

# WORKFORCE MANAGEMENT in the Time of COVID-19

As colleges and universities assess the financial and operational impact of COVID-19, they are evaluating options for managing their workforce. Leaders must consider the type, level, and timing of workforce management responses knowing that the crisis will affect them differently than other institutions. Each institution will need to navigate varying state and municipal operating restrictions, timing of local peak infections, pertinent financial pressures and government relief funds becoming available. These elements will inform short- and mid-term responses. Over the long term, however, institutions will need to consider the specific impact of programmatic and operational changes and enduring changes required due to financial resources and liquidity.

Even when immediate action isn't required, institutions should consider options under various trigger points. While rapid, across-the-board cuts are possible and may be demanded from leaders, they can have detrimental impacts to organizational effectiveness and culture in the long-term and need to be considered carefully. Effective responses require planning, communication, implementation, and change management, and these efforts can take time. In some cases, notification periods apply, so implementation may be delayed.

Workforce planning options have two primary dimensions: the employee segment impacted (who) and the mechanism by which the segment is impacted (how).

**The Who.** Higher education workforces are inherently complex. Universities employ individuals across virtually every job function. Different employment and appointment types are used. Varying governance and collective bargaining provisions may apply to certain segments of employees. For large institutions, application of policy may have historically been inconsistent across units.

While the exact segmentation will vary from institution to institution, three broad categories generally apply – Academic & Research, Administrative & Professional, and Support & Operations. Each category will have specific considerations and parameters that will inform response design.

Across all categories, institutions need to consider which roles are “essential.” In the short term, many institutions have had to evaluate, or re-evaluate, their lists of employees who are critical to sustaining programs or operations. As the demands and operational impact of COVID-19 shifts, the definition of essential will continue to evolve.

Academic & Research	Administrative & Professional	Support & Operations
<ul style="list-style-type: none"> <li>• Programmatic Impact (Teaching, Research, Patient Care)</li> <li>• Tenure</li> <li>• Academic Governance</li> <li>• Grant Funding</li> <li>• Collective Bargaining (in some cases)</li> </ul>	<ul style="list-style-type: none"> <li>• Business and Operational Continuity (Finance, IT, HR, Communications)</li> <li>• Ability to Retain/Re-employ High-Skill Individuals</li> <li>• Collective Bargaining (in fewer cases)</li> </ul>	<ul style="list-style-type: none"> <li>• Economic Impact on Lowest Paid Employees</li> <li>• Public and Community Relations Impact</li> <li>• Overall Financial Impact Relative to Number of Employees</li> <li>• Collective Bargaining (in more cases)</li> </ul>

Evaluating options can begin with the exercise of segmenting/sub-segmenting the workforce and identifying the relevant parameters or restrictions for each.

**The How.** Within each segment, an institution has three broad levers to address changing needs: employment, compensation, and work effort. Some responses tend to be more short-term/reversible while others tend to be more long-term/permanent. Institutions may use a combination of measures or apply certain measures to certain segments of the workforce.

	Employment Status Decisions	Compensation (Rate/Type of Pay and Benefits)	Work Effort (Hours, Work Type)
Shorter Term	<ul style="list-style-type: none"> <li>Hiring Freeze</li> <li>Layoff (with planned recall)</li> <li>Elimination of Contract/ Temporary Appointments</li> </ul>	<ul style="list-style-type: none"> <li>Deferred Annual Merit Programs</li> <li>Salary Freezes</li> <li>Curtailement of Ancillary Benefits</li> </ul>	<ul style="list-style-type: none"> <li>Eliminate Non-Statutory Pay Differentials</li> <li>Limit Overtime</li> <li>Work reduction by job type</li> <li>Furlough (Voluntary and Involuntary)</li> <li>Suspension of Course Releases</li> </ul>
Longer Term	<ul style="list-style-type: none"> <li>Retirement or Separation Incentives</li> <li>Programmatic Change or Suspension</li> <li>Restructuring / Reduction in Force (with no planned recall)</li> </ul>	<ul style="list-style-type: none"> <li>Reduction of Additional or Interim Pay</li> <li>Benefits reductions (Employee Contributions, Matching, Benefit Levels)</li> <li>Compensation Strategy Change</li> </ul>	<ul style="list-style-type: none"> <li>Technology enablement / automation</li> <li>Job Redesign or Effort/Load Reevaluation</li> </ul>

Evaluating the right type of intervention involves estimating financial impact, considering strategic, operational, and cultural implications, and identifying required mechanisms to mitigate risk.

**Planning and Implementation.** As institutions consider their options, they also need to consider related bargaining, wage, and hour issues. While some regulatory provisions may be suspended or adjusted due to COVID-19, uncertainties persist, and guidance continues to evolve. Both human resources and legal counsel should be enlisted early to support the planning effort. Focused attention on change management and leadership messaging will also help to facilitate implementation and minimize risk. Diligent use of a change management methodology, and clear assignment of responsibility for managing the implementation and impacts should be part of the planning process.

We can apply these concepts of workforce management to the Triage, Stabilize, and Transform stages experienced as part of this COVID19 crisis and detailed in a [recent white paper](#).

TRIAGE	STABILIZE	TRANSFORM
<i>Rapid response to urgent pandemic-related needs</i>	<i>Shift resources to mid-term stabilization</i>	<i>Implement change to ensure long-term success</i>
<ul style="list-style-type: none"> <li>Confirm short term commitments</li> <li>Implement immediate shorter-term / temporary measures (if needed)</li> <li>Generate initial option set</li> </ul>	<ul style="list-style-type: none"> <li>Determine potential 3, 6, and 12-month scenarios</li> <li>Reevaluate option set</li> <li>Identify high performers</li> </ul>	<ul style="list-style-type: none"> <li>Implement longer-term permanent measures (if needed)</li> <li>Sustain organizational resilience</li> </ul>

## Triage

In the short term, institutions should determine the commitments that they are able to keep. In a time of uncertainty, employees are looking for clarity. Some institutions, for example, are opting for transparency and are already communicating their intent to keep employees on payroll at least through a certain date. Communicating commitments, even if short term, also allows institutions to begin to communicate the seriousness of the crisis and to initiate the appropriate internal discussions.

Depending on the financial exposure, some institutions are already pressed to take immediate action, often beginning with easily reversed measures, such as hiring freezes and deferral of annual merit increase payments. Other institutions have already started to explore temporary furloughs or reduction in force. While these measures are necessary, institutions should carefully consider the likely duration of these interventions and plan realistically for the mid- and long-term impacts.

Most importantly, though, even at the Triage stage, institutions can begin evaluating longer-term options. Understanding

employee segments and understanding strategic, legal, and operational parameter takes time and should begin as early as possible. Even if ultimately measures are not taken, starting early allows a thoughtful planning process.

## Stabilize

Many aspects of the future remain uncertain: what physical restrictions will be in place, how will this change teaching, research, and patient care, what is the related change in operating needs, and how will competition change and evolve. Each day, additional information helps to clarify what *might* happen.

Keeping those possible future states in mind, institutions can reevaluate their set of options. Understanding impact type, timing, and severity may indicate some responses over others. Through this process, institutions can also begin to set decision milestones for themselves. Given the academic calendar, institutions may need to make decisions well in advance of the fall and spring semesters.

As part of the management process, leaders should also be mindful of their high performers. Many of these individuals likely invested a significant amount of energy and resourcefulness into Triage efforts. Ongoing uncertainty may lead to burnout of these individuals or prompt them to consider other opportunities. Workforce management should incorporate measures to retain and continue to develop these individuals.

## Transform

For many institutions, some type of structural/longer-term impact to the workforce is likely. Roll-out of these changes should be deliberate. Implementing these changes will require the continued participation of a cross-functional team: HR, legal, communications/PR, academic affairs, and finance.

Where possible, implementation should be done in a way that protects the resilience of the workforce. Even employees not directly affected will still be impacted. With any strategy, an institution may ask:

1. How are we continuing to support our high performers?
2. Can we use the change as an opportunity to clarify roles and responsibilities?
3. Have we provided mechanisms to re-recruit our talent pool if needs change?
4. Are we holding leaders accountable for their workforce planning and management decisions?

Transformative change will not be easy, and it will often impact valued members of an institution's community. Purposeful communication and change management help ensure that the implementation meets its goals and still adheres to institutional priorities and values.

## Summary

Higher education institutions are fundamentally people-driven organizations. The current challenge of COVID-19 will impact all segments of the workforce. Through a purposeful workforce management process and change management approach, however, institutions can minimize negative impacts and potentially improve their overall effectiveness at managing their workforce. Huron has developed a set of quick guides to help leaders understand the components and considerations for various responses in the following areas:

- [Furlough](#)
- Reduction in Force
- Academic Appointments
- Essential Employees
- Benefits Reductions
- Voluntary Retirement Incentive Programs
- Leave Administration (FFCRA)

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