

LATVIA HIGHER EDUCATION

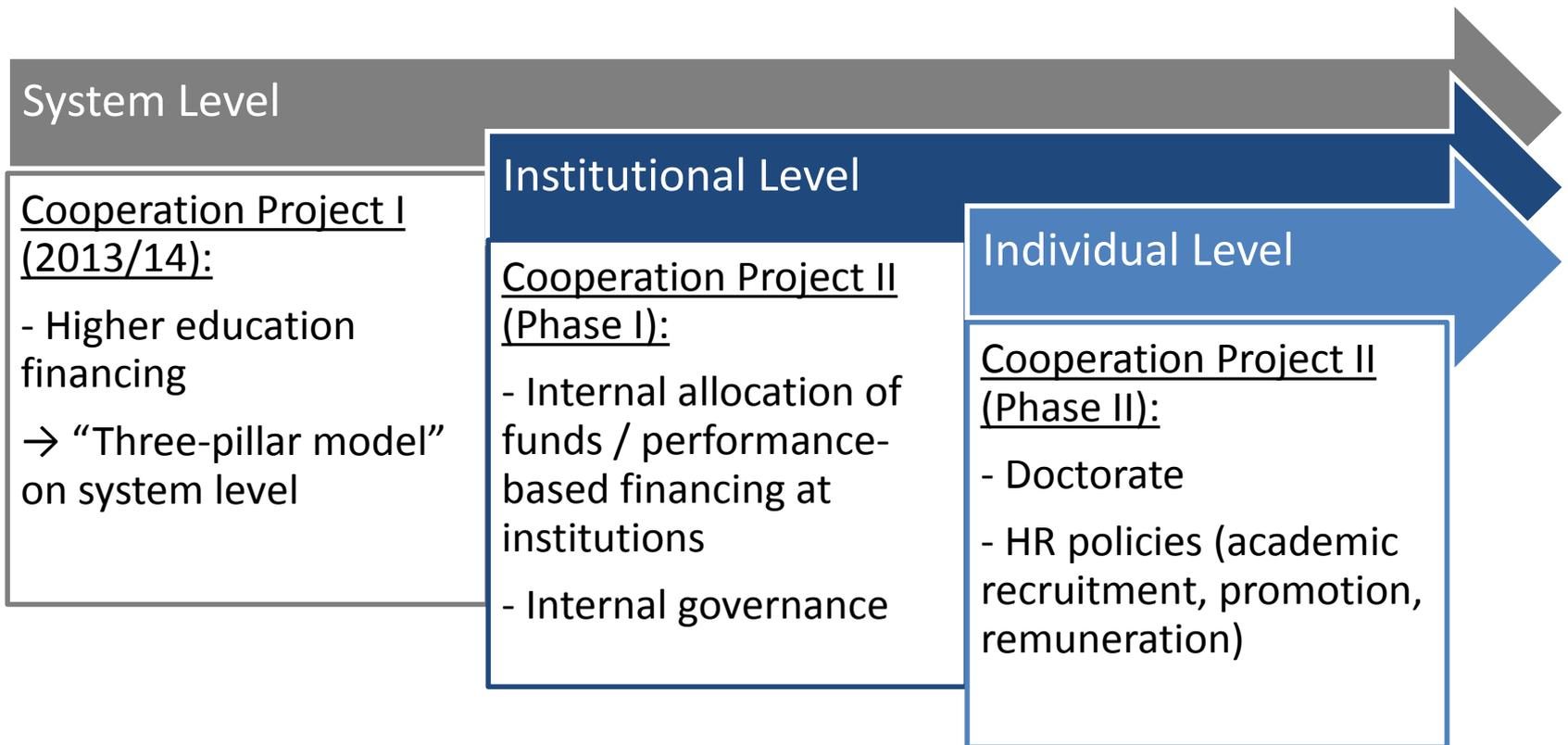
GOOD ACADEMIC CAREERS



WORLD BANK GROUP

Riga, 14 June 2017

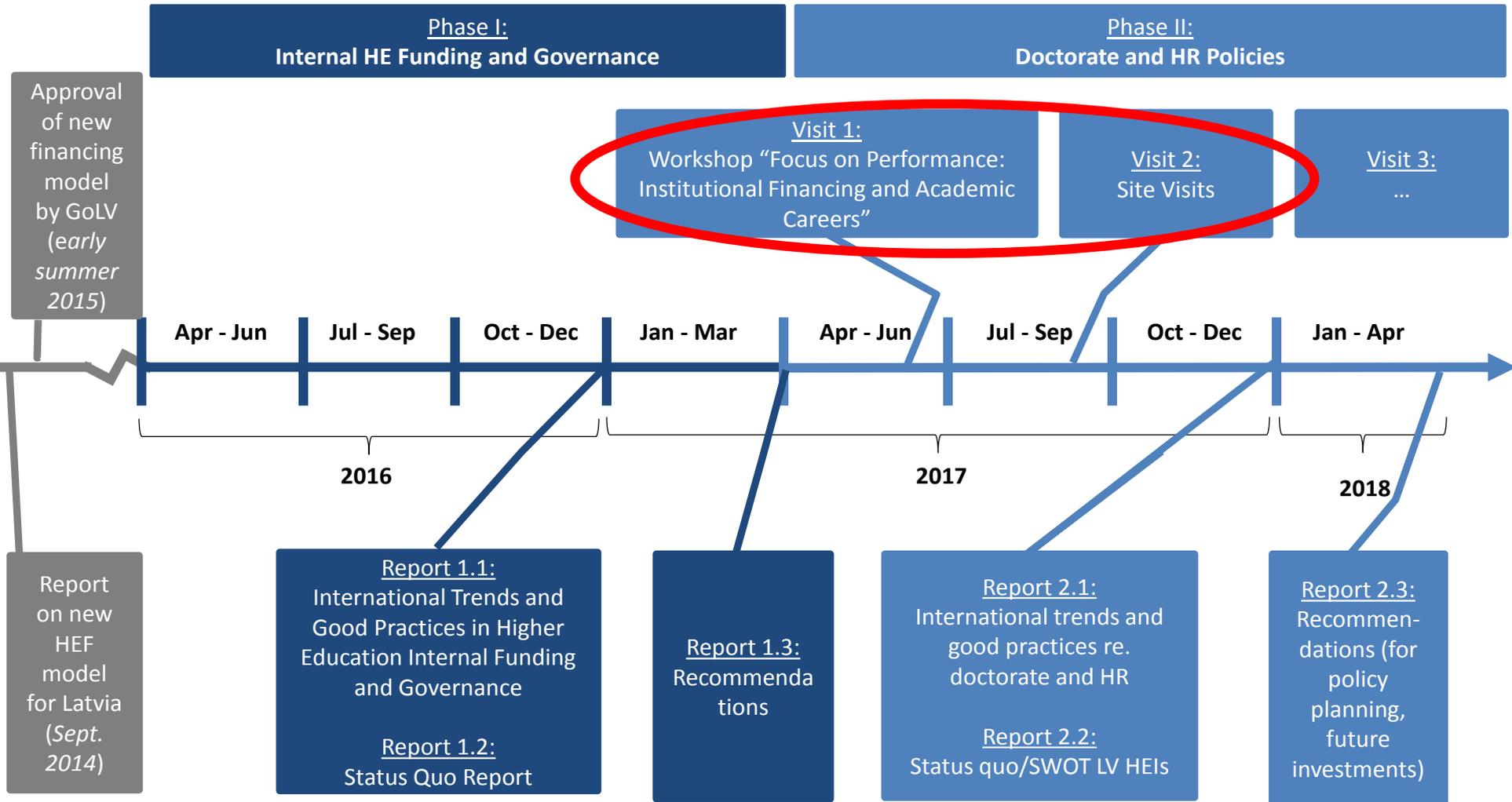
Following up system-level reforms



Phase II: Doctorate, and Selection, Promotion and Remuneration of Academic Staff

- **Key objectives**
 - Supporting the improvement of doctoral training
 - Enabling the design of sound human resource policies that promote performance orientation
- **Outputs**
 - 2.1 Report containing an analysis of international trends and good practices in the field, including key learnings and recommended models for Latvia
 - 2.2 Report assessing doctorate and human resource policies in selected Latvian higher education institutions covering strengths and weaknesses
 - 2.3 Report developing proposals for policy planning and future investments based on previous outputs
- **Some milestones**
 - September visit
 - Outputs 2.1 & 2.2: *December 2017*
 - Output 2.3: *April/May 2018*

Preliminary Timeline – Inputs – Outputs



What characterizes good academic careers?

