



Bending the Administrative Labor Cost Curve

Executive Strategies for Sustainable,
Long-Term Labor Savings



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With Sincere Appreciation

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Executive Summary

Labor the Majority of College and University Costs

Facing increasingly tighter budgets, colleges and universities are exploring any and all principled methods to control costs. Clearly, labor comprises the vast majority of costs at all institutions, often 60% to 70% of operating budgets. So, while there are other meaningful cost savings opportunities, few institutions will be able to significantly impact costs without addressing labor.

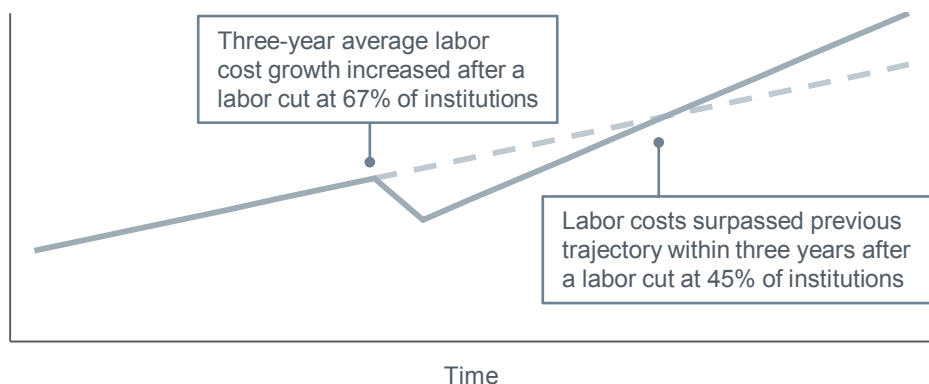
Administrative Cuts Increasingly Common, but Ineffective

To date, most institutions have sought to reduce administrative labor costs before touching the academic core. There are sound financial and mission-related reasons institutions may choose to avoid faculty layoffs and focus cuts on administration. However, institutions too often cut administrative staff because it is more expedient, not because it is right answer. Further, indiscriminant administrative cuts can cause significant damage to the institution, including drops in staff morale, negative impact on productivity and risk compliance, and potential negative press.

Most troubling, labor cuts often do not ultimately achieve the intended savings. At roughly two-thirds of institutions that cut labor, labor costs grew faster in the three years following the cut than the three years before the cut.

Modeled Labor Cost Growth Following Significant Cut

n=1,307



Achieving Sustainable Labor Savings

Rather than enacting painful and ineffective cuts, institutions should pursue principled and sustainable savings by slowing labor cost growth or “bending the cost curve.” In this approach, leaders make important structural and operational changes now to slow growth going forward.

Clearly, administrative labor savings depend on actions at the unit level, such as meeting new budgets and improving productivity, but there are three vital steps to slowing cost growth only an executive can take:

- Build cross-silo staffing resources that help local leaders cost effectively fill gaps
- Prioritize and reallocate staffing dollars across silos to reflect institutional priorities
- Incentivize unit leaders to actively find labor savings in their own units

Resources to Bend the Labor Cost Curve

To help business executives slow administrative labor growth, this report provides 12 executive best practices to implement the necessary cross-silo tools and incentives to achieve meaningful savings.

Understanding Your Current Practice

This report profiles best practices for “bending the labor cost curve.” These strategies are applicable to all colleges and universities, but we recommend leaders start with practices that directly address their most pressing needs.

The following questions will help guide member evaluation of current labor strategies and map to the most relevant sections and tactics in this report.

Flexible Staff	Yes	No
▪ Do units over rely on overtime or expensive temporary labor to address seasonal fluctuations in workload?	<input type="checkbox"/>	<input type="checkbox"/>
▪ Do units experience high turnover of skilled part-time staff?	<input type="checkbox"/>	<input type="checkbox"/>
▪ Are there units with full-time employees without a full-time workload?	<input type="checkbox"/>	<input type="checkbox"/>
▪ Are there any units with similar work that could cross-train staff to better meet variable work demand?	<input type="checkbox"/>	<input type="checkbox"/>
▪ Do unit leaders lack reliable access to well-trained casual labor?	<input type="checkbox"/>	<input type="checkbox"/>

If you answered “yes” to any of the above questions, please see **Overcoming Barriers to Cross-Silo Flexibility Among Professional Staff** beginning on page 34.

Student Labor	Yes	No
▪ Is student worker turnover high, forcing units to train and retrain students each semester?	<input type="checkbox"/>	<input type="checkbox"/>
▪ Is there work in any of your administrative units a student could do?	<input type="checkbox"/>	<input type="checkbox"/>

If you answered “yes” to any of the above questions, please see **Enhancing Impact and Reliability of Student Employees** beginning on page 54.

Position Control

Yes No

- Do unit leaders typically ask to fill vacated positions without assessing the criticality of the role or the content of the job? ☐ ☐
- Are most vacant positions filled immediately with the exact same role? ☐ ☐
- Does HR automatically grant most requests to fill a position? ☐ ☐
- Does your institution evaluate position requests in isolation, rather than comparing requests? ☐ ☐
- Do units often provide inconsistent and incomplete information when requesting a position? ☐ ☐

If you answered “yes” to any of the above questions, please see Leveraging Position Control to Prioritize Resources beginning on page 71.

Leader Incentives

Yes No

- Do units rush to spend unused budget at the end of the fiscal year to minimize the amount reclaimed by central? ☐ ☐
- Have any units recently hoarded unnecessary staff lines as a way to keep unit funds? ☐ ☐
- Do unit leaders have a performance management or bonus system that could incorporate unit savings goals? ☐ ☐
- Do units or subunits vary considerably in efficiency or quality of service delivery? ☐ ☐

If you answered “yes” to any of the above questions, please see Incenting Local Leaders to Find Sustainable Labor Savings beginning on page 105.



Introduction

Current State of Higher Education Labor Spending

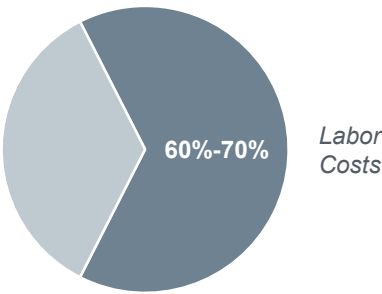
The Elephant in the Room

Facing increasingly tighter budgets, colleges and universities are exploring any and all principled methods to control costs. Clearly, labor comprises the vast majority of costs at all institutions, often 60% to 70% of operating budgets. So, while there are other meaningful cost savings opportunities such as reducing energy utilization or increasing on-contract spending, few institutions will be able to significantly impact costs without addressing labor.

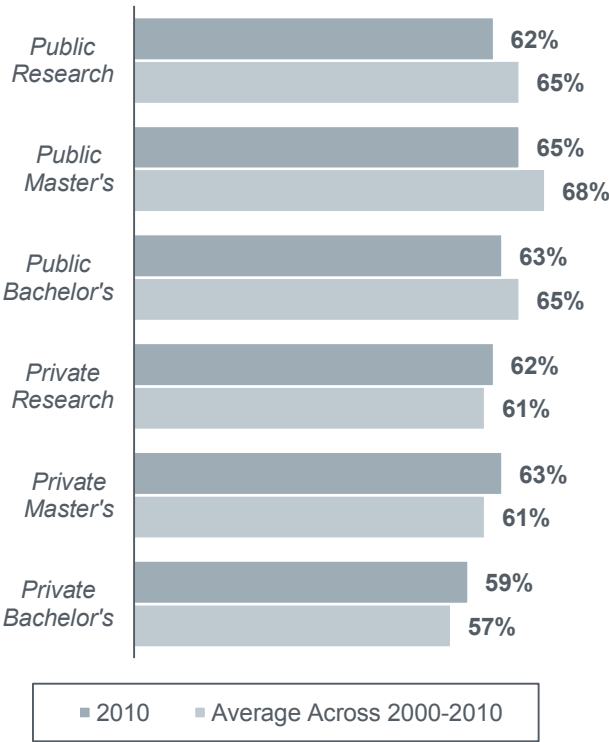
Labor Comprises the Vast Majority of College and University Costs

Average Breakdown of Costs Among Surveyed Colleges and Universities

n=107



Labor as a Percentage of Costs by Institution Segment



Source: National Center for Education Statistics, Delta Cost Project Database; Business Affairs Forum interviews and analysis.

