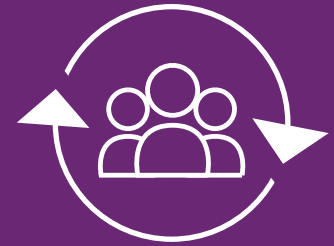


Maintaining quality amid faculty and staff retirements:

Research highlights challenges and strategies of human resources professionals





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Since 1991, the number of students in higher education nearly doubled to 20 million. Students know they need post-secondary education and degrees to get upwardly mobile jobs, and research confirms this. According to the Center on Education and the Workforce, 65 percent of all job openings in the United States will require some form of higher education, which is almost a 20 percent increase since 1992¹.

But these numbers only tell part of the story about the state of higher education. Colleges and universities face a mission-critical challenge as many faculty members and staff approach retirement age: how do the institutions recruit and develop new teachers, administrators, and staff in order to maintain an acceptable student-to-faculty ratio?

The 2014 *Workforce Talent Management in Higher Education* survey sheds new light on institutions' view of their circumstances and fills a gap in the industry's understanding of human resources functions and effectiveness in the following areas:

- **Role.** The human resources department primarily owns talent management, although the function is occasionally spread across departmental silos.
- **Function.** The main functions include hiring the right talent, developing current talent, and managing performance.
- **Effectiveness.** Human resources professionals are divided on whether their functions align with institutional goals, the stage of development of a talent management strategy, and how success gets measured.
- **Identified areas of improvement.** Institutions need to ensure a stable workforce, to improve their technology footprint and use of data, and to measure talent management success.
- **Challenges.** Manual systems, departmental silos, and budget constraints limit institutions' ability to manage human resources functions in the face of accelerating rate of retirements.

1. Georgetown University, Georgetown Public Policy Institute, Center on Education and the Workforce. *Recovery: job growth and education requirements through 2020*. June 2013.

The data shows a baseline level of awareness of what institutions must do to keep pace with growth in student populations and to maintain teaching and operational performance. It also shows that some colleges and universities are taking a cue from business and other non-academic institutions through use of talent management programs. The results are advantages in recruitment, retention, and measurement of success.

Compiled in conjunction with partners Cornerstone OnDemand, *Workforce Magazine*, and Human Capital Media, this Ellucian white paper explores the survey’s results in each of these areas so that institutions have an appropriate foundation for addressing their future with talent management.

Roles and responsibilities

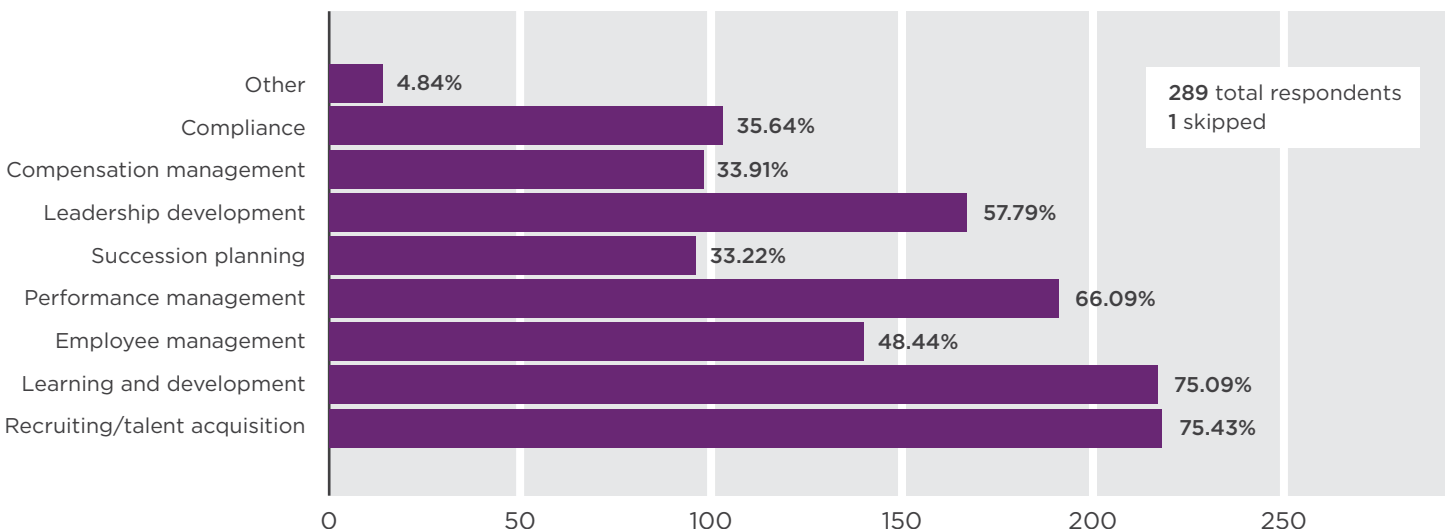
Retention, development, and advancement are just as important for the nearly four million workers at the nation’s 4,700 degree-granting institutions as they are for workers of any other industry. Responsibility varies for guiding these employees in their careers, especially when many human resources functions are decentralized.

