axis (see the above example). Depending on what direction each of the uncertainties will take, you are now able to draw four possible scenarios for the future. **Discuss the implications:** During this final step, you should discuss the various implications and impacts of each scenario and start to reconsider your strategy: set your mission and your goals while taking into account every scenario. The art is to decide upon a strategy that can remain resilient regardless of future events, rather than predicting a future event and aligning your strategy with it. The most successful strategies are aware of the possibility of a wide range of events, although account for which is most likely to occur. **Resources:** https://www.accipio.com/eleadership/mod/wiki/view.php?id=1652 https://www.smestrategy.net/blog/what-is-scenario-planning-and-how-to-use-it https://www.forbes.com/sites/stratfor/2015/01/08/scenario-planning-and-strategic-orecasting/#4957082411a3 https://www.managementcentre.co.uk/scenario-planning/		✓	• Offers a flexible approach due to the large number of scenario techniques available • Helps to understand the possible implications and benefits of different approaches • Aids in communication and can lead to a 'common language' for dealing with strategic issues	• Can be time consuming to execute properly • A deep understanding of the issues being investigated is necessary • There can be a danger of focussing on the most likely scenario/ 'wishful thinking' during the scenario building process

Scenario planning example process

DEFINE	EXPLORE	CREATE	COMMUNICATE	ACT	EMBED
Prioritise objectives **Decide** focal issues **Set** time horizon **Define** scope **Name** core and extended scenario teams	**Provoke** new thinking **Brainstorm** spectrum of issues **Identify** vital driving forces **Research** key themes **Distinguish** certainties and uncertainties **Test** preliminary scenario frameworks	**Establish** scenario framework **Build** scenario logics **Generate** compelling narratives	**Create** scenario documents and outputs **Enable** people to experience the scenarios **Ensure** internal consistency	**Test** current strategies **Generate** strategic options **Define** a core strategy robust against scenarios **Establish** contingent strategies	**Establish** ongoing strategic conversations **Build** systems to monitor weak signals **Build** responsiveness to change

*Note: Every scenario planning project is unique and the process design will depend on the specific objectives and organisational context. The diagram shows a typical process.

SOURCE: https://rossdawson.com/frameworks/scenario-planning-in-action/

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Scenario planning 'Cheat sheet'

TYPE	What is being asked about the future?	What is being modelled?	What factors influence the outcomes?	What responses are being tested?
1. Predictive	What could happen?	All possible futures	EXTRINSIC – what the world does	DO NOTHING – business as usual
			INTRINSIC – what we do	DRIVE CHANGE – strategic action
2. Exploratory	What is likely to happen?	The likely future	EXTRINSIC – what the world does	DO NOTHING – business as usual
			INTRINSIC – what we do	DRIVE CHANGE – strategic action
3. Aspirational	What do we want to happen?	The desired future	EXTRINSIC – what the world does	DO NOTHING – business as usual
			INTRINSIC – what we do	DRIVE CHANGE – strategic action

SOURCE: http://www.citiesthatwork.com/blog-renaissance/2014/02/towards-a-typology-of-scenario-planning

HEI5

Introduction

Each of the environmental scanning tools listed in this document, as well as the many others that are available, provide trusted and proven means of interpreting relevant information and data to identify the factors that are impacting on the setting in which we as individuals, our teams, departments, or organisations operates. However, in preparing for this session, and having considered the situation in which universities are currently operating, we realised that a sector-specific tool may be more valuable, one which is driven by the most pressing issues facing Higher Education in 2019.