- **Value academics** as key contributors to HEIs' missions
- Provide **clear prospects** via structured and transparent career paths
- Feature distinct **criteria** for selection and advancement
- Allow for **different career paths**, also beyond academia
- **Structured and transparent** approach to remuneration

Key developments in career systems

From...

- High uncertainty until professorship
- Divide between temporary and lifetime positions
- External appointment as basis for advancement
- Homogeneity in remuneration



Towards...

- Structured career paths with several well-defined positions
- New mix: clearer perspective at earlier stages, less traditional lifetime positions
- Promotion gaining in importance vis-à-vis appointment
- Differentiation of salaries (performance orientation)

Trend toward strategic HR management

- Increasing **staffing autonomy**: less government influence and greater latitude for institutions (HEIs as employers)
- Increasing **financial autonomy**: Greater flexibility in allocating funds internally (e.g. lump sum budgeting)
- New options for institutions to **design selection, promotion and remuneration** approaches
- Possibility – and need – for **strategic approach to HR management**
- Huge **variety of possible models** and no one-size-fits all solution: importance of framework conditions and institutional culture

Main conditions for strategic HR management

- HEIs' **staffing and financial autonomy**
 - **Governance structures** for determining institutional strategies and implementing HR policies
 - *Common model:* General framework determined on central level complemented by staff planning on unit level, followed by case decisions by institutional leadership
 - **Financial planning capacities** in cooperation of central and unit level (including reserve building)
- Key framework conditions are determined at **national level**

Recruitment and institutional strategies

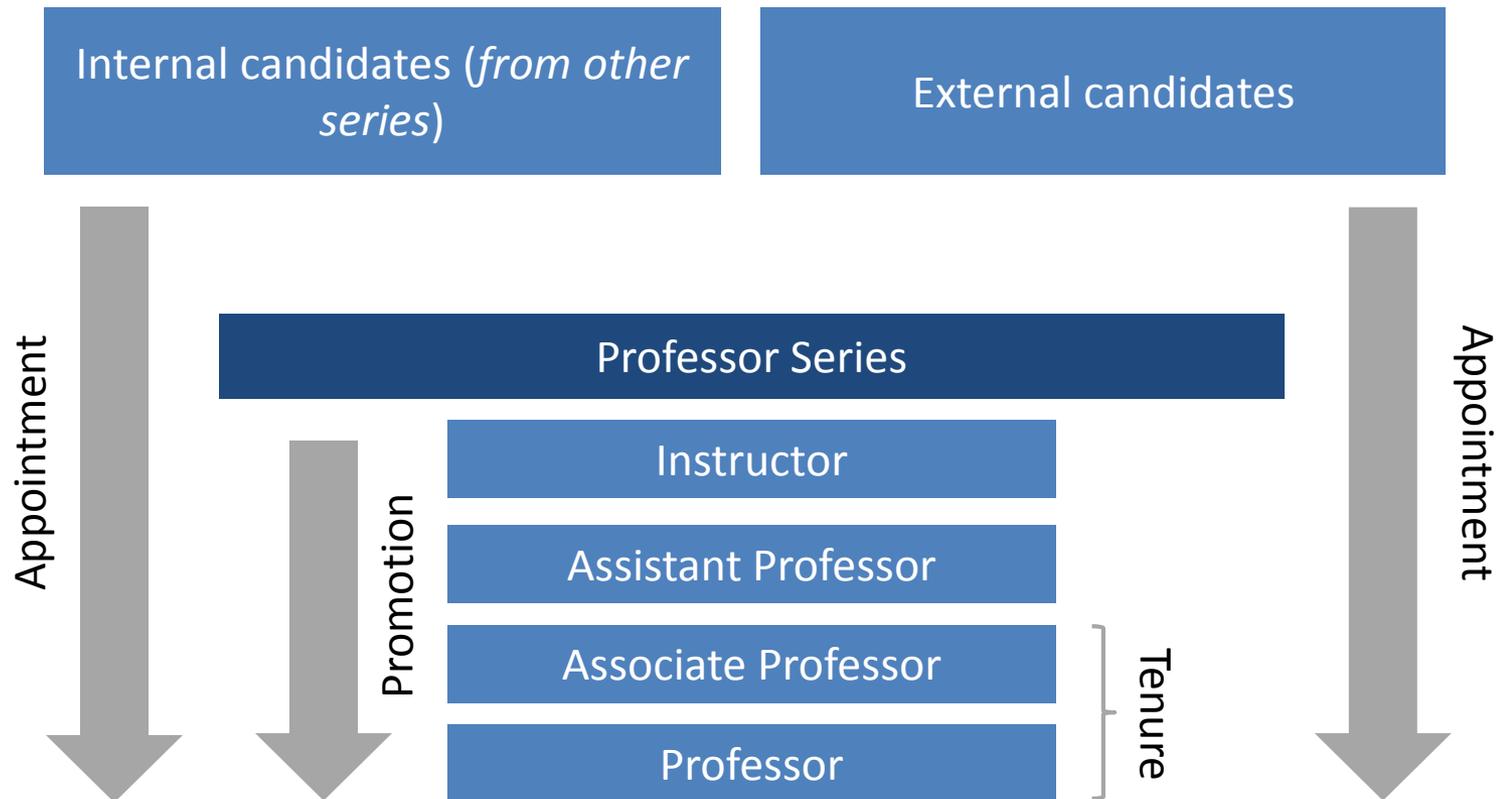
Appointment decisions have far-reaching implications for institutions and constitute a long-term financial commitment

Importance of connecting recruitment and promotion to institutional profiles and strategies

Long-term planning and proactive recruitment:
“not filling vacancies, but attracting academics that fit with institutional profile”

Relevance of taking up responsibility for HR management and professionalizing activities

Academic careers in the United States – The University of California



Source: http://www.ucop.edu/academic-personnel-programs/_files/apm/apm-220.pdf

Selection procedures

- Distribution of **rights and responsibilities**
 - Combination of *top-down* (efficiency and strategy connect) and *bottom-up* (unit-level expertise and acceptancy)
 - Range of internal and external stakeholders involved (mediation of interests and impartiality vs. efficiency and costs)
- **Process design**
 - Number of bodies actors involved and complexity of process sequence (broader formal involvement vs. efficiency)
 - Diversity of assessment criteria
- Degree of **formalization and professionalization**
 - Formalization and transparency of procedure and criteria
 - Specific competences of decision-makers (e.g. commission members)

University of the West of England Bristol

Devising an “Academic Need and Business Case”

- Dean sets out purpose, structural and academic requirements, and funding for post
- Institutional leadership evaluates case against institutional strategy during an annual process

Determination of requirements

- Development of job description
- Development of person specification

Interview process

- Responsibility of selection panel (VC or nominee as chair; Executive and Associate Dean and Head of Department from home faculty; professor from other faculty; external assessor approved by VC)
- Consideration of external references: 3 by candidate, up to 3 gathered by VC

Source: <http://www2.uwe.ac.uk/services/Marketing/about-us/Human%20Resources/Procedures%20for%20Appointment%20to%20Prof%20Associate%20Professor%20and%20visiting%20titles.pdf>

Interaction with candidates

- **Personalization** of procedure
 - Intensity and customization of communication
 - Customization of offers, combining financial and non-financial benefits
- **Integration** into HEI upon hiring
 - Welcome procedures
 - Connect to strategic objectives (e.g. via performance agreements)

Remuneration: system-level framework

- Employment **legislation and policies**
 - Employment status of academics
 - Salary regulations
 - Wage agreements with unions
- **Financial autonomy**
 - Lump sum budgeting vs. line items
 - Fixed amounts for certain remuneration elements

Remuneration reform in Germany

- Fundamental reform via **federal law** in 2002
- Details of **implementation** determined by federal states and HEIs
- **Key changes:**

