

## Universities' human resource management

Human resources are multifaceted, conceptually open to interpretation and problematic in terms of measurement. How we can manage and achieve things with human resources and how human resources themselves can best be managed is more of a long-term challenge than a clear-cut regulatory problem.

Universities' human resources, which revolve around research, education and development, form a whole that is particularly difficult to analyse and manage. As a core part of different social sectors and innovation systems, universities' human resources nevertheless constitute a key welfare, competition and success factor for society. For example, according to the state's personnel accounts for 2005, personnel expenses' totalled 51% of the state's operational expenses and human resources made up 50% of the value of the state's assets.

The audit examined how well universities have succeeded in managing human resources as part of their resources and activities as a whole. The audit was intended to help Parliament and other decision-makers as well as universities and stakeholders to understand, monitor and evaluate the process of change through which universities are going.

The audit found that universities have been able to improve their activities in managing human resources in different ways. From personnel administration clear and conscious progress has been made towards a new management of human resources. Universities have proceeded gradually from personnel administration through a structured personnel policy towards the more strategic management of human resources. Strategies, plans, programmes and targeted measures have increased. Well-being studies, atmosphere surveys and similar evaluations have become more regular. The fact that human resources should serve a university and its functional objectives is not left unclear in universities' documents.

To what extent and in what relation this takes place in practice has not been adequately ensured, however. After numerous steps forward, there are still plenty of challenges. Departments that have grown and developed in the substructure of state administration have not become units adept at the strategic management of human resources. In many cases the problem has been both tight management or other resources as well as attitudes. Information concerning departments does not reach the upper levels properly, either.

In addition to conceptual, measurement and cultural challenges of a permanent nature, universities' human resources are presently being challenged by different environmental changes. These include the strengthening of the knowledge economy, globalization, the shrinking of age cohorts and the labour force, and predicted global environmental and other challenges. As a result of changes people and personnel are becoming the hub of universities' activities in a new way. In this situation universities are responsible in a new way for their human resources, since universities' legal and administrative status was reformed at the beginning of 2010 to give them greater autonomy.

It is difficult to set specific, comprehensive, fair and measurable objectives for universities' human resources. Policy objectives taking into consideration the entire scope of universities' human resources, their life cycle and other policy areas have been lacking. As a result what should be the ultimate aim of human resources at universities has remained unclear. Constant balancing in a changing environment, the bifurcation of the financing system and the large number of stakeholders have led to a situation in which the universities themselves have not been able to set objectives in a structured manner in human resource issues. The universities have generally not even attempted to tie the values in the background of human resources and the roles of different actors to their concrete activities. Objectives are also narrow. Incentives, sanctions, information management and other infrastructure supporting objectives aimed at the general development of human resources and personnel lack clear objectives and operational models.

With certain exceptions (such as recruitment), different actors' roles are also unclear particularly in the area of development work. Researchers and teachers do not feel that administration is close or

clear. Ideas about who exercises real power at universities in matters regarding personnel, for example, vary considerably.

Currently the management of universities' human resources is weakened most by universities' external relations, which efforts have been made to strengthen in recent years. Universities' relations with their environment is currently influenced more by the unclear nature of structures and competition for financing than by the conscious and long-term setting of objectives regarding the purpose for which a university should primarily utilize, develop and evaluate its personnel.

Tools for managing universities' human resources are still being developed. In examining and evaluating related challenges, it is important to note that universities are complex expert organizations. The complete management of universities' human resources is not realistic even as an objective. The outlook is more favourable if one considers that in practice universities' objectives and means must be marked by the broad discussion and long time span that are characteristic of universities. For these and other reasons universities' objectives and means can never be based solely on knowledge and evidence and be unambiguous in every respect.

Universities' relations with their environment have expanded. In future they will become even more nuanced. In the environment described above, a legal change that affects universities' personnel in many ways was carried out on a very tight schedule, and it is difficult to predict and evaluate how its management will work out as a whole.

Universities' process of change is not being monitored and evaluated adequately from the viewpoint of human resources. Owing to a lack of relevant information, the need for corrective measures may not be realized in time. Another danger is that supervision and operational models that significantly influence personnel's work will be introduced without having sufficient information on their use in relation to universities' operating environment. Projects aimed at developing the external evaluation of universities, for example, will not change the situation in this respect in the near future, since their point of departure has mainly been making better external use of human resources rather than the broad management of human resources. The audit indicated that universities' personnel are committed, motivated and encouraged above all by a predictable

operational framework and relatively stable operating environment, and not so much by additional financial incentives.

The National Audit Office considers it important for universities' human resources to be managed in future on a longer-term basis with a broader information base. Since universities' networking and relations with society will inevitably increase for different reasons, a long-term approach to management will also be more important and challenging. Ensuring the information base requires both research and development information and the critical analysis of the current state of universities' evaluation data.

Since change in expert organizations has already been studied extensively, before new research and development projects are started, the large amount of existing data should be carefully compiled and critically examined. Compiling data and coordinating development work could, for example, be entrusted to the Research and Innovation Council, in cooperation with the Finnish Work Environment Fund and other sources of finance.

Universities' monitoring and evaluation models should also be developed so that they cover human resource issues and subareas more comprehensively, give earlier signals concerning risk factors involving human resources and adequately express responsibility for problems and challenges revealed by evaluations. Inside universities human resource management objectives, tasks and responsibilities should be specified and allocated in sufficient detail to decision-making, implementation and information management. University departments and their practices are in a key position in dealing with change and management challenges.