We appreciate that this model borrows a number of elements from various existing tools, but in designing something that is driven by the distinct areas that are particularly pertinent on the sector at the moment, we feel it focuses on what really matters to those who are leading and managing change across UK universities.
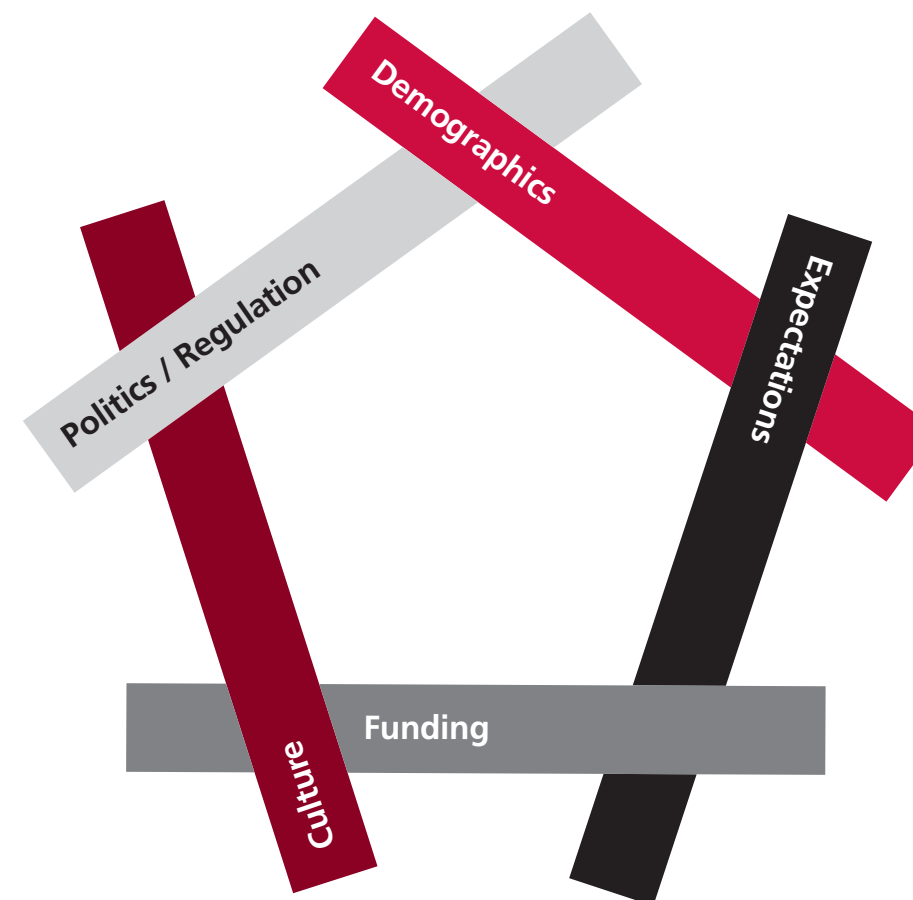
1. **Demographics** – The patterns and trends relating to the student population and particular groups within it

2. **Expectations** – The assumptions and beliefs that both staff and student bring to universities

3. **Funding** – The complex, and ever changing sources of income that fund not only universities, but provide loans, bursaries and grants to students

4. **Culture** – The consistent moral and material values, behaviours and attitudes that exist across higher education

5. **Politics / Regulation** – The labyrinth of frameworks, laws, and regulations that influence universities

Although there are an almost innumerable range of factors that impact the environment in which we all operate, we feel that those chosen are at the heart of most of the decisions that universities are taking, and in appropriately responding to the changes brought about by each element, universities can position themselves for success.

Demographics

Demographic factors have recently been the subject of an increased focus across the sector, both from a planning perspective with regards to population analytics and cultural trends, as well as once students arrive on campus, with universities attempting to determine the extent to which demographic factors will influence on their attainment.

1. Impact of birth rate

- We will have one more sharp fall in the 18 year-old population of around 2% in 2020. Then the cohort grows again. This growth is strong, often 3% a year. And it is consistent, up year after year. This matters, as it makes the cumulative rises large and unrelenting.

- The five-year rate of population growth increases reaches 17% in the mid-2020s. Between 2020 and 2030 the population increases by 27%. This trajectory equates to almost a million extra 18 year-olds over the decade.

18-year-olds in the UK population
Estimates and projections - 2000 to 2034

Estimates (thousands)

Projections (thousands)

2. Growth in global GDP

- UCAS analysis of applications for full-time undergraduate programmes revealed that UK university enrolments have soared by more than 2,500 from 2018 to 2019, the first growth in the three years since the Brexit vote.

- A total of 561,420 students have applied to start their course this year, with HEIs receiving a record number of applicants from outside the EU. A total 63,690 non-EU applicants have sought higher education in the UK, an increase of 9%.

Real GDP growth (Annual percent change)

— United Kingdom
— Advanced economies
— Emerging market and developing economies
— World

3. Vast increase in mental health and wellbeing support

- 94% of HEIs reported an increase in demand for their counselling services.

- Statistics highlight a 210% increase in university dropouts among students with mental health problems from 2009/10 to 2014/15

- Of even greater concern is that student suicides increased by 79% from 2007 (75) to 2015 (134)

4. Attempts to widen UK university student participation have stalled

- There is wide variation between universities across the UK

- In nine out of the Russell Group of 24 universities, the proportion of state school pupils fell over the past year.