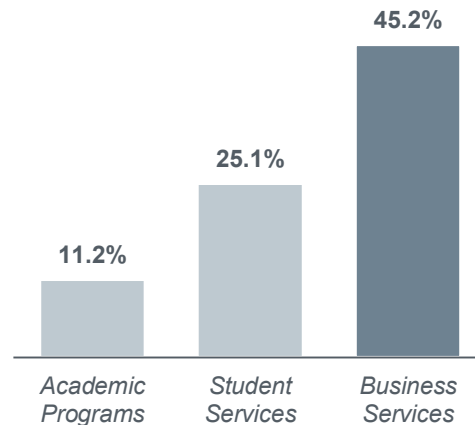
Administrative Labor the First Target

To date, most institutions have sought to reduce administrative labor costs before touching the academic core. Administrative services absorbed the worst of cost cutting in 2010 and 2011, with nearly half of all business executives agreeing that budget cuts adversely impacted quality of their units. The same dynamic has remained true since the worst of the recession. Layoffs in 2013 and 2014 impacted roughly two administrative staff for every one faculty.

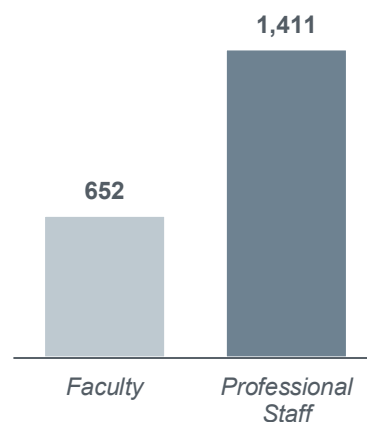
There are sound financial and mission-related reasons institutions may choose to avoid faculty layoffs and focus cuts on administration. However, institutions too often cut administrative staff because it is more expedient, not because it is right answer.

Institutions Reduce Center Resources Before Touching Academic Core

Percentage of Chief Business Officers Agreeing Budget Cuts at Their Institutions Damaged Quality in Key Departments, 2011



Layoffs in 2013-2014 by Number and Type of Employees Impacted



Source: Green K, et al, "The 2011 Inside Higher Ed Survey of College and University Business Officers," Inside Higher Ed, www.insidehighered.com; Business Affairs Forum interviews and analysis.

Recognizing the Full Toll of Labor Cuts

Furthermore, indiscriminant administrative cuts can cause significant damage to the institution. Four negative implications of administrative labor cuts are detailed here. First, cuts damage the morale of remaining staff who fear they may be next. Second, cuts can leave units with too few staff to maintain productivity or service quality. Third, reductions in work output can lead to lapses in key compliance activities and increased institutional risk.

Finally, most concerning is the potential for negative press and damage to reputation and enrollment. This can lead to financial shortfalls and the need for further cuts, locking institutions in a vicious cycle. This scenario should be particularly worrisome for institutions already struggling with declining enrollment.

No Institution Can Cut Its Way to Prosperity

Representative Impact of Labor Cuts



Drop in Staff Morale

Labor cuts often hurt engagement and lower commitment of remaining staff, leading to increases in turnover



Reduced Service Quality

Institutions risk hurting quality and speed of work or halting some services all together



Increased Risk

Sudden loss of staff in certain roles could lead to lapses in key compliance activities, increased institutional risk



Negative Press

Labor cuts viewed as signs of trouble by students, public, and press, with potential damage to reputation and enrollment

Most Cuts Don't Last

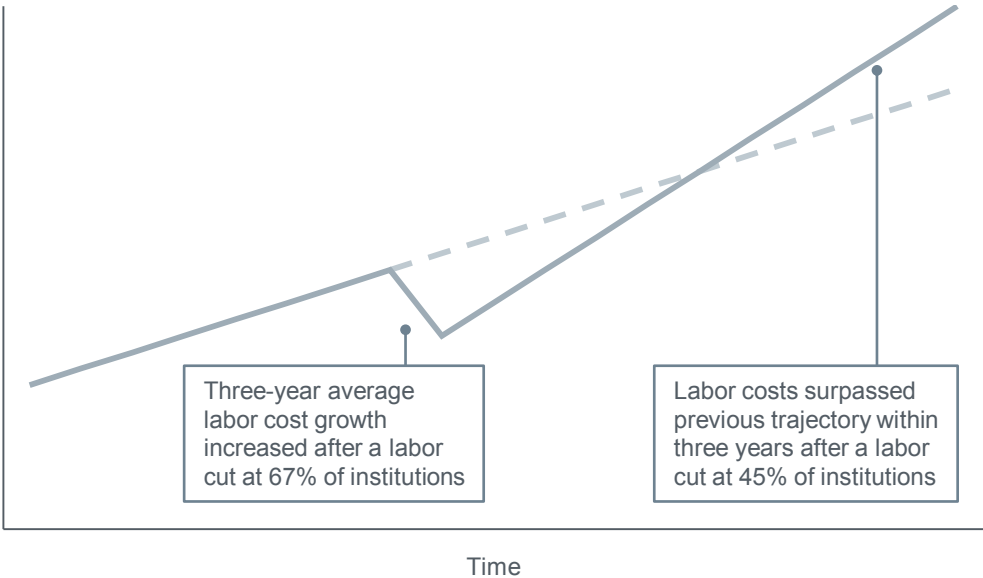
More troubling than these negative ramifications, labor cuts often do not ultimately achieve the intended savings. IPEDS data shows that between 1997 and 2010 more than 1,300 institutions cut their labor expenses from one year to the next. In more than two-thirds of these cases, labor costs grew faster in the three years following the cut than the three years before the cut.

Moreover, at approximately two-thirds of those institutions (or 45% of all institutions making a labor cut), labor costs grew fast enough to exceed the original trajectory. Meaning, institutions were ultimately worse off than they would have been if they had made no cuts at all.

Many Institutions Actually Worse Off After Labor Cost Cuts

Modeled Labor Cost Growth Following Significant Cut

n=1,307



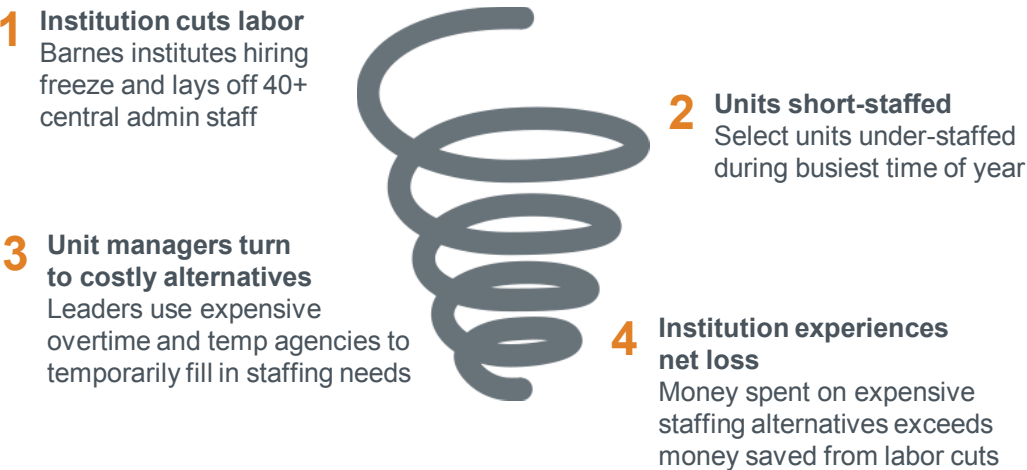
Source: National Center for Education Statistics, *Delta Cost Project Database*; Business Affairs Forum interviews and analysis.

Cutting Into the Bone

This “yo-yo” effect often occurs because unit leaders struggle to cope with and eventually overcorrect for drastic drop-offs in staffing resources. As an example, Barnes College’s¹ attempt to cut labor costs is shown here. Leaders instituted a hiring freeze and laid off over 40 administrative employees. In the busiest times of year, though, many units were too short staffed to stay fully productive. Since they could not rehire full-time staff, unit leaders tapped into more costly premium options such as temp agencies and overtime. Ultimately, the institution spent more on premium labor than it saved from the initial cuts.

