Talent Management in Higher Education

The Way Forward
Introduction

Institutions of higher education face many challenges today. Keeping the institution financially viable and sustainable is the challenge most frequently cited in surveys. Shrinking funding sources, pressure from parents, taxpayers and government to keep tuition affordable, and the lingering recession have forced colleges and universities to make difficult decisions.

Meanwhile, the decision makers are approaching retirement. At least 25-35% of the total workforce—and an even higher percentage of those in leadership positions—are near retirement age. One researcher predicts “at least a 50% turnover rate among senior higher education administrators within the next five to ten years.” For example, college and university presidents. Two out of every five college and university presidents were under 50 years old in 1986; by 2006, fewer than one out of ten was that young while half were 61 or older. Turnover at this scale threatens institutional continuity.

WHAT IT IS, WHERE IT’S GOING

In particular, the concept of more colleges and universities embracing new talent management best practices is generating a lot of interest. A recent article in University Business defines it this way: Talent management refers to the overall process of developing, managing and retaining employees, including recruiting, learning and training, compensation, employee performance management, and succession planning.
DEALING WITH COMPLEXITY

Talent management in higher education is more complex than in business. Simply administering the employee lifecycle from hire to retirement takes enormous effort. HR managers serve more constituencies—faculty, administrators, and operations staff at the minimum. Each constituency recruits, compensates, and evaluates employees using different criteria and procedures, which may vary by department, school, and campus. Many decisions go through hiring committees instead of a hiring manager. Many locations within a system may have a say.

HR is tasked with bringing consistency to these siloed operations. The task ranges from small details (e.g., giving all members of a hiring committee the same sign-on to the applicant tracking system) to big deals (e.g., designing a workflow that keeps the hiring process moving through the various necessary levels of sign-off). It involves documenting EEO compliance and diversity recruiting, and providing tools for recordkeeping and collaboration.

In a survey of 80 colleges and universities, most HR leaders reported that their institution does core HR functions well. They have established a firm foundation in the area of benefits, retirement and core data management. However, they saw “significant opportunities to improve service delivery and shift investments to the areas that improve effectiveness,” including best practices such as employee and manager self-service, automated workflow, and centralized support. The one dark cloud in their response rests in the lack of investment in technology to support talent management practices.

TACTICAL IMPROVEMENTS

Technology enabled talent management takes many forms, from the tactical to the strategic. Some colleges and universities reach out to engage new employees before they even arrive on campus through an onboarding portal. The point is it to keep the conversation alive and the incoming employee enthusiastic during the sometimes lengthy gap between the hire and start dates.

The portal enables HR to communicate consistently with all new hires while targeting new members of each constituency with appropriate information. It clears the “administrivia” out of the way so that the new employee’s first day starts among colleagues, not in the HR office filling out forms. In addition to making a great first impression, automated onboarding cuts administrative costs and frees HR time for more productive uses.

Recruiting and applicant tracking solutions deliver similar benefits but on a larger scale because of the greater length and complexity of the hiring cycle, especially for faculty positions. The use of technology can reduce the time to “touch” a new hire by as much as 200% and reduce administrative processing by up to 60% through automated workflows and real time reporting. Recruiting solutions also eliminate agency fees (which can equal 40% of the new hire’s annual salary), so they are a favorite cost-cutting tactic.
STRATEGIC SOLUTIONS

While succession planning ranks as a top priority for colleges and universities of all sizes, Aon Hewitt survey respondents rated this function as either ‘somewhat ineffective’ or ‘not effective at all’ (61% and 48%, respectively) in their home institutions. Automating succession planning and leadership development directly addresses the biggest HR challenge facing higher education today and offers the greatest potential return on investment.

Succession planning and leadership development are strategies, not technologies, though they use technology tools for:

- Appraising and rating employee performance, thereby identifying promotable employees (called “high potentials”) and enabling comparisons among them.
- Providing 360 degree feedback on performance from the employee’s peers, direct reports, and project team members to complement the usual supervisor-to-subordinate performance appraisals.
- Identifying the personal and professional competencies and experiences required for success in specific leadership positions.
- Measuring the competencies of each “high potential” against each position-specific competency standard to identify best fit.
- Identifying gaps in their preparation, creating individual development plans to close the gap, and estimating how long it will take the person to get ready to assume leadership.

The point of succession planning is not to clone the present office-holder but to fill the office with someone who will effectively deal with current and future challenges. That’s where position management comes in. It formally defines what each position contributes to the institutional mission and what it take to perform well in each position. This exercise provides a way to integrate the institution’s history with its strategic plan for the future, its role models with its goals. Competency definitions draw a clear line of visibility between employee objectives, departmental goals, and institutional strategy.

PRACTICE SUCCESS

In practice, talent management refers to a set of integrated organizational processes explicitly designed to attract, manage, develop, motivate, and retain key people. These processes are commonly called best practices. Steven Riccio calls them “great practices, not best practices.”

Ricció is the Director of Staff Development in the Human Resources Services division at Dickinson College and teaches in the business school; his dissertation is one of the few insider, in-depth studies of talent management programs in higher education. From his dual perspective as a practitioner and a researcher, he endorses the view that the right practices are those that fit the organization’s unique culture and situation. Consistent, persistent application is what makes them “great practices.”
Here are some “great practices” to consider for succession planning and leadership development:

- Don’t create “heirs apparent,” leverage talent pools. Ideally there are two or three “high potentials” in training for each of the most critical positions in your organization.
- Make sure there are always options in succession—including the option of hiring from outside the organization.
- Make performance management resources available and make managers accountable for putting in the time to mentor and coach “high potentials.”
- Customize training and development to the institution, division, department, and individual levels.
- Integrate performance management with training and development. Provide “action learning” opportunities (on-the-job training) as well as formal learning.
- Adapt and support. When a “high potential” finds parts of a new job are a stretch, improve their chances of success by adapting the role and providing support.

Mentoring and coaching aren’t just great practices—they are essential for developing talent. Some institutions extend the use of their onboarding solution so that it becomes a vehicle for the mentoring relationship. Others help the members of the talent pool to interact by providing social media tools that foster collaboration and sharing. This practice cuts across organizational siloes and increases cohesion in the emerging leadership team.

WHERE TO START FOR THE BEST RESULTS

Talent management is a top-down strategy that must become part of the institution’s DNA. Launching it takes whole-hearted executive backing; embedding it in the culture requires substantial, sustained commitments of time, energy, and resources by many people. So it is reasonable to ask how this investment will pay off, both in financial return on technology investments and in their impact on the challenges facing higher education.

Since information on these points is more available for business than for academia, let’s start there. Aon Hewitt’s research on Top Companies for Leaders shows that “companies that integrate their competency framework into key talent practices (such as compensation, performance management, analytics, and development) have stronger business results because they drive behaviors in meaningful and purposeful ways. In an environment of ‘doing more with less,’ this has great value...”

Research by Bersin & Associates consultants quantifies the value to be obtained by integrating various talent management processes. They found that “organizations that were highly effective at integrating L&D (learning and development) with performance ... were three times more likely to report good employee results, 55 times more likely to report strong overall talent management results and 100 times more likely to report strong business results. ...[O]rganizations that are initiating the integration of performance management with other talent management processes have the highest return to gain by first addressing L&D and then following that with compensation.”
START WITH THE END IN MIND

Financial ROI models are not the only relevant measure for a talent management program. Talent management starts with a search strategy and builds from there. In the college and university setting, there is lively debate on the relative merits of dealing with the looming leadership gap by hiring from the outside or promoting from within. Each has its place and they are not mutually exclusive. Automate recruitment first if external hires are the priority; automate succession planning if promotion from within is the priority. Again, the right practices are the ones that fit the institution's culture, situation, and strategy.

Because of the size of the retirement wave sweeping through colleges and universities, we are inclined to agree with Betsy Rodriguez and Mark Coldren, respectively the VP Human Resources for the University of Missouri System and associate VP Human Resources for Ithaca College. They argue that “developing leaders from within may be the single most important exercise for the sustainability and future of your institution.” It increases employee engagement, reduces the costs and delays associated with external recruiting as well as the cost of turnover, and promotes people who are already fully aligned with the institution's character, mission and strategic initiatives.
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