

3 Ways to Put People First to Advance Transformation in Higher Education

By Phil Strzalka and Lee Smith

Higher education has endured both heightened and new financial and enrollment challenges during the COVID-19 pandemic: the abrupt shift to a virtual model, the \$120 billion in new expenses and lost revenue, and the loss of more than 650,000 jobs across U.S. colleges and universities. Some college and university presidents, chief financial officers, and provosts have worked to position the pandemic as an opportunity for needed evolution, with transformation emerging as a top priority in the transition to a post-COVID-19 world.

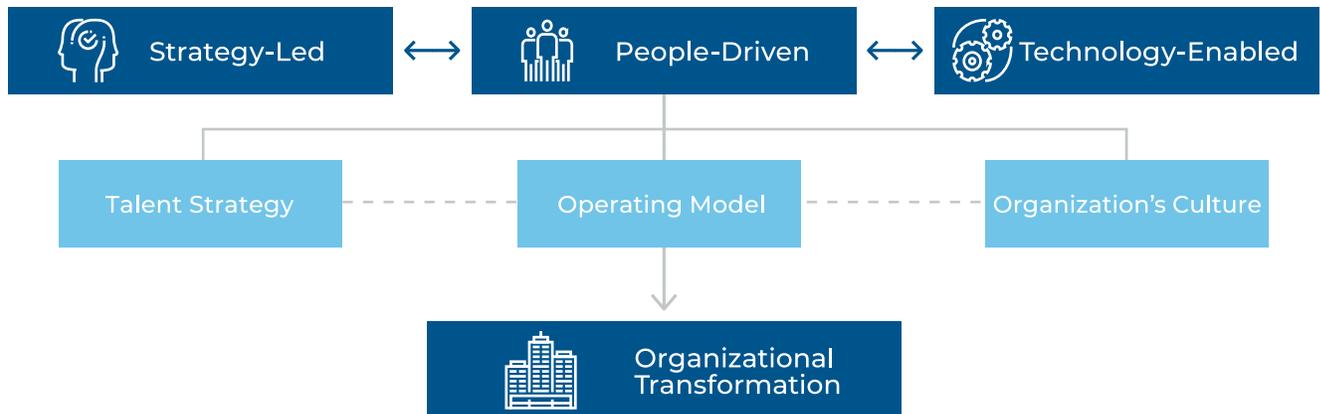
Yet in our recent study, while 85% of corporate executives acknowledged the urgent need to transform, less than 50% were confident their organizations were prepared to do so. Higher education's leaders are likely facing similar circumstances to those described in the study — having both short- and long-term growth strategies, tackling cultural resistance to change, using effective scenario-planning tools and more — that present obstacles to transformational innovation.

How can leaders transform their organizations given these challenges and concerns?

Before any meaningful strategy transformation can happen, there needs to be internal change first. The most successful transformation occurs when the community has bought into what is happening and helps champion further change. The entire university can then be united in driving greater strategy.

To get to that point, higher education leaders need to prioritize the people supporting their institutions. As the ones on the ground and living out the institution's values daily, faculty, staff and even students know intimately the pain points and challenges at stake and can galvanize their own communities on campus. With personnel costs accounting for 60%-70% of expenditures of colleges and universities in the U.S. on average, one thing is clear — a people-driven transformation is, for many institutions, a strategic imperative, one that requires empowering the campus community and showing that community its value to the larger organization.

Organizational transformation in higher education may be strategy-led or technology-enabled, but it is people-driven. To start on that path, leaders must revamp talent strategy, the operating model and the organization's culture to motivate and align internal community members.



Refreshing the Talent Strategy

Between the onset of the pandemic and the close of 2020, there was a 13% drop in [higher education's workforce](#). And with 55% of faculty members seriously considering a [career change](#) or early retirement, there is increasing pressure to rethink workforce models. How college and university leaders acquire, retain, manage, re-skill, develop and empower talent is critical to their ability to deliver on the mission, and continue to create the institution's academic legacy. A competitive strategy that incubates talent includes:

- **Investing in the right talent:** Matching talent to value and nurturing an individual's potential, whether administrative staff, faculty or researchers, puts an institution one step closer to achieving its transformed future. Plan for these needs with nuanced and thorough competency assessments, recruitment and retention strategies, performance management processes, training and development plans, and reward and recognition programs.
- **Empowering agile decision making:** Empower faculty and staff to perform at the top of their professions by ensuring their work is aligned to strategic priorities, making it easier for them to see the value they bring to their community. Engagement, satisfaction and employee retention increase when everyone is contributing to a common purpose and vision,

creating a foundation for a thriving culture readily embraced by students, faculty and staff.