Like Barnes, many institutions have found that sudden and deep labor cuts severely disrupt normal business operations and cannot be sustained.

Over Correction Quickly Erases Gains from Labor Cuts at Barnes¹



Case in Brief: Barnes College¹

- Small public baccalaureate college located in the Midwest
- Implemented hiring freeze and layoffs in central admin to reduce costs, but ultimately saw costs increase when unit leaders corrected for reduction with expensive premium labor

¹) Pseudonym.

Source: Business Affairs Forum interviews and analysis.

Achieving Sustainable Labor Savings

Rather than enacting painful and ineffective cuts, institutions should pursue sustainable labor savings through two strategies. The first strategy is rebasing the cost curve, which provides an immediate drop in labor costs. However, these tactics do not hinder work processes or damage staff morale. So unlike labor cuts, cost growth does not increase and savings can be sustained over time.

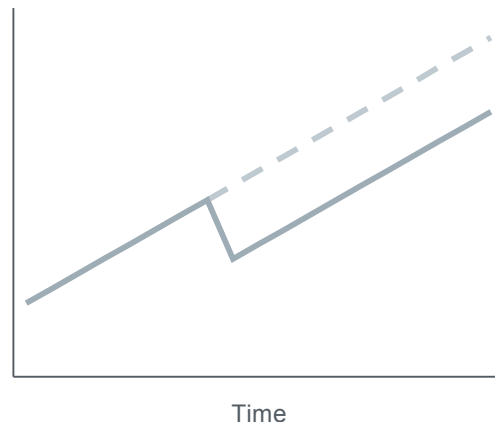
The second strategy is to slow labor cost growth or “bend the cost curve.” With this strategy, institutions make structural and operational changes to slow growth going forward. This does not always reduce costs immediately, but does result in significant savings over time.

Nearly all institutions will need to slow labor growth to ensure long-term sustainability. However, many colleges and universities will benefit from pursuing these two strategies simultaneously to both gain immediate savings and build toward larger savings long term.

The Business Affairs Forum explores these strategies in depth across two separate resources. *The Playbook for Immediate Labor Savings* provides 100 individual tactics to achieve immediate labor savings and rebase the cost curve. The remainder of this report provides best practices for slowing labor cost growth and bending the curve.

Two Principled Approaches to Reduce Costs

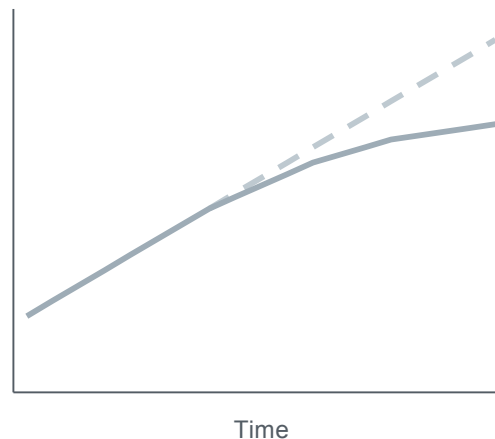
Modeled Labor Cost Growth Following Rebasing Tactics



Study in Brief: Playbook for Immediate Labor Savings

- Detailed compendium of tactics for immediate labor savings
- 100 tactics across nine categories: health benefits, fringe benefits, benefits vendor management, employee headcount, compensation, outsourcing, service hours, employee stipends and perks, and overtime
- Detailed guidance and implementation tools for creating labor savings contingency plan

Modeled Labor Cost Growth Following Tactics to Slow Growth



Study in Brief: Bending the Administrative Labor Cost Curve

- 12 best practices for slowing administrative labor cost growth over time
- Areas of focus include building cross-silo staffing resources, prioritizing and reallocating staffing dollars across silos to reflect institutional priorities, and incentivizing unit leaders to actively find labor savings in their own units

Source: Business Affairs Forum interviews and analysis.

Bending the Administrative Labor Cost Curve

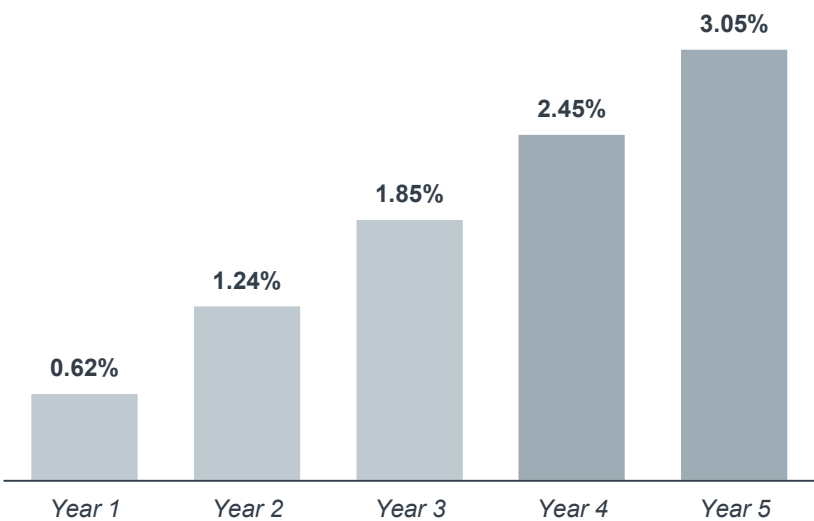
Of the two strategies, slowing labor growth offers by far the largest potential savings over time. The chart to the right illustrates the savings potential from reducing annual labor cost growth from 4.5% (the US national median) to 3.5% (the 40th percentile), assuming no change to non-labor cost growth or any immediate cost reductions. Savings in Year 1 are modest. By Year 5, though, operating budget has declined more than 3% from where it otherwise would have been.

By comparison, the majority of institutions pursuing one-year labor cuts reduce operating budget by 2% to 2.5%. This includes institutions hiring external consultants to conduct extensive efficiency and effectiveness audits. So, slowing growth results in larger savings than even some of the most heavy-handed cuts.

Beyond larger savings, there are other notable advantages to slowing labor growth. This approach is inherently more sustainable. Institutions and staff can cope with gradual, deliberate adjustments better than sudden and dramatic reductions. It is also less painful, without the dips in morale and service quality associated with deep cuts.

Greatest Opportunity is Slowing Cost Growth, Avoiding Future Costs

Operating Budget Reduction from Slowing Labor Cost Growth from 4.5% to 3.5%¹



1) Assuming non-labor cost growth of national median 4.5%.

Source: National Center for Education Statistics, *Delta Cost Project Database*; Business Affairs Forum interviews and analysis.

Ample Opportunity Outside Scope of CBAs

Moreover, slowing labor growth is likely the most actionable strategy for institutions operating with unions. Understandably, labor costs are closely intertwined with concerns about unions for many business executives. As shown, some labor savings tactics are potentially limited by CBAs¹, especially tactics that seek immediate cost reduction. However, most tactics central to slowing growth over time are outside the scope of CBAs.

For example, unions will work to protect existing staff from layoffs, but many are less protective of vacant staff lines. Therefore, utilizing position control to redesign or eliminate vacant positions is an opportunity for nearly all institutions. Similarly, unions may resist replacing staff with student labor, but institutions can typically supplement units with student labor now, creating greater flexibility to change or reduce vacant full-time positions in the future.

Slowing Labor Growth a More Palatable Approach to Unions

Tactics for Immediate Labor Savings Typically Limited by CBA

- Compensation
- Health benefits
- Fringe benefits
- Headcount

Tactics for Slowing Labor Growth Typically Outside Scope of CBAs

- Position control
- Student labor
- Management incentives
- Vacancy savings
- Budget gain sharing
- Overtime reduction
- Vacant role redesign
- Internal casual pool



Members are reminded that the Business Affairs Forum should not be relied upon for legal advice. Terms of CBAs vary significantly. Institutions are encouraged to seek review by legal counsel for any collective bargaining agreement considerations.

1) Collective bargaining agreement.

Source: Business Affairs Forum interviews and analysis.

The Non-Delegable Role of the Business Executive

Although many administrative labor savings depend on actions at the unit level, such as meeting new budgets and improving productivity, there are three vital steps to slowing labor cost growth only an executive can take. First, business executives must build cross-silo staffing resources units can tap into when needed. This allows units to slow labor growth in their own budgets and still have access to necessary staffing resources.