Culture

Although every institution in the university sector has its own shared assumptions, values, and beliefs, there are commonalities across the UK that have a strong influence on the people that work in universities, dictating how they behave and perform their jobs.

Culture

1. Collaborative

Universities are often at the heart of their communities, working with colleagues not just across campus, by with local employers, businesses and charities.

2. Inefficient

Effectiveness, efficiency and value for money are central concerns for the higher education sector. Although significant progress has already been made in this area, there is substantial scope to achieve further savings and embed a continuous commitment to efficiency.

3. Supportive

Universities are generally considered to be welcoming and supportive communities, for both students and staff. Factors such as the increasing focus on the student voice, as well as university rankings have led to universities putting far more focus on how they support students.

4. Uncertain

Due to a range of internal and external factors, universities cannot be sure what the sector will look like in 12 months' time. The only certainty is a requirements to adapt to the new conditions and demonstrate to the government and the public its value and role in nurturing talent for Britain's tomorrow.

5. Reactive

The ever-changing nature of the sector in recent years has led a number of institutions to feel less prepared for what's ahead. The need to display proactivity sits across all levels, from dealing with a crisis, to communications, and course planning.

Notes

Notes

Regulation/Politics

Over recent years, the government's influence on university sector has grown, with the introduction of the Higher Education and Research Bill and the subsequent arrival of the Office for Students. Hardly a week goes by without the sector making the front page of a national newspaper, and those who work within our universities have to constantly adapt and evolve to meet ever-changing requirements. Some of the current demands, as well as future ones include:

1. Unconditional offers

- Following recent reports and press coverage, a potential move to move to restrict, or end the practice of 'conditional unconditional' offers.

Percentage of 18 year-olds from England, Northern Ireland and Wales receiving and unconditional offer, by year

2. Student loan treatment

- The ONS decision to treat the issuance of the UK student loans as a combination of government expenditure and a financial transaction.

- Leading to a £12bn hole in the public finances.

3. The move to a regulator (OfS), as opposed to a funding body (HEFCE)

4. The United Kingdom leaving the EU

- Its impact on Erasmus and the recruitment of EU staff, never mind everything else!

5. The public perception of universities

- Including the concept of 'value-for-money', senior staff pay and grade inflation.

6. Frameworks galore!

- Teaching Excellence Framework (TEF)
- Research Excellence Framework (REF)
- Knowledge Excellence Framework (KEF)

7. Potential new entrants into the sector

- Within recent years a number of new organisations have entered the university arena, offering a wider choice to students. Close to the AUA conference is UA92 which sells itself as "a game-changing educational experience designed to unlock greatness", which is a collaboration between Manchester United's Class of 92 and Lancaster University.

- Further afield, James Dyson has set up the The Dyson Institute of Engineering and Technology, claiming that "education needs to change: our esteemed institutions are churning out many graduates with impractical degrees".

8. Constant requirement to respond to new regulatory demands

- In recent years a number of regulatory factors have required universities to consider their response. For example, in 2014 the Competition and markets Authority (CMA) wrote to all universities about their obligations under consumer protection law. In 2018 the sector was required to respond to the GDPR, and currently, institutions are preparing for HESA Data Futures.

9. Approved plans to expand two-year, fast-track degree courses at universities in England

- Although a number of universities already offer accelerated degrees, the government want to increase the availability of them. There are many reasons to choose an accelerated degree and studying at an intensive pace brings many benefits, but also a number of challenges for universities.

Notes

Expectations

The demands and expectations of today's staff and students mean that universities can no longer simply continue with business-as-usual. These expectations are greatly affected by the Generation Z, born between the mid-1990s to the early 2000s, who are just starting out on university life, with unique attributes and requirements.

1. Generational differences

- Generation Z want a tailored experience, have a shorter attention span, value transparency, and are more considerate of their money.

2. Technological demands and expectations

- Today's students want and expect everything must to be digital first, to be available on multiple devices, at the click of a button and on the go.

3. OfS are seeking to amplify the student voice

- Both the OfS and universities often discuss how they want to ensure that student views are represented in decision-making forums.

4. University is now less about the night-time economy, and students expect more varied social options

- Although there is still a strong association of university life being associated with excessive alcohol consumption, young people today are the most likely demographic to not drink at all, as 27% of 16-24-year olds claim they do not drink in contrast to 21% of the wider adult population.