Basic salaries in Bavaria (*June 2017, in EUR*)

Salary class	Experience level		
	<i>Level 1 (5 years)</i>	<i>Level 2 (7 years)</i>	<i>Level 3</i>
<i>W1</i>	4,444.41 (<i>Junior Professor</i>)		
<i>W2</i>	5,516.74	5,741.92	6,079.68
<i>W3</i>	6,530.03	6,755.19	7,036.66

- New salary categories with lower basic salaries, but introduction of performance-related remuneration elements
- Replacement/supplementation of seniority increases by variable salary elements determined by HEIs (within state-level framework)

Source: <http://www.w-besoldung.net/>
https://www.hochschulverband.de/fileadmin/redaktion/download/pdf/besoldungstabellen/grundgehaelter_w.pdf

Institution-level framework

- Use of different **remuneration elements** (e.g. basic salaries, retention premiums, merit pay, one-off bonuses)
 - **Degree of structuring:** systematic approach vs. free negotiations
 - **Formalization** of policies, guidelines and procedures
- **Prominent model:**
- Salary categories for academic positions with several levels each
 - Progression *within* positions based on seniority and/or performance; progression *among* them via promotion

Key aspects of performance-based remuneration

- (1) **Measuring** performance
- (2) **Relating** performance to remuneration
- (3) Designing **procedures**
- (4) Relation to **internal funding**

Measuring performance

- **Quantitative vs. qualitative assessments**
 - Hard factors: greater simplicity, transparency and objectivity (*at least at first sight*), but difficult to find adequate indicators perceived as fair
 - Soft factors: less transparent, but greater latitude for decision-makers to account for case specifics and perceived as more adequate in academia
 - *Use of hard factors as main/exclusive criteria is rare*
 - *Possibility for mixed approaches (e.g. quantification of qualitative assessments)*
- **Dimensions of performance**
 - Focus on teaching and research
 - Possibility to account for wider range (e.g. academic self-governance and “third mission”)
 - *Diversity relevant for link to institutional strategy*

Relating performance to remuneration

- Degree of **structuring**
 - Free, individual negotiations increase latitude for decision-makers, but are less transparent and more time-consuming
 - Pre-defined levels (e.g. in salary structure) restrict latitude, but: simplify processes, increase comparability, facilitate planning, and allow for connecting different remuneration elements
 - Formula / fixed-prices models encounter difficulties related to using indicators (*and are rarely used*)
- **Permanent vs. temporary increases/bonuses**
 - Influence on motivation (e.g. negative effects of “taking away” increases)
 - Financial implications: permanent increases lead to long-term commitments
 - Possibility to relate type of benefit to type of performance (e.g. permanent increases for performance increases expected to last; one-off bonuses for particular achievements)
- Use of **additional instruments**
 - Temporary increases tied to performance agreements
 - Possibility of “free negotiations” next to structured approaches

Relation to internal funding

- **Amount of funding**
 - Funding responsibilities/pool located at central or unit level
 - Quota for different remuneration elements or units (flexibility and possibility for profile development vs. planning capacities and diversity of instruments / fairness among units)
- Long-term effects and **financial planning**
 - Need to secure future funding for permanent increases
 - Differing impact of elements on availability of funding in the future

Towards criteria for good academic careers (I)

System-Level Framework

- Devising adequate legislation and policies
- Providing institutions with adequate levels of **staffing and financial autonomy**

Human Resource Policies and Management

- Accounting for system-level framework as well as **institutional culture**
- Aligning policies and procedures with **institutional strategy**
- Establishing **connect to internal funding and financial planning**
- Ensuring adequate **governance** structures for determining institutional framework and making case decisions
- Finding the right **balance** between top-down and bottom-up approaches
- **Mediating** among institution-internal **interests**
- Assuring **transparency of procedures** and supporting the perception of **fairness**
- Balancing **efficiency** with adequacy of procedures
- **Professionalizing** activities
- **Monitoring impact** of reforms and side-effects

Towards criteria for good academic careers (II)

Selection and Promotion

- Designing career systems with **clear and transparent prospects** for academics
- Engaging in **long-term planning** and **proactive** recruitment
- Valuing candidates and personalizing **procedures**

Remuneration

- Designing remuneration systems that **balance** collegiality and adequacy with strategic approach and performance orientation
- Finding the **right mix** of remuneration elements
- Accounting for difficulties of measuring performance and relating performance to remuneration
- Considering the relation to **internal funding**

Thank you!

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Additional Slides

The “higher education single pay spine” in the UK

Spine point	2013-14 GBP	2014-15 GBP	2015-16 GBP	2016-17 GBP
1	13,621	13,953	14,323	14,767
2	13,977	14,257	14,599	15,052
3	14,344	14,631	14,953	15,356
...
22	24,289	24,775	25,023	25,298
23	25,013	25,513	25,768	26,052
24	25,759	26,274	26,537	26,829
...
46	49,216	50,200	50,702	51,260
47	50,688	51,702	52,219	52,793
48	52,204	53,248	53,780	54,372
49	53,765	54,841	55,389	55,998
50	55,375	56,482	57,047	57,674
51	57,031	58,172	58,754	59,400

- Determined among the Universities’ and Colleges’ **Employer Association (UCEA)** and the higher education **trade unions**
- Subject to **regular negotiations**
- Covering **support and academic staff**

Source: https://www.ucu.org.uk/he_singlepayspine

Pay grades at the University of Oxford

Pay spine step	Salary	Grade 9	Grade 10	Grade 10a
55	£66,836		9*	
54	£64,895		8*	
53	£63,009		7*	
52	£61,179		6	11
51	£59,400		5	10
50	£57,674	9*	4	9
49	£55,998	8*	3	8
48	£54,372	7*	2	7
47	£52,793	6	1	6
46	£51,260	5		5
45	£49,772	4		4
44	£48,327	3		3
43	£46,924	2		2
42	£45,562	1		1
41	£44,240			
40	£42,955			

- **Grades** for most positions; **individual negotiations** for professors and readers
- **Yearly automatic progression** for first steps within grades
- **“Discretionary range”** for promotion and retention premiums and merit pay

Source: <http://www.admin.ox.ac.uk/personnel/reward/paystructure/>

Performance-based remuneration at the University of Oxford

For **professors / readers** (*next to individual negotiations*)

- “Professorial Distinction Awards”: highly competitive, mostly permanent salary increases for exceptional performance

For **other academics**

- “Awards for Excellence Scheme”: annual review of all academics rewarding consistent exceptional performance in all key job areas with advancement to next salary level or non-recurrent payment
- “Recognition Scheme”: GBP 200 as one-off payment for specific contributions or achievements

Process design

- **Initiation:** application by academics vs. nomination by superiors vs. regular “screening”
 - Resource intensity differs among approaches
 - Perception of fairness can also differ
 - Option of mixed approaches (e.g. application of academics combined with recommendation by deans)
- **Timing of procedure:** possible at any time vs. regular intervals
- **Formalization** of procedure
 - From basic process to rights and responsibilities of bodies and actors to assessment criteria
 - Potential to increase transparency
- Relation to **other types of evaluation**
 - Increased amount of information available
 - Potentially critical feedback effects
- **Involvement and decision-making rights:** policies and guidelines and individual decisions

University of Oxford: “Professorial Distinction Awards”

Application by eligible candidates (list of publications, CV, names of three external assessors, etc.)

First examination by Divisional Distinction Award Committee

Second Examination by Senior Appointments Panel of University’s Personnel Committee (i.e. VC, 3 Pro-VCs, Registrar)

Potentially: Request for additional information / comments from Divisional Distinction Award Committee

Decision by Senior Appointments Panel based on criteria approved by University’s Personnel Committee

Source:

https://www.admin.ox.ac.uk/media/global/wwwadminoxacuk/localsites/personnel/documents/academicemployment/Call_for_Applications_and_Procedures_2016.pdf

Key features of academic career systems

System level

Legal and policy framework

Staffing and financial autonomy of HEIs



Institutional level

Governance structures

Internal funding and financial planning

Policies and frameworks



Process level

Distribution of rights and responsibilities

Design of procedures