Second, business executives must prioritize and reallocate resources across silos, determining which units truly need additional resources and which can continue to operate with the same or less.

Finally, business executives must incentivize unit leaders to actively seek labor savings. Many savings strategies will need to come directly from local units, as they best understand current inefficiencies. So, business executives must develop the right set of carrots and sticks to encourage unit leaders to look for solutions, rather than hoarding resources.

Importantly, these steps are independent of shared services. Institutions without shared services can realize meaningful savings by applying these steps in central administrative units that fall under the chief business executive. Conversely, institutions with shared services can deploy these strategies in both central administrative units and shared service units.

Three Crucial Steps in Bending Labor Cost Curve Must Be Done Centrally

- I **Prioritize and reallocate staffing dollars across silos to reflect institutional priorities**
- II **Build cross-silo staffing resources that help local leaders cost effectively fill gaps**
- III **Incentivize unit leaders to find local labor savings year round, not just at end of the budget cycle**



Study in Brief: Making the Case for Shared Services

- Executive resource for institutions considering, beginning, or in process of migration to shared service structure
- Detailed case studies and best practices for evaluating the opportunity, incenting academic unit adoption, and designing a workforce transition plan
- While not required for meaningful labor savings, shared services can draw more professional staff toward the center and create greater opportunity to rethink labor
- To order or download study, visit eab.com/baf

Source: Business Affairs Forum interviews and analysis.

Executive Framework

To help business executives bend the labor cost curve, the Business Affairs Forum recommends a three-part strategy. The first step is to create centralized staffing resources for unit leaders to utilize as needed, allowing them to staff their units more efficiently and cost effectively. The second step is to leverage position control to prioritize and reallocate resources across silos. Finally, business executives must incentivize unit leaders to find labor savings so that they actively seek solutions in their own units rather than hoarding resources.

The flowchart below presents the three-part strategy and 12 best practices to bend the labor cost curve and achieve sustainable labor savings over time.





Section I

Creating Cost-Effective Labor Alternatives to Support Local Leaders

Overcoming Barriers to Cross-Silo Flexibility Among Professional Staff

Practice #1: Fifty-Fifty Split Roles

Practice #2: Cross-Training Development Plans

Practice #3: Full-Time Casual Pool

Enhancing Impact and Reliability of Student Employees

Practice #4: Student-Worker Loyalty Rewards

Practice #5: High-Skill Administrative Internships

Limited Staffing Options for Unit Leaders




The first strategy business executives can utilize to slow labor cost growth is to create central, cross-silo staffing alternatives unit leaders can tap into when needed. This allows units to slow labor growth in their own budgets while still having access to the staffing resources necessary to maintain productivity and service.

Without any form of central staffing, unit leaders have three primary labor sources they can reliably secure for unit work: full-time staff, overtime (in some units), and external temp labor. Each source has appropriate and necessary uses. Full-time staff obviously comprise the bulk of the workforce, overtime can be used to meet unexpected and irregular work, and temp labor is occasionally needed to fill sudden, emergency needs.

However, each source is also costly and inefficient if overused. Unfortunately, without readily available alternatives to draw on, most unit leaders must over rely on these three sources.

This section details two types of staffing alternatives central business executives can create to reduce unit leader dependence on more expensive options and slow labor growth.

Sole Reliance on Current Labor Sources Costly and Inefficient

Labor Source	Pitfall
 Full-Time Employees	<ul style="list-style-type: none">▪ Full-time staff comprise bulk of workforce, but over-hiring full-time and benefitted staff to meet demand one of the most costly staffing options▪ Over-hiring leads to low productivity periods when staffing compliment remains high but workload decreases
 Overtime	<ul style="list-style-type: none">▪ Small amounts of overtime likely necessary to answer unexpected and irregular spikes in work, but extensive or regular use highly expensive▪ Working excessive hours also exhausts staff and can hurt morale
 External Temp Agencies	<ul style="list-style-type: none">▪ External agencies routinely charge twice the hourly salary of full-time staff and should be used only sparingly▪ Unit leaders sometimes have difficulties securing temp workers with necessary skillsets, training, and institutional knowledge

Source: Business Affairs Forum interviews and analysis.

Flexible Staff More Efficiently Meet Work Peaks

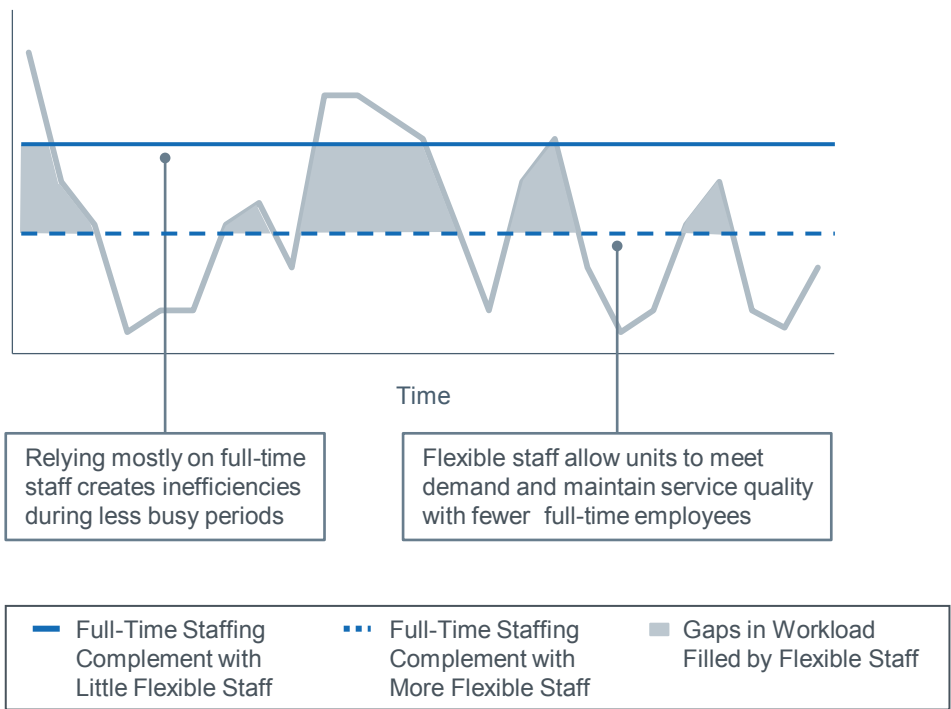
Approach #1: Overcoming Barriers to Cross-Silo Flexibility Among Professional Staff

The first type of staffing alternative executives should create is flexible professional staff. One of the primary drivers of unit overreliance on costly staffing options is variable workload. For example, a unit may be busiest at the beginning of the semester, but less busy during the middle. Unit leaders often hire full-time staff to meet the busiest periods. This ensures work is completed, but leaves the unit inefficiently overstaffed much of the year. The most common types of workload fluctuations are listed below the chart.

Instead, institutions should create flexible staff that can absorb work in increments or move to where workload is highest. As shown here, this would allow units to maintain fewer full-time employees and utilize flexible staff to fill in the gaps during busy periods. By more closely matching staff to work demand, units can significantly reduce labor expense.

Unit Leaders Face Variable Demand in Unit Workload

Representative Administrative Unit Workload



Three Types of Workload Fluctuation



Time of Day

Particular times of day such as mornings or lunch hours are consistently busier



Day of Week/Month

Increases in workload fall on distinct days of the week or month, such every first and third Monday



Seasonal




Peaks in volume occur during specific times of year such as beginning or end of semesters

Efficiently Staffing for Variable Work Demand

Nearly all industries use flexible labor to better match staff to demand, but many known flexible staffing options have been difficult to implement in higher education in the past. This table outlines types of flexible staff and the primary challenges experienced by colleges and universities.

To help business executives create more flexible staff, this section contains one practice for each of the three types of flexible staffing, focused on overcoming past pitfalls.