- **Rethinking compensation:** By structuring plans to support the recruitment and retention of high-performing faculty and staff, institutions can drive mission-based productivity and accountability. There is now a much greater focus on how compensation rewards, recognizes and incentivizes talent in higher education. Craft plans that define and measure expectations to ensure that compensation metrics are understandable and fair, with equal pay for equal productivity within each discipline and department.

Calibrating the Operating Model

Faculty and staff are not able to function at the top of their professions if the infrastructure they work in isn't built to withstand the challenges and innovations of the future. Ongoing transformation involves adjusting the operating model to best leverage the talent you have and in areas where you can continue to grow. To remain resilient, colleges and universities must carefully adjust and [optimize the operating model](#), keeping faculty and staff in mind:

- **Play to your strengths:** Re-imagining the organizational structure and redesigning the business processes that support the institution can create efficiencies that bolster its reputational and financial health.

People go into higher education to help students. To create the most value, leaders should consider the strengths of their institutions and seek solutions that minimize personnel investment in administrative functions and maximize investment in mission-driven work.

- **Enable technology to bolster productivity:** Carefully examine the role technology will continue to play in automating administrative processes, changing the education model, generating data and insights, and priming the institution for longterm success. A new technology ecosystem creates new business processes to transform service delivery and generate productivity — refocusing faculty and staff on tasks more directly aligned with the institution’s mission.
- **Create career paths:** A well-designed operating model enables transparency and creates paths for people across an organization to identify growth and development opportunities. Higher education, at its core, helps others in their pursuit of knowledge — and this kind of perspective shouldn’t stop solely at the student. While creating learner-centric models is top of mind for institutions, being able to advance staff and faculty creates a better environment for all. To show members of the community the university is as invested in their development as professionals as it is in student learning and growth, the institution must review the fragmentation of roles, the need for centers of expertise and the opportunity to create career paths for individuals.

Aligning the Culture to Drive Change

While change in structure and responsibilities can be expected in the workplace, leaders don’t have control over the beliefs and behaviors of community members. For that reason, it is even more important to focus efforts on positively reshaping the beliefs, behaviors and norms underpinning the organizational culture of a university.

Especially given the tightknit nature of a campus community, it is important to cultivate an environment that is positive, growing and connected. To reshape the culture, leaders can:

- **Activate sponsorship from leadership:** Leaders play a critical role in advancing progress — or stopping change. Active sponsorship — the process by which leaders authorize, legitimize and demonstrate ownership — is the single most important factor in the successful implementation of transformational change. Mounting an effective strategy to harness support from key stakeholders and leaders across the institution is paramount to execution. Once leadership is invested, change can then cascade throughout the institution.
- **Guide the cultural shift:** As the higher education sector continues to change, monitoring the trends and engaging faculty, staff and academic leaders along the way will keep organizations focused on mission-driven goals. Start by analyzing the beliefs, behaviors and norms that represent the current state of the institution. Then explore which changes will hold the most value, measure the impacts of those changes, and consider the consequences of failing to execute those changes rapidly enough.
- **Remind everyone why:** Communicating the concrete, tangible benefits of changes to staff, students and leaders is paramount to the institution’s successful transformation. Leaders across the organization should carefully communicate the merits of administrative changes and structural shifts, particularly by articulating advantages that relate to the perspectives of various constituent groups.

Moving Forward

By re-imagining what the future looks like and centering on people as the heart of an institution to achieve planned change, leaders can overcome barriers to success, strengthen financial health, prepare to bolster growth and talent development, and drive operational continuity for years to come.

The landscape of higher education will continue to evolve in a context of uncertainty and disruption. While mounting an effective, campuswide transformation at scale requires careful planning and strategic execution, institutions that adapt will continue to be those that are best positioned to innovate and remain resilient through a strategy-led, people-driven approach to optimize technology deployment. By coming together to embrace change and optimize organizational goals and processes, colleges and universities can build a culture that attracts and retains employees and drives higher levels of productivity to support — and advance — institutional missions.

Key Takeaways

The higher education environment is constantly changing. To embrace the path toward continuous transformation for colleges and universities, leaders must:

Think differently.

With the number of shifts happening in higher education, colleges and universities need to be equipped for ongoing evolution. You want both the product you are creating and the service you are delivering to be exceptional. While the standards for excellence remain the same, what an institution needs to do to achieve and sustain excellence will be increasingly challenging over time.

Plan differently.

How do you bring a higher level of agile thinking to higher education? Start planning for the initial shifts you can make in order to fully embrace change at the institutional level. Activate sponsorship from leadership, then cultivate internal stakeholder buy-in.

Act differently.

As you fully embrace transformation, you will want to sustain a transformative mindset to stay competitive and resilient. Build that orientation into the infrastructure of your institution to prepare the organization to be agile in a dynamic, shifting landscape.



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