More than half (53 percent) of survey respondents said that talent management fell under the human resources department, which tracks well

with figures in corporate settings. When human resources does not hold this responsibility, that mantle often falls to deans or department chair heads, who own talent management functions at more than 28 percent of institutions.

In academia’s decentralized approach, multiple deans or department chairs holding responsibility for talent management cuts both ways. They are closest to their coworkers and can be an ideal source of information

FIGURE 1. At my institution, talent management includes the following areas (select all that apply):



when identifying potential talent within the department. On the other hand, deans have a number of administrative and educational responsibilities such as teaching, fundraising, research, and advocacy. In these cases, talent management becomes an added responsibility.

Whether owned by the human resources department or the department chair, academic talent management covers a lot of ground with the top three areas for human resources

Function and development

Even though academic institutions understand the need to replace their aging workforce, the amount of incoming talent is not keeping up with the expected retirements. Research data from the National Education Association confirms that the average age of full-time faculty aged 65 and older has been increasing for more than 20 years.²

Moreover, further statistics from the U.S. Department of Education found that the percentage of instructional staff under 30 barely moved from during that time frame, increasing only about two percent. Despite a lack of new professors, student/faculty ratios seem unaffected and in fact were higher in 1991 (16.4 percent) than in 2011 (15.9 percent).³

The reason is straightforward: senior faculty members continue to work past retirement age, leaving human resources professionals to focus on programs such as hiring and retention rather than succession planning. Succession planning actually ranked near the bottom, with 43 percent of human resources managers calling it a low or non priority.

professionals listed as recruiting and talent acquisition (75.4 percent), learning and development (75 percent), and performance management (66 percent) (see Figure 1).

Clearly, developing current talent is much more of a priority for academic human resources departments than for other functions. This creates opportunity for leadership in the other departments to engage staff and have more of an influence on those departments' future.

With the retirement avalanche postponed for now, survey responses from human resources professionals in Figure 2 show the following as the top three talent management priorities:

- Hiring the right employees (20 percent)
- Retaining talented employees (15.9 percent)
- Aligning talent management with institutional effectiveness (15.8 percent)

More than half (58 percent) of human resources professionals described the need to hire the right employees as high to critical. Mid-level critical priorities are faculty development (12.5 percent), managing employee compliance and risk (13 percent), and developing employee skills and competencies (10 percent).

Is the seeming unconcern about grooming future leaders among academic institutions justified? The data indicates there is no immediate need for change because baby boomers aren't retiring at their first opportunity.

2. The NEA 1997 almanac of higher education. *Faculty Retirement and Benefits*. 1997.
3. U.S. Department of Education, *Digest of Education Statistics 2012*. December 2013.

FIGURE 2. What priority is given to the following talent management areas for your institution in the next three years? (274 respondents, 2 skipped)

	CRITICAL PRIORITY	HIGH PRIORITY	MEDIUM PRIORITY	LOW PRIORITY	NOT A PRIORITY	RESPONSE TOTAL
Managing employee compliance and risk issues	13.1% 35	41.6% 111	27.0% 72	10.9% 29	7.5% 20	 267
Improving the measurement of people analytics	5.2% 14	30.0% 81	35.6% 96	19.3% 52	10.0% 27	 270
Building a strong leadership pipeline	13.3% 36	29.6% 80	28.9% 78	17.0% 46	11.1% 30	 270
Hiring the right employees	20.1% 55	38.1% 104	27.8% 76	8.8% 24	5.1% 14	 273
Internal recruiting	3.4% 9	24.8% 66	37.6% 100	22.2% 59	12.0% 32	 266
Retaining talented employees	15.9% 43	27.8% 75	25.9% 70	18.9% 51	11.5% 31	 270
Developing employee skills and competencies	10.2% 28	32.8% 90	33.2% 91	19.0% 52	4.7% 13	 274
Integrating talent management systems/technologies	6.3% 17	20.2% 55	28.3% 77	30.5% 83	14.7% 40	 272
Aligning talent management with institutional effectiveness	15.8% 43	27.5% 75	28.2% 77	17.9% 49	10.6% 29	 273
Succession planning	6.3% 17	18.4% 50	32.4% 88	23.5% 64	19.5% 53	 272
Creating processes to hire/manage student	1.8% 5	15.9% 43	33.9% 92	30.3% 82	18.1% 49	 271
Staff development	7.7% 21	31.0% 85	34.3% 94	21.2% 58	5.8% 16	 274
Faculty development	12.5% 34	28.7% 78	33.5% 91	19.9% 54	5.5% 15	 272
TOTALS	357	993	1,102	703	369	

A 2011 TIAA-CREF study⁴ found that although 60 percent of senior faculty members wanted to retire, there were compelling reasons to keep working past age 65, such as fulfillment in their duties and a lack of retirement funds. However, respondents realize that retirements will accelerate and estimated that 80 percent of their faculty would retire within the next five years (see Figure 3).