Known Flexible Staffing Options Not Without Their Challenges

 Part-Time Staff	 Cross-Trained Staff	 Internal Casual Pool
Implementation Challenges		
<ul style="list-style-type: none">▪ Extensive managerial time often required to identify and organize fill-ins▪ Part-time staff turnover high, as many actively seeking full-time work	<ul style="list-style-type: none">▪ Training is time-intensive and requires cross-unit managerial coordination▪ Difficult to identify appropriate set of skills to train on for each unit	<ul style="list-style-type: none">▪ Casual staff with skills necessary for role not always available▪ Part-time staff turnover high, as many actively seeking full-time work

Practice #1:
Fifty-Fifty Split Roles

Practice #2:
Cross-Training Development Plans

Practice #3:
Full-Time Casual Pool

Students Clearly an Economical Labor Source

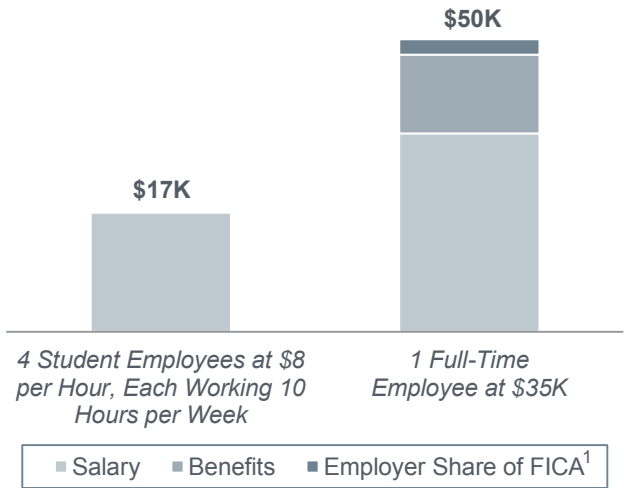
Approach #2: Enhancing Impact and Reliability of Student Employees

The second type of staffing alternative executives should provide administrative units is student workers. While nearly every college and university already utilizes student workers, most campuses still have opportunities to further leverage this inexpensive labor source.

The cost model to the right shows that four student employees working 10 hours per week (the equivalent of one FTE) total less than half the salary and benefit costs of one full-time employee. While few full-time staff could be immediately replaced with multiple students, this model illustrates the potentially substantial savings from utilizing more students.

Beyond costs, student workers have other advantages, including the ability to bring new perspectives to old challenges and willingness to work off-hour shifts and weekends.

Estimated Cost Comparison of Student Workers Versus a Full-Time Employee



Additional Advantages of Utilizing Student Employees

- Bring technology and social media expertise
- Offer new ideas and student perspective to unit challenges
- Provide greater flexibility than full-time staff, assisting in times of high demand and working nontraditional hours
- Absorb lower-skill work, freeing-up full-time employees to perform higher-level tasks
- Enhance workforce diversity

1) Federal Insurance Contributions Act.

Source: Business Affairs Forum interviews and analysis.

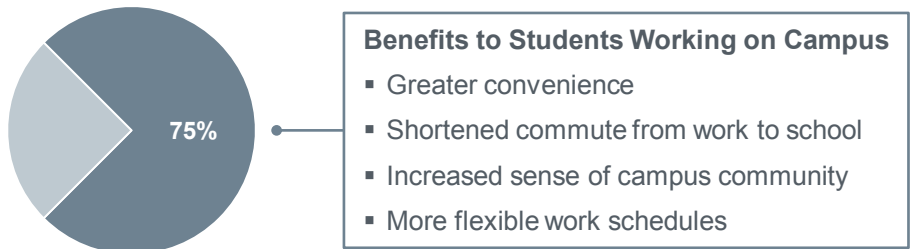
Majority of Students Will Find Work Somewhere

While some academic and business leaders worry that jobs will distract students from coursework, data shows that the majority of students continue to seek employment. In the US, 75% of enrolled students seek employment. Assuming that most students will find jobs somewhere, on-campus employment has clear advantages over off-campus work. This includes less commuting time and better accommodations for study and exam schedules.

In fact, on-campus employment can actually improve student success. Six test institutions all found that retention rates among on-campus workers were higher than the rest of the student body, including non-working students.

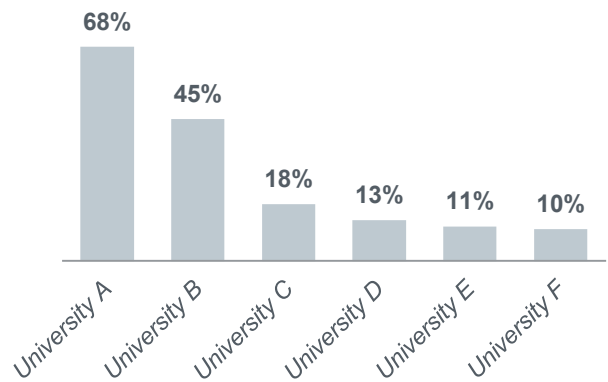
On-Campus Opportunities Best for Student Success

Percentage of Enrolled College and University Students with Jobs¹



Percentage Increase in Retention Likelihood

Comparing Students Working On-Campus to General Student Body



Source: Cermak K and Joe F, "On-Campus Employment as a Factor of Student Retention and Graduation," DePaul University, <http://ojpr.depaul.edu/open/pradereten/occe.asp>; Gleason PM, "College Student Employment, Academic Progress, and Post-college Labor Market Success," *Journal of Student Financial Aid*, 23: 2 (1993); Leonard G, "A Study on the Effects of Student Employment on Retention," Purdue University Calumet, <http://vc.lupui.edu/Portals/155/uploadedFiles/Deans/StudEmpRetentionRpt.pdf>; Noel-Levitz, "Enhancing Student Success by Treating Student Jobs as Real Jobs," (2010), <https://www.noellelevitz.com/papers-research-higher-education/2010/enhancing-student-success-student-jobs>; Business Affairs Forum interviews and analysis.

1) Full- and part-time undergraduate students.

Not All Student Employees the Same

As business leaders seek to better leverage student workers, they must evaluate different groups of student jobs with distinct challenges and opportunities. To the right, student jobs are grouped by level of skills and training required. Note, this scale represents skill level relative only to other students. A high-skill student is roughly equivalent to a low-skill FTE.

Low-skill student jobs require little training and are in high-demand because students can often study on the job. As institutions can readily fill these positions, opportunity for improvement is low.

Moderate-skill student jobs require no preexisting skills but some on-the-job training. Most institutions heavily utilize these roles, but turnover is high. So, the improvement opportunity for moderate-skilled students is to reduce turnover and enhance reliability.

Finally, high-skill jobs require both existing skills and further training. These students can often absorb work from full-time employees, freeing them to focus on higher-level tasks or replacing them all together. However, most institutions underleverage this group. Executives need to create more high-skill roles for students to fill.

The last two practices in this section provide guidance on the opportunities for moderate- and high-skill student workers.

Distinct Strategies Required to Enhance Impact and Reliability

Student Workers Segmented by Skills and Training Required



Examples:

- Card Swipers
- File Clerks
- Receptionists



Examples:

- Dining Staff
- Grounds Crew
- Cashiers



Examples:

- Web Designers
- Data Analysts
- Marketing Coordinators



- Students easily “plug and play” into positions that require little to no prior experience or training
- Most common type of student jobs and is often held by work-study students
- **Opportunity:** Limited

- Require some level of skill, experience, or training
- Students are well-leveraged but turnover is high, leading manager to view students as unreliable
- **Opportunity:** Reduce student worker churn and associated hiring and training costs

Practice #4:
Student-Worker Loyalty Rewards

- Workers require more advanced skill sets and expertise
- Positions under-leveraged at a majority of institutions
- **Opportunity:** Create more high-value roles for students

Practice #5:
High-Skill Administrative Internships

Source: Business Affairs Forum interviews and analysis.

Practice #1: Fifty-Fifty Split Roles

— Practice in Brief —

Two unit leaders jointly hire and fund a full-time employee to perform part-time work on both units. The goal is to create a more reliable and higher-skilled labor source to fill needed part-time work.

Rationale

Unit leaders often struggle to hire and retain skilled employees in part-time roles, as many staff eventually leave for full-time work and benefits elsewhere. As a result, some units over rely on temporary workers that require frequent training. Worse yet, some leaders hire full-time employees into less than full-time work. By collaborating with other units in need of skilled labor, unit leaders can craft full-time, split roles to attract highly skilled candidates.