- Some reports say that students who pay high tuition fees are having to ditch the drink to save money. It is interesting to note that in the last year the percentage of young people not drinking at all has increased by 8%, while this figure only fell by 5% for 65+ age group.

5. Learning styles

- Students want their studies to work around their lifestyles, particularly those mature students who return to study later in life. There's a demand for flexible learning options which presents a challenge to universities.

- There's also an expectations of high levels of directed time, or face-to-face contact with tutors.

6. Cohesive student support

- Students rightfully expect that they will receive seamless support across the areas of academic, financial, wellbeing and employability, for example.

- They do not believe that they require an understanding of the university's complex structures and silos, and that the university itself should work around these to provide them with effective support.

7. Expectation of exceptional and high-class facilities across campus

Notes

Funding

The complex and ever-changing financial environment that sits around the sector, including the various sources of income for universities, as well as student loans, bursaries, and grants.

1. Post 18 review of fees and funding

- Although the detailed outcomes from the Augar review aren't yet known, the sector knows that things will change. Leaks from the review has raised the possibility of students achieving less than the equivalent of 3 Ds no longer being able to access student loans, and a reduced 'sticker price' for some courses of potentially £6,400.

2. Impact of Degree Apprenticeships

- Degree apprenticeships are still quite new, so there are a limited number of vacancies. It's anticipated that the number of vacancies will grow over the next year or two.

3. Research funding and Brexit uncertainty

- Horizon 2020 research programme has channelled more than €11bn to the UK since 2014.

- Figures from the Department for Business, Energy and Industrial Strategy analysing support from the EU's Horizon 2020 research programme show that the proportion of funds allocated to universities in the UK had dropped to 24% by the end of May 2018, down from a high of 25.47% in February 2017. The UK has received €11.4bn since the funding scheme began in 2014.

4. Efficiency and value for money

- Universities across the UK are committed to delivering value for money for students, for government and for the wider public. This is often achieved by:

a. Driving efficiency: ensuring that a focus on efficiency and value for money is at the heart of development strategies, at all levels of university operation

b. Embracing innovation: looking for and taking advantage of cultural and technological advances, which offer new opportunities to deliver greater value and improve effectiveness

c. Working smarter: seeking opportunities to collaborate and partner with other universities and public, charity and private sector organisations to maximise value from shared equipment, estates and services

5. Impact of high living costs on students

- Students are increasingly turning to gambling as the student support provided by the government has failed to keep up with the rising costs of living, according to an NUS survey.

- Around three in five (59%) students have gambled in some way over the past year and nearly half (48%) did so to supplement their income

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KOPE change capability self-assessment

Below, there are a range of aspirational statements which demonstrate change capability.
Please score your change capability against these statements using a scale of 1-5, where 1 is V low and 5 V High.
Please also provide an aggregate score across all 4 areas.

Knowledge & Information

- We have a range of trusted data that is captured 'right first time'
- Our data is live and 'on demand' and easy to interpret and analyse
- We use our data to evidence decision making, demonstrate performance and inform service delivery
- We have in place the appropriate strategies, policies and frameworks to aid in knowledge and information governance and management
- We possess a breadth of relevant, up to date, sector specific knowledge and information

Organisation & People

- We have a clearly defined organisational structure
- We have a sound awareness and understanding of our organisational culture
- Roles and responsibilities are clearly defined at all levels
- Behavioural/ attitudinal and technical competences are clearly defined and articulated
- We have a robust framework for skills analysis, supported by appropriate mechanisms for addressing any gaps

Knowledge & Information

Score: _____

Total Score:

_____

Environment & Infrastructure

Score: _____

Organisation & People

Score: _____

Processes & Procedures

Score: _____

Environment & Infrastructure

- We have the right facilities, systems and other infrastructure to enable us to deliver our services efficiently and effectively
- The organisation and management of our facilities, systems and other infrastructure supports collaboration and flexible/ alternative working methods
- Our IT and other business systems are fit for purpose, now and into the future i.e. 'future proof'
- We have a well-established and high functioning research network that enables effective intelligence gathering
- We have a well-established and high functioning communication network that enables collaboration and effective partnership working (internal and external)

Processes & Procedures

- We have a clearly defined organisational strategy, supported by a robust operational framework and governance structure
- We have clearly defined processes, procedures and other required business rules
- There is clear ownership and governance of our processes, procedures and business rules i.e. decision flows, delegations and authorities are clearly defined
- Our processes and procedures are designed and implemented flexibly i.e. they are not prohibitive or restrictive and allow services to adapt to changing demands
- We have clearly defined performance, success and quality criteria and measures

King, D (2006) *Think, Learn, Improve! Turn your business vision into reality,* Management Books 2000 Ltd, Cirencester
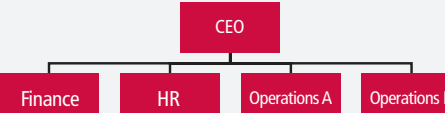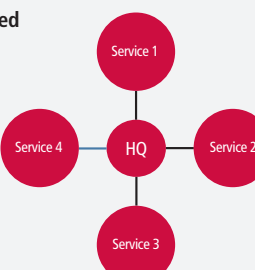
# KOPE change capability – development activities/prompts

Knowledge & Information

- Complete a data capability self-assessment, as an example see HESA Data Futures – https://www.hesa.ac.uk/innovation/capability
- Undertake a 'pulse survey' to ascertain the current level of confidence in institutional data integrity/ validity and to gather data quality issues
- Ensure that digital literacy, capability and good data management strategies are an integral part of strategic plans
- Review/ develop the organisational Data Strategy; ensuring it is fit for purpose and outlines the key roles and responsibilities associated with data governance and the framework that supports this activity
- University teaching and administrative staff need to be equipped with the necessary skills to perform their roles in a digital, data-driven world. Staff should be provided with appropriate training and support to improve their digital capability and data management skills
- Evaluate information/knowledge needs and flows, lines of communication, communities of practice, etc. These findings should form the basis of determining any (knowledge management) systems needed to complement them

Organisation & People

- Assess and classify the key organisational structure(s) present in your institution and implications for their use (in change management) eg

Type of structure	Description	Implications for use
Hierarchical 	A formal delegation of power and authority. Functional managers report to divisional managers, who in turn report to the CEO. Power and information is top-down. Coordination of work is via a common manager. Informal relationships, cross-functional working groups and liaison roles enhance effectiveness.	**POSITIVES** Clear understanding of power and authority. Clear lines of delegation supported through informal relationships. Good promotion prospects. **NEGATIVES** Individual managers can become overloaded. Incurs greater management costs than flatter structures. Numerous layers between the top and bottom of the organisation can distort communication in both directions and slow down decision making.
Centralised 	Power and major responsibilities are kept at the centre. The centre sets targets and retains control. Coordination of work and dissemination of information is from the centre out, or from individual business units back to the centre.	**POSITIVES** Clear standards are established for all business units. The centre controls major decisions and strategy. Costs can be controlled and economies of scale achieved. **NEGATIVES** Managers in outlying business units may lack control. Communication between different business units may be limited. It may discourage innovation.
Flat 	Very few layers between the CEO and the rest of the organisation. Power can be based on relationships and budgets.	**POSITIVES** Speedy decision making with fewer layers for approvals. Enables faster and clearer communications. People at the bottom are closer to and know those at the top (and vice versa). **NEGATIVES** Fewer promotion opportunities. Reward options need to compensate for lack of promotion. Roles and accountabilities can become blurred. May not be sustainable as the organisation grows.
Decentralised 	Significant power is devolved to individual business units, which leads to variation in how procedures and processes are undertaken. The centre may establish targets but does not decide how individual business units meet those targets.	**POSITIVES** More autonomy and greater motivation for those in the outlying business units, which can respond quickly to changes or challenges. **NEGATIVES** Duplication of key functions (and resources). The centre may not be aware of day-to-day decisions or challenges. Quality may vary across units, impacting on overall reputation of the organisation.

Matrix
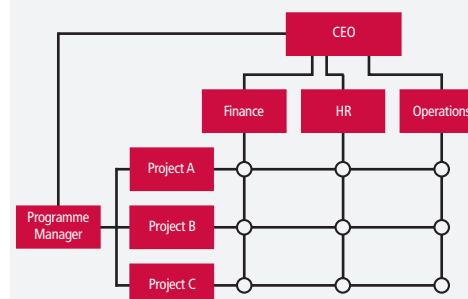
Differential power bases exist: positional, personal, information, resource and so on. Individuals report to two managers (line and project). Time spent on different tasks is negotiated and managed.

To work effectively it requires more autonomy and empowerment for all involved, together with strong leadership skills.

POSITIVES
More flexibility to resource short-term organisations such as projects. Greater flow of communications and collaboration. Enables the sharing of skills and expertise.

NEGATIVES
Needs clear demarcation and agreement on reporting, time management and line management accountabilities. May lead to conflict over allocation of resources.

SOURCE: The AMP Group Ltd (2014) The Effective Change Manager's Handbook, Kogan Page Ltd, Pg 550-1.

- Assess and classify your organisational culture – see Taylor (2005), *Walking the Talk: Building a culture of success* and Trompenaars and Hampden-Turner (2012), *Riding the Waves of Culture: Understanding diversity in global business*
- Review/ develop organisational competencies, ensuring that these are aligned to strategic objectives - https://www.mindtools.com/pages/article/newISS_91.htm provides a useful article on this topic.
- It is useful to have a competency framework, against which to assess the level of skill, knowledge etc. required to fulfil each role/ group of roles; however, that is not to say that you cannot create a high-level skills matrix based on job description and person specification. This can then aid in capability planning to support the personal and professional development of your organisation's workforce.

Processes & Procedures

- See Bradley's (2012) *Strategic Delivery Process*, who suggests a basic process for delivering and reviewing organisational strategy as follows:

	Idea generation	Develop and decide	Execute and refine
1. Frame objectives and constraints	✓		
2. Baseline performance and capabilities	✓		
3. Forecast what we expect of the future	✓		✓
4. Search for options to create value		✓	
5. Choose package of options		✓	
6. Commit to deliver required changes			✓
7. Evolve the strategy over time			✓

- Make use of the environmental scanning tools (see those provided within this work book) to ensure that you are prepared for and able to flex your organisational strategy and supporting processes and procedures accordingly

Environment & Infrastructure

- Review/ develop the Business System strategy and enterprise architecture to ensure there is absolute clarity on key institutional systems and their integration and there is clear direction for future system acquisition

GENERAL PRINCIPLES/ OTHER ACTIVITY TO SUPPORT CHANGE READINESS AND CAPABILITY

Departmental/ Team readiness

- Force field analysis – consider the 'case for change', augment the driving forces and reduce the resisting forces.

- What's in it for me framework - consider different needs and attitudes of each individual, or even a group, who are to be key stakeholders in your improvement initiative is to carry out a 'what's in it for me' analysis. Don't fall into the trap of thinking that people will act on the facts. Facts are important, but people's behaviour relate to how the world occurs to a person not the way it actually is.

- The 3 Ds (Data/ Diagnosis, Demonstrate, Demand) - build the urgent case for change. This tool is best developed with and by the people will lead the change and then involve people in ongoing conversations to develop a remarkably clear understanding of the details.

- Complete a full Change Readiness Assessment - provides a snapshot of the current organisation culture and behaviours and usually involves a survey of employees at various levels of the organisation to determine their acceptance of the proposed change.

- Assessment and 'categorisation' of culture – Taylor (2005) 5 positive cultural focuses (Achievement, customer-centric, one team, innovative, people-first), Trompenaars & Hampden Turner (2012) Cultural scales (task-person and egalitarian-hierarchical) et al.

- Buy in index – a short survey that tracks attitudes during the implementation of a change project or initiative.

- Structured and informal surveys – provide staff with the opportunity to provide anonymous feedback as well as encouraging an open, honest culture where staff feel at ease sharing their views on past and current change initiatives. Make sure you feedback on any action that is taken in response!

- Upskilling staff, multi-skilled team members, documented processes and procedures (to enable any team member to complete standard tasks), facilitate job shadowing and skills share amongst other teams/ services.

Individual change readiness

- Personality/ learning style questionnaires – eg Honey and Mumford, 16 personality types (link available: https://www.16personalities.com/personality-types)

- Proactively seek out opportunities to learn new skills, discuss your (technical and soft) skills needs during 1:1s and appraisal, ensure that you have a personal development plan in place to address any skills/ knowledge gaps.

- Individual SWOT analysis and associated action planning.

- Kubler-Ross (1969) change curve – review and develop an understanding of and ability to recognise where you are in this process.

- Take time to reflect on past changes and consider lessons learned – what went well, what didn't go well and how could the change have been managed more effectively, if you didn't have an opportunity to influence the change how could this be facilitated in future and how can you play a part to ensure your views are heard?

- Take stock of your role within the team/ department; do you understand the role and function of your service at the University? Do you understand the roles of members of your team, could you complete other functions within the team? If not what skills and knowledge do you need to be able to do so? Are there any opportunities for more efficient ways of working? What are these and how can you influence change in your own team?

Change readiness priority action plan

Action	By when	Support/ resources required

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Notes

University of Central Lancashire