The decline of faculty tenure-track positions coupled with the rise of the mobile workforce has led human resources leaders to put a heavy emphasis on retention. In the forty years leading up to 2009, the number of tenure-track positions was cut by more than half to 34 percent. Tenure-track positions were replaced with non-tenure-track and adjunct positions, and today nearly half (48 percent) of non-tenure-track faculty are part time.

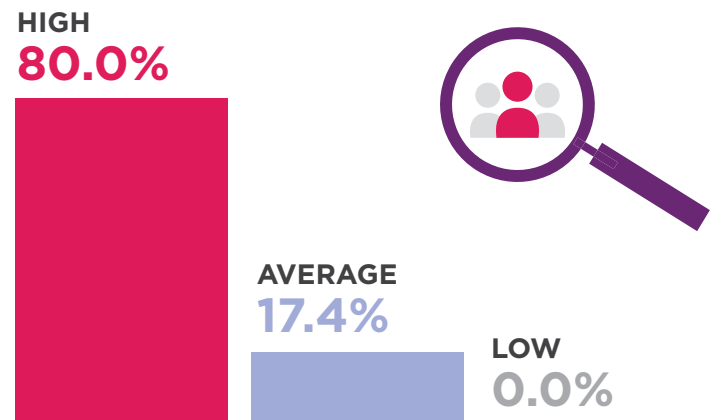
Figures from the U.S. Department of Education show that faculty members have a median retention rate of 11 years, meaning that every decade or so a university needs to replace half its faculty.

Effectiveness and measurement

Survey data shows that while human resources professionals focus on hiring and retaining employees, they are split on whether their institution shares the same goals.

A slim majority (51 percent) say their institutional goals align with talent management goals. Evidence suggests that agreement on a talent management strategy is still a work in progress with less than half (48 percent) of institutions have a strategic talent management plan. Furthermore, less than a third (27 percent) are in the process of developing

FIGURE 3. What percentage of your current employees do you estimate will retire in the next five years? (136 respondents, 24 skipped)



All these trends show that colleges and universities must find new ways to retain and develop today's mobile workforce. Forward-thinking institutions will be proactive in their talent assessment and retention, using data metrics to review and assess performance and adjusting their plans accordingly.

a plan, while less than a quarter of institutions (24.5 percent) have no plan at all (see Figure 4).

With these varying degrees of alignment between institutions and human resources professionals, one consideration for better coordination is through the performance process. Nearly three-quarters (74 percent) of survey respondents say performance reviews led to creation of individual employee development plans, so there is room for improvement when it comes to institutions laying out their vision for employee development.

4. TIAA-CREF Institute Trends and issues. *Should I stay or should I go? The faculty retirement decision.* 2011.

One of the most surprising findings in the research was the state of measurement regarding talent management. More than one third (35 percent) of institutions do not measure the success of their programs at all, while nearly that percentage (33 percent) assess student/customer satisfaction. Almost as many use metrics around skills and competencies of the workforce to determine success rates (see Figure 5).

Measuring program success is essential for understanding its value, and this needs to be incorporated into an executable plan. This could address both the institutional desire to improve student satisfaction as well as human resources professionals' desire to improve employee competencies.

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FIGURE 4. What stage is your institution in with the development of its talent management strategy?

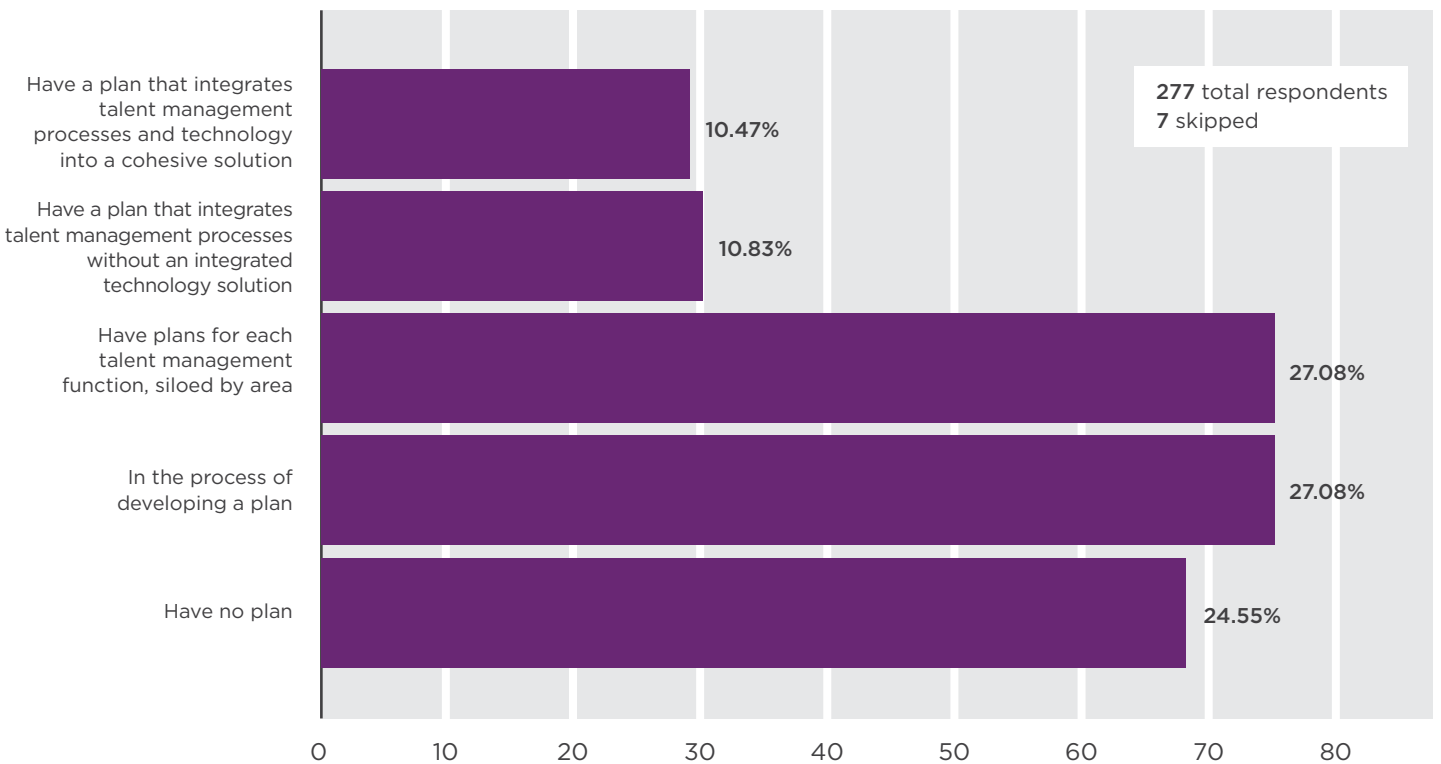
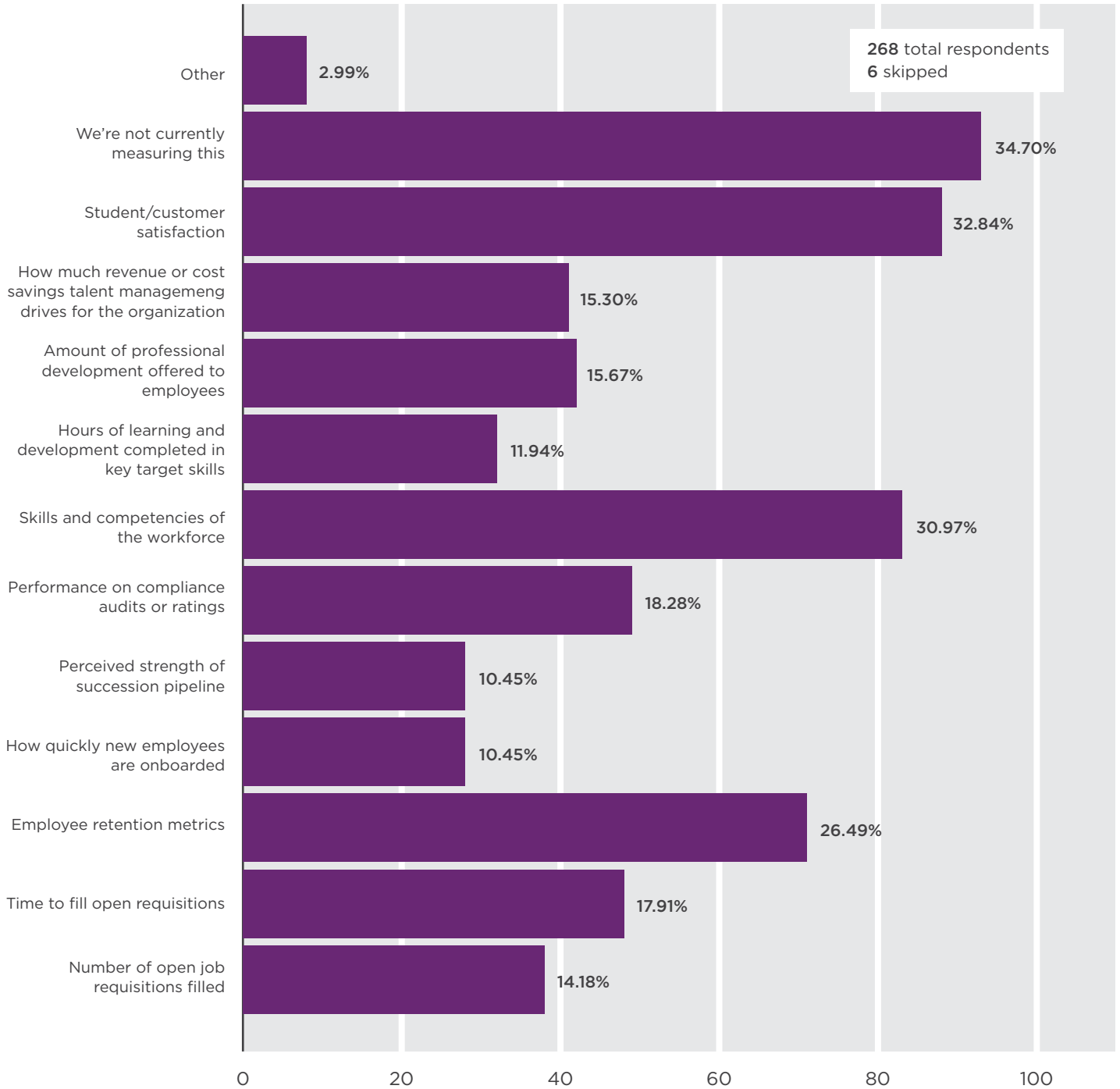


FIGURE 5. How is success in talent management measured at your organization? (select all that apply)



Improvement and opportunities

When considering their future plans, all institutions place a high value on maintaining accreditation and are aware of the role it plays in obtaining federal funding. In fact, accreditation is the second-highest risk concern among human resources professionals when it comes to compliance, just behind reputation and brand equity.

To comply with the regulations and protect their accredited status, human resources professionals take steps such as providing educational opportunities to staff about specific regulations (52 percent), integrating departments or internal communications (36 percent), and using integrated software (27 percent) (see Figure 6).

These professionals go even further to overcome the generally low effort at succession planning

among institutions. In the chart below you see that human resources professionals perform due diligence on the current workforce with an eye toward ensuring the institution does not face an instructional knowledge gap when senior faculty do retire. They also look to identify high performers (31 percent), offer mentor programs (33 percent), map current skills (26 percent), or map needed skills (28 percent) as shown in Figure 7.

A related point is that most respondents identify high-potential talent through the performance review process (52 percent) or by recommendations from the department heads (53 percent).

Given the popularity of performance reviews, the institutions can package these with an accompanying action plan that will help retain their top performers.

FIGURE 6. What is your organization doing to improve your compliance readiness? (select all that apply)

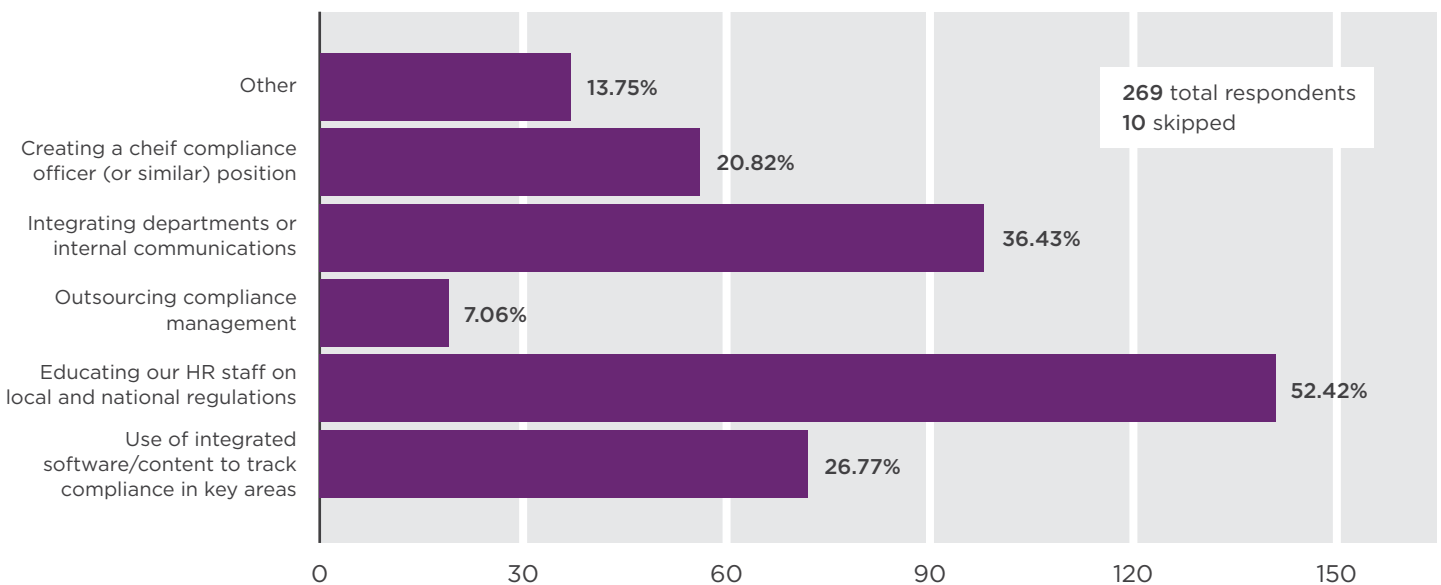
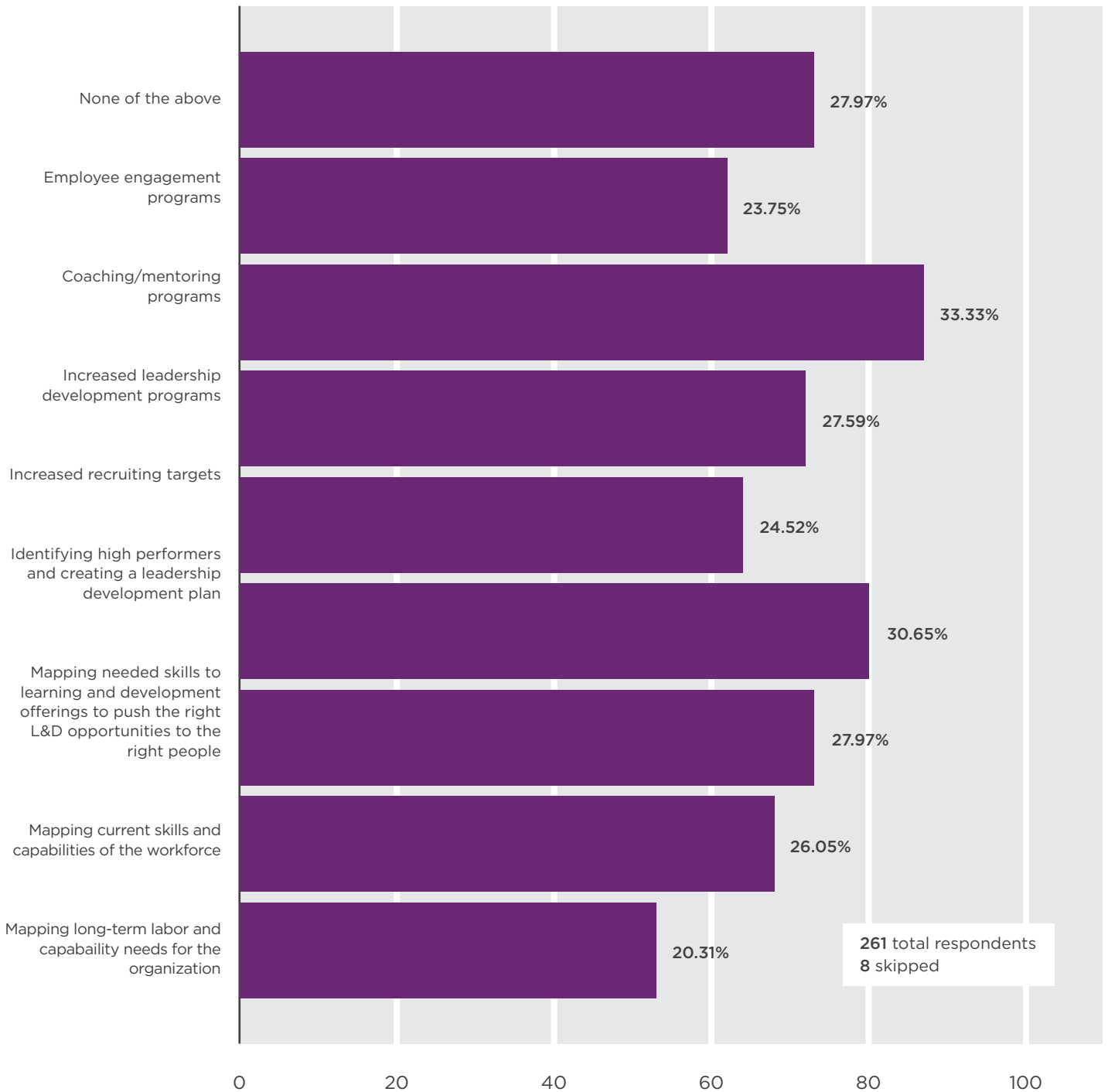


FIGURE 7. What steps have you taken to ensure you are building your workforce to meet organizational goals as a portion of your workforce retires? (select all that apply)



Challenges

Hiring well, training employees, and ensuring their growth and development in their respective fields covers the top-level goals for any talent management program. As identified by the survey data, human resources professionals cite a number of factors that present challenges to achieving these goals in a meaningful way, as the following chart shows:

- Budget constraints (53 percent)
- Retention concerns (42 percent)
- Expected workload (32 percent)
- Providing employee development opportunities (32 percent)
- Qualification of candidates (29 percent)

Even with college tuition increasing more than 1,000 percent since 1978 according to the U.S. Department of Education, university budget shortfalls do exist and cost savings are available for institutions that streamline and centralize the talent management function. An example of this opportunity is the University of California at Berkley, which commissioned a study on its operations and found numerous redundancies that added to the cost of talent management operations.

Departmental silos and the kinds of fractured systems in place at UC Berkley are echoed by survey respondents as highlighted in Figure 8. More than a quarter (28 percent) of institutions use unintegrated tools to track and administer

FIGURE 8. What type of technologies do you have in place to track and administer talent management initiatives?

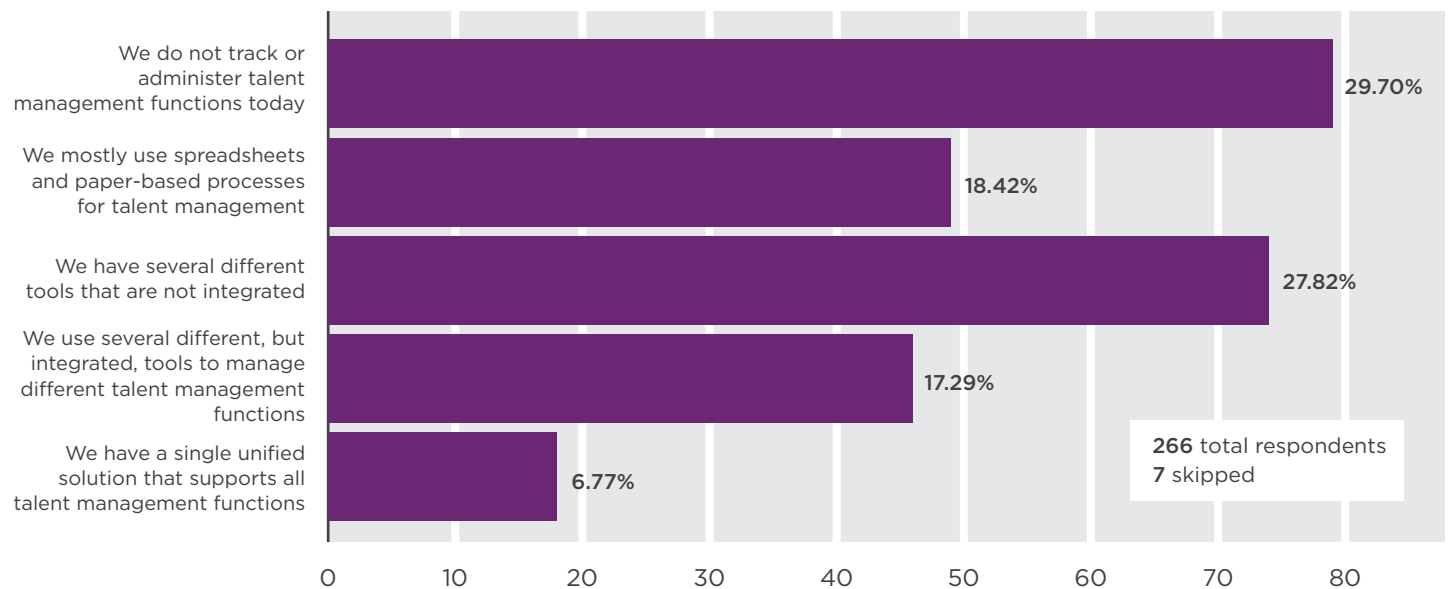
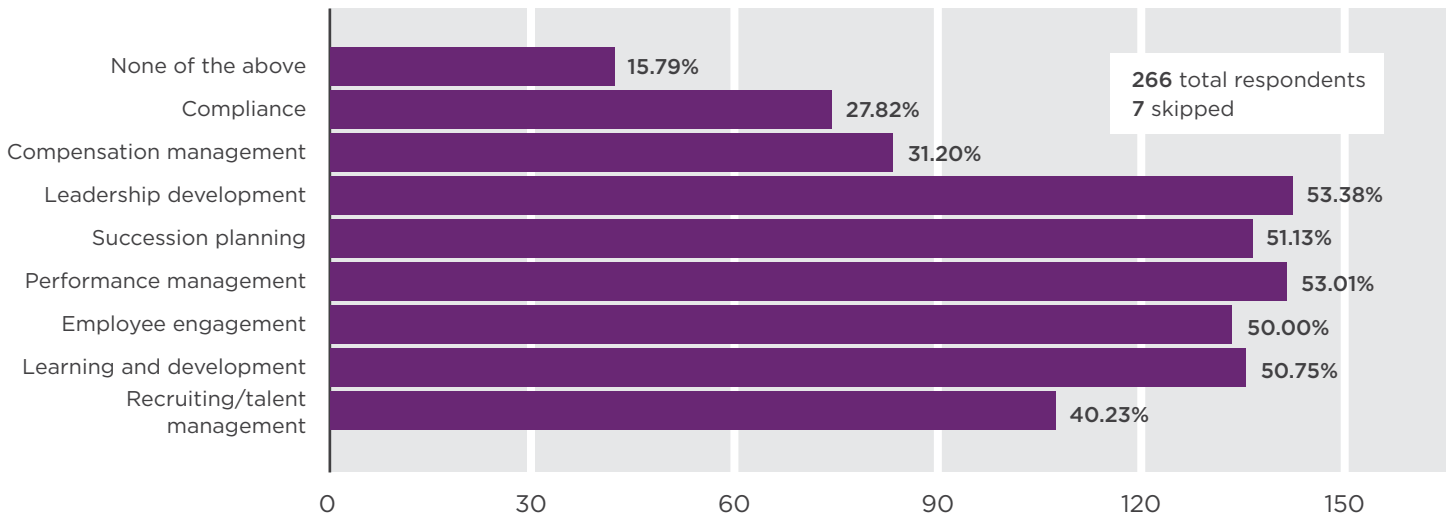


FIGURE 9. In which areas does lack of technology integration/reporting capabilities limit the ability of your organization to make data-driven decisions: (Select all that apply)



initiatives, which is ahead of organizations that have multiple but integrated systems (17 percent) and well ahead of organizations that use a single unified solution (7 percent). Less than a quarter (18 percent) of organizations use manual solutions, and nearly a third (30 percent) do not track talent management functions at all.

While not every problem demands a technological solution, the limitations of manual systems lead to many missed opportunities. For example, in Figure 9 respondents identified areas where lack of technology limits their reporting capabilities, from leadership development to recruiting.

Factors that hinder adoption of better technology include fear of organizational change, lack of technical expertise, and lack of access among faculty. However, switching from manual to automated systems could improve talent management in a variety of ways, as indicated by the 28 percent of organizations who identified using integrated systems.

Judicious use of technology helps institutions and human resources professionals perform at a level that helps institutions overcome the many challenges they face in finding, keeping, and grooming top talent.

“The market for top talent in higher education is more competitive than ever. We can’t simply let HR hire new employees and then leave it at that. We need a proactive strategy to develop and retain our best employees.”

—Linda Boyer-Owens, associate vice chancellor, HR and organizational development, Alamo Colleges

Conclusion

For academic institutions to compete in the coming decades, they must plan for the inevitable retirements of senior faculty and embrace the working and learning preferences of upcoming audiences. This requires focusing on faculty recruitment, retention, and development of upcoming faculty. They can accomplish this by reviewing and if necessary changing silo-based

activities, and combining performance reviews with professional development plans that help support succession. Most importantly, institutions and their human resources professionals can deploy an integrated technology that eliminates manual functions and scales to support any level of talent management.

Survey Partners

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Cornerstone OnDemand

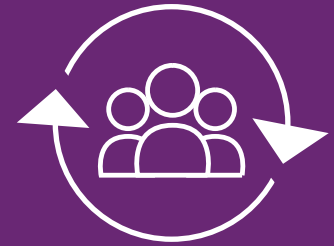
Cornerstone OnDemand provides unified talent management solutions designed to create passionate, productive workplaces. It helps 1,600 customers around the globe hire the best talent today, develop the workforces of tomorrow, and retain their top employees.

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Workforce is a multimedia publication that covers the intersection of people management and business strategy with content that helps HR professionals approach their jobs from a more strategic, big-picture, business-results perspective.

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