Implementation Components

Component #1: Design Split Roles to Perform Similar Work Across Units

To avoid overwhelming employees with varying tasks and assignments and encourage employees to develop specialized skills, leaders design split roles with similar types of work in both units.

Component #2: Clearly Define Scope of Unit-Specific Work

Unit managers overseeing employees in a split role clearly define shared staff schedules and responsibilities through a service level agreement, joint performance reviews, and routine meetings.

Practice Assessment

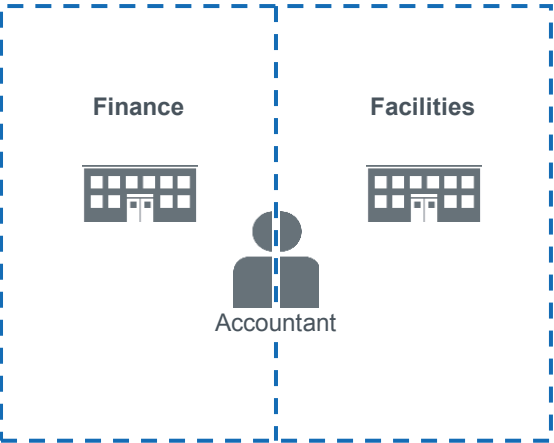
This practice is an effective way to provide half-time work while overcoming common challenges of part-time roles. Notably, this practice will be most effective for filling half-time or near half-time roles.

Meeting Part-Time Needs with Full-Time Staff

Many institutions struggle to retain skilled employees in part-time positions, who often leave for full-time work and benefits elsewhere. To prevent these challenges and create a reliable source of part-time labor, the University of Maine hires full-time employees and splits them across two units. An example split role is illustrated here. A full-time accountant splits his time equally between Finance and Facilities. Each unit funds half of the employee's salary and benefits.

Two Units Formally Share Full-Time Staff Member

Representative Split Administrative Role



Key Characteristics of Split Roles

- Two units with need for part-time employee hire single full-time employee to work evenly across units
- Each unit receives equivalent of 0.5 FTE, split position funding
- Both units gain a high-skill part-time employee while avoiding typical part-time labor challenges of high-turnover and misaligned skills



Case in Brief: University of Maine

- 11,894-student, public research university located in Orono, Maine
- Institution coordinates formal split of full-time employees across two units to overcome limited supply and high turnover rate of skilled, part-time employees
- This supplies units with needed part-time labor and prevents over-hiring full-time employees

Specialization Increases Task Proficiency and Efficacy

Component #1: Design Split Roles to Perform Similar Work Across Units

The first component for successfully implementing this practice is to design split roles so that the employee performs similar work across his or her two units. Several examples of split roles at Maine are shown here. The complementary work of each role helps the employee hone and perfect a specialized set of skills, rather than becoming a “jack of all trades.” It also prevents the employee from being stretched too thin or burned out by competing tasks.

Sample Split Roles at the University of Maine

Role	Capsule Description	Units	
Marketer	Creates marketing collateral and branding for institution and each auxiliary operation	Auxiliary Services	Marketing
Financial Analyst	Oversees campus capital investments	Facilities Management	Budget and Business Services
Workers Compensation Specialist	Supports both units' responsibility for campus wellness	Safety and Environmental Management	Human Resources
Budget Officer	Manages institution research budget, helps prepare institution budget	VP of Research	Budget and Business Services

Split employee performs similar work across both units, increasing mastery and efficiency of skills

Unit leader unable to provide content expertise benefits from employee's reporting line to other, specialized unit

Avoiding a Tug-of-War

Component #2: Clearly Define Scope of Unit-Specific Work

The second component is to clearly define shared staff schedules and responsibilities. Unit managers coordinate with each other to ensure the employee is working equally across both units and not overburdened. Three methods for ensuring this manager coordination are outlined here.

The most important method is the service level agreement, which the two unit managers sign to specify the employee's workload for each unit, key responsibilities, and a schedule of when the employee moves back and forth.

Managers Clearly Delineate Shared Staff Schedules and Responsibilities



Service Level Agreement

Formal agreement between unit managers stipulates employee workload for each unit, employee schedule of when she/he shifts between units, and how compensation is funded



Joint Performance Evaluation

Both unit managers evaluate employee during annual review, ensuring accurate reflection of performance and equal employee commitment to each unit



Managers Meet Regularly

Managers routinely meet to discuss employee performance and scheduling adjustments based on temporary, one-time spikes in unit workloads

Practice #2: Cross-Training Development Plan

— Practice in Brief —

Institutions create formalized, personal development plans and provide detailed training documents to cross-train employees across central business and auxiliary units. The goal is to equip a segment of staff to move across departments in order to cost effectively meet variable workloads.

Rationale

Despite senior leader and unit leader interest, few business units have cross-training programs that successfully support variations in workloads. When cross-training is attempted, it is often too complex or time consuming to sustain. A concrete development plan allows for more manageable cross-training, providing unit leaders a consistent staffing resource to better match variable workload

Implementation Components

Component #1: Teach Cross-Training Tasks One by One

Unit leaders create a discrete list of tasks that cross-trained employees should learn. The goal is to convert critical responsibilities into digestible tasks that employees can better learn one by one.

Component #2: Enable Just-in-Time Refreshers

Institutions provide workload forecasts to unit leaders and cross-trained employees so that they can prepare for cross-unit work.

Component #3: Equip Cross-Trained Employees with Practical Job Aides

Institutions create detailed guides to support cross-training and provide on-the-job assistance.

Practice Assessment

This practice holds the potential to reduce institutional reliance on overtime, temporary workers, and excessive base staffing to meet periods of high workload volume. Effective cross-training is also vital for any institutions considering consolidated staffing models such as one-stop shops or fully merged units.

Formal Plan Lays Out Methodical Training Timeline

Component #1: Teach Cross-Training Tasks One by One

The first component of creating a cross-training development plan is to teach staff cross-training tasks one by one. Previous cross-training efforts have often failed because unit leaders overload staff with too much information rather than pacing the training over time. The pseudonymed Tusk Community College overcame this hurdle by creating formal and individualized cross-training development plans. A sample training plan for an Accounting employee's cross-training in Accounts Payable is shown here. However, Tusk created formal cross-training development plans across all its financial services departments.

There are several advantages to this approach. First, the timeline is broken down into concrete and discrete tasks the employee must learn to execute rather than general or theoretical skills. Second, the plan specifies how and when the training will occur, with one month allotted to learn each task. This allows the trainer and trainee to plan their schedules accordingly. Finally, the plan overcomes the ad hoc nature of many cross-training plans by mapping out what the trainee needs to learn one year in advance.

For step-by-step guidance on creating a development plan, please see Cross-Training Implementation Guide on page 44.

Representative Tusk Community College¹ Cross-Training Development Plan

AP Cross-Training Plan: Chad Raymond		
Month	By Year End, Be Able To...	Training Schedule
January	Enter a requisition	Shadow Marion every Friday from 8am to 11am
February	Correct a previously entered requisition	Shadow Eileen every other Tuesday from 12pm to 5pm
March	Process an invoice for immediate payment	Work with Nicole every Tuesday and Thursday from 9am to 11am
April	Process an invoice for future payment	Work with Quinten every Wednesday from 1pm to 4pm

Development plan based on highly concrete tasks staff must learn, rather than abstract skills

Detailed schedule creates realistic timeline and dedicated time for training



Case in Brief: Tusk Community College¹

- Large public community college located in the West
- Developed detailed cross-training plans for all Finance, AP, and Accounting staff based on concrete tasks and specific timelines

1) Pseudonym.

Source: Business Affairs Forum interviews and analysis.

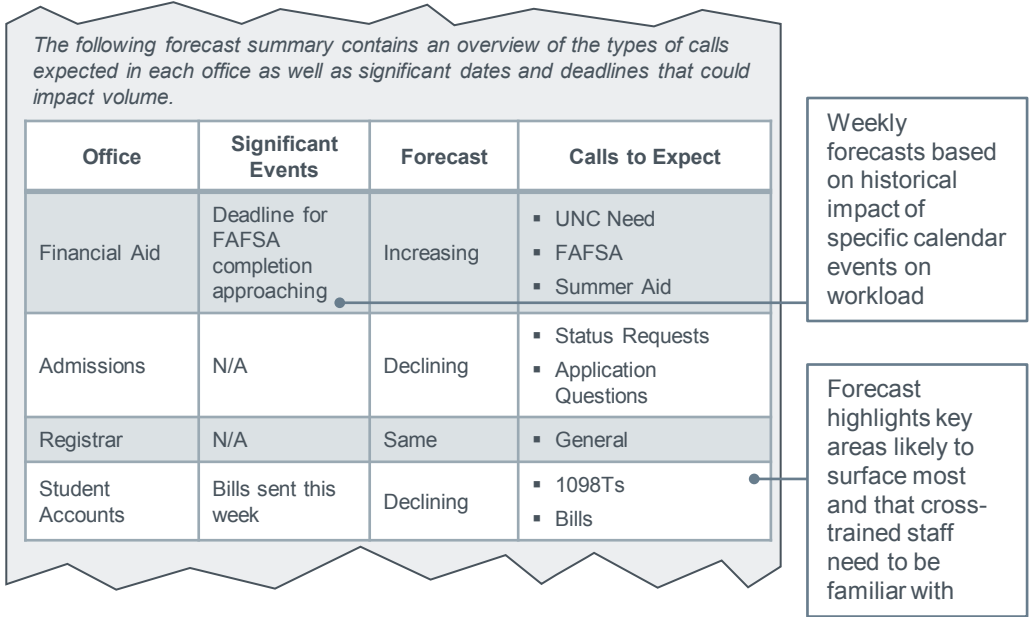
Regular Forecasts Prepare Staff for Anticipated Needs

Component #2: Establish Just-in-Time Refreshers

The second component is to establish just-in-time refreshers for cross-trained staff. Forecasts that alert units when workload may rise or fall provide leaders a valuable chance to plan and employees time to review important cross-unit information. It also helps alleviate one of the greatest sources of cross-trained employee stress—the day-to-day uncertainty of whether they will need to move across units or not.

UNC Charlotte introduced weekly forecasts in their cross-trained student service units. A sample forecast is shown here. Each week, cross-trained units receive a call-volume forecast based on the historical and largely predictable impact of specific calendar events on employee workload. The forecast also lists questions that students and parents are most likely to ask, giving cross-trained staff time to review those topics.

Sample UNC Charlotte Workload Forecast



Case in Brief: University of North Carolina-Charlotte

- 26,571-student, public research university located in Charlotte, North Carolina
- Sends weekly call volume forecasts to cross-trained units that identify potential high-need areas; goal to help cross-trained employees prepare for increases in workload across units

Source: University of North Carolina, Charlotte, NC; Business Affairs Forum interviews and analysis.

Job Aides Provide On-the-Job Assistance for Staff

Component #3: Equip Cross-Trained Employees with Practical Job Aides

The final component is to equip staff with job aides to help them execute their cross-trained responsibilities. UNC Charlotte equips student services employees with an FAQ document that answers many of the questions they will likely receive from students and parents. Representative questions from the FAQ are listed here.

To facilitate incremental learning, UNC Charlotte divides the FAQ into three tiers of questions. All staff begin by learning only the basic Tier 1 questions and are trained to triage more complex Tier 2 and Tier 3 questions to other staff. As they progress through their training, cross-trained employees can answer higher tier questions.

Ideal format for job aides will vary by unit type. FAQs are effective in student services, where staff must field questions from students. Staff in other units may benefit from process flowcharts or reference guides. Regardless of format, unit leaders must capture the most relevant information in one place for cross-trained staff to access.

Representative Questions from UNC Charlotte FAQ

TIER 1 TRAINING QUESTIONS		
Questions	Answers	Category
Why am I being selected for Verification?	The student population is selected randomly for verification.	Verification
What do I do if I did not file this last year?	Independent students will need to fill out a supplemental income statement.	Verification
Who handles 529 plans?	A 529 plan will be handled by the third-party billing office through Student Accounts. 704-555-5466.	529 Plan
Who do I talk to regarding VA benefits?	There is a Veteran Affairs office on campus. 704-555-5488.	VA Benefits
Who has to register for Selective Service?	All male citizens or permanent residents between the ages of 18-25 need to register. They can register online (www.sss.gov), at their local DMV, or through the mail.	C-Flag
What is the school priority filing date for the FAFSA?	March 1st of each year.	FAFSA
When are e-bill notifications sent?	E-Bills are issued on or around July 15th of each new school year and on the 15th of each month after that.	Billing/Refund
Where should we send a scholarship check?	The University Cashier.	Scholarships

Guides divided into multiple tiers of questions, separate out basic skills from higher-level skills to support more incremental learning

Questions also organized into larger topical categories for quick reference

Observed Cross-Training Opportunities

Central business executives are in the best position to identify where cross-training staff offers the largest savings opportunities. Some of the most common department pairings are shown here.

Although not universally true, many successful department pairings fall into one of two categories. The first and most common type of pairing is departments with complementary workloads. For example, the Financial Aid and Registrar departments both see significant variation in volume, but often at different times of the year. As a result, cross-trained staff can move to support the high-volume unit while their own unit is less busy.

The second type of pairing is departments with complementary skillsets, which makes cross-training more straightforward and faster. For example, employees in Accounts Payable and General Accounting have relevant pre-existing knowledge that would naturally make cross-training simpler.

These two types of pairings capture most (but not all) of the examples listed here and are a good starting point for institutions looking for cross-training opportunities. Business leaders should start by asking themselves which units are busy at different times of the year and which do similar kinds of work.

Departments Involved ¹		Sample Implementation Plan
Financial Aid	Admissions	To reduce student and parent wait times, staff move across units if one side has especially high customer volume
Bursar's Office	Accounts Payable	Cross-trained Bursar staff provide assistance during peaks in AP workload, helping to process invoices, fees, and payments
Financial Aid	Bursar's Office	Bursar staff able to take on some transactional Financial Aid work during high volume times, such as the beginning and end of semesters
Registrar	Financial Aid	At some institutions, departments have complementary peaks in workload, with Registrar busy at beginning of semester and Financial Aid at end
Accounts Payable	General Accounting	Staff from both departments trained to move across and sub in for employees on leave as needed
Grounds	Custodial Services	Grounds staff work indoors during rainy days and Custodial Services help shovel snow during inclement weather
Dining	Housing	Dining staff able to help with moving and cleaning in Housing during summer months since fewer students are on campus
IT	Payroll	Select IT staff trained to work in payroll during busiest times, such as tax season
Campus Safety	Bursar's Office	Campus Dispatch night shift trained to answer Bursar calls outside of regular business hours

1) Ranked in order from most common to least common.

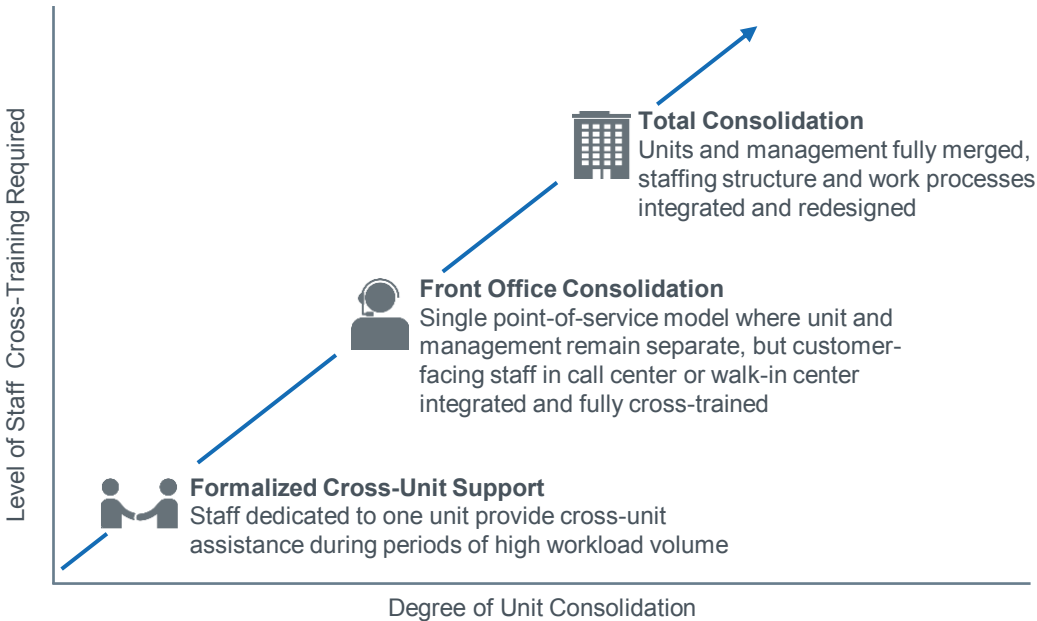
Pushing the Concept Further

While traditional cross-training—temporarily moving an employee from his or her home unit to another unit—promises labor savings for many institutions, others have pursued even more aggressive types of cross-training. The first type is front office consolidation, where multiple units merge customer-facing staff into a single triage point while maintaining separate back office operations. The second type is total consolidation. In this scenario, two units fully merge all operations and staff (including management staff).

Importantly, not all units must follow this path. Traditional cross-training is sufficient to realize significant savings in many settings. Instead, leaders should individually consider which model will minimize costs and maximize service for each unit.

Thoughtful Cross-Training Plan Needed for Successful Unit Consolidation

Comparison of Cross-Unit Staffing Models



Source: Business Affairs Forum interviews and analysis.

Cross-Training Implementation Guide

Step-by-Step Instructions for Unit Manager to Implement Cross-Training Plan

- 1 Select subset of responsibilities that have significant repercussions if not completed:** Responsibilities selected for cross-training should be performed by a single staff member and meet one of the following two criteria:
 - ☐ Department operations are severely disrupted if responsibilities are put on hold for up to a week.
 - ☐ Responsibilities are essential to delivering timely, accurate responses to client requests.
- 2 Assign staff members to cross-training pairs:** The staff member primarily responsible for the task (the cross-trainer) should be paired with a staff member who will be cross-trained to perform that task (the trainee). Pairs should typically be matched to ensure the trainee's primary role is similar to the trainer's role in terms of competencies, skills, and level of responsibility. In some instances, a cross-trainer and trainee will be able to mutually cross-train each other, because they each have tasks to teach the other. However, this may not always be the case, and the Business Affairs Forum recommends completing steps 3 through 6 of this guide for *each* instance in which a cross-trainer is teaching a trainee.
- 3 Complete a cross-training development plan:** The cross-trainer should complete a cross-training development plan with the following details:
 - List cross-training task(s). Be as specific as possible in order to focus the pair's training time on selected responsibilities.
 - Determine appropriate method for evaluating whether or not the trainee, after being trained, is competent in the new task. Typically, the manager or cross-trainer can observe the trainee performing the task a single time to evaluate competence. Select a date for this evaluation to occur, so the pair knows the time frame in which to complete the cross-training.
 - Select the appropriate instances in which the trainee will be responsible for performing his or her backup responsibilities once cross-training is complete.
 - Outline the method for notifying the trainee when he or she should perform the backup tasks.
 - Instruct the trainee how to handle his/her primary responsibilities when he/she need to take on backup responsibilities. It is important to teach the staff member which responsibilities should be prioritized over others to ensure that the most important work is finished in a timely fashion.
- 4 Discuss and sign workplan at in-person meeting with pair:** Once the workplan is complete, schedule a 30-minute meeting with the cross-training pair to meet and discuss the workplan. Ask the pair to sign the workplan as a commitment to meeting the outlined responsibilities and deadlines. If edits are necessary, set a short deadline for workplan update.
- 5 Approve completed workplan agreement:** Schedule a 30-minute follow-up session with the pair to review their completed agreement. Make edits as necessary to ensure they have selected appropriate methods for teaching assigned responsibilities in a reasonable time frame. Encourage the pair to contact their manager if they need additional support. Instruct cross-trainer to do a "pilot run" with the trainee and give appropriate feedback prior to official observation of task completion.
- 6 Evaluate trainee's competence of newly learned responsibility:** Observe trainee performing learned task on date specified in the workplan.
 - **If trainee has mastered the responsibility:** Remind the trainee of the circumstances in which he or she will need to perform these responsibilities, and how they will be informed should such a situation arise. Remind cross-trainer to inform trainee of any updates that impact how the responsibility should be executed.
 - **If trainee has not mastered responsibility:** Conduct one-on-one conversation with the trainer and then have a separate conversation with the trainee about possible reasons for the performance gap. Select one of the three follow-up options: allow the cross-trainer to provide additional instruction to trainee, reassign responsibilities to other trainee, or select new cross-trainer to reteach trainee.

Practice #3: Full-Time Casual Pool

Practice in Brief

Institution maintains an internal pool of casual administrative workers to fill temporary labor needs. However, rather than traditional part-time staff, leaders fill the casual pool primarily with full-time, benefited employees in order to attract higher-skilled employees.

Rationale

Many institutions successfully use employee spouses and retired former staff in casual roles, who work only as needed. While both sources are generally reliable employees already familiar with the institution, few business units can meet their variable workload with these sources alone. However, building a casual pool with part-time employees from the local labor market often results in under-skilled staff who turnover frequently to seek full-time work elsewhere. As a result, central business units are forced to rely on expensive temporary labor or fund full-time positions for part-time work. By building a centralized casual pool of full-time employees, institutions can attract skilled, dedicated workers to fill temporary needs across campus.

Implementation Components

Component #1: Under-Hire Casual Pool Relative to Demand for Labor

Leaders intentionally hire 10% to 15% fewer casual pool employees than typically needed. This creates excess demand for casual staff and ensures full-time work.

Component #2: Fund Full-Time Benefits Through Administrative Staffing Fee

All casual pool employees receive full-time benefits, which are funded through an administrative fee that units pay each time they utilize casual staff.

Component #3: Regularly Evaluate Casual Pool Employee Performance

Unit leaders complete a formal evaluation after each casual pool staffing engagement. Casual pool administrators use the information to provide feedback and improvement opportunities to employees and, when necessary, to manage out under-performers.

Practice Assessment

While it may take institutions one to two years to build a fully staffed casual pool, this practice holds the potential to significantly improve unit's ability to meet workload fluctuations and unpredictable staffing needs.

Utilizing Obvious Sources of Casual Workers

Business and administrative units often benefit from casual employees who can work as needed, from single days to multiple weeks, and help meet variable work demand. Many institutions successfully use employee spouses and retired former staff in casual roles. While both sources are generally reliable employees already familiar with the institution, few business units can meet their variable workload with these sources alone.

However, building a casual pool with part-time employees from the local labor market often results in under-skilled staff who turnover frequently to seek full-time work elsewhere. So, central business units are often forced to rely on expensive temporary labor or fund full-time positions for part-time work.

Two Reliable Sources of Casual Labor



Retired Former Employees

- Already familiar with most unit processes, little to no training required
- Many retirees want to stay connected to institution and pick up additional income



Spouses of Faculty and Staff

- Already have connection to institution and generally highly capable workers
- Many spouses only seeking part-time work or have limited employment opportunities depending on institution location



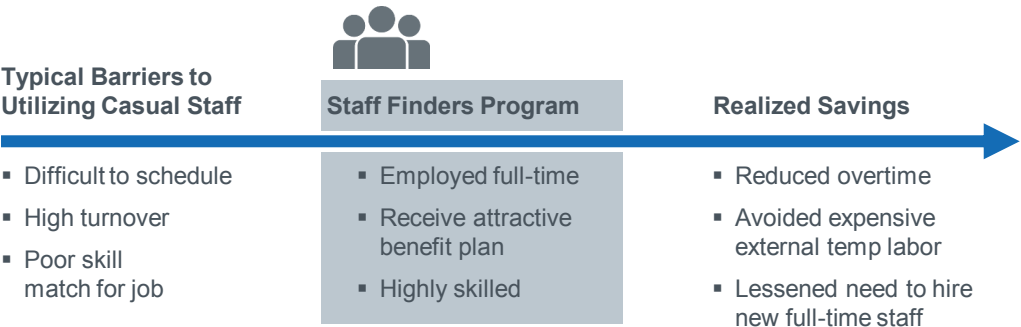
- Retirees and spouses typically limited part-time sources at most institutions
- Depending on local market, institutions may not have access to additional skilled part-time labor
- Even at institutions with strong pools of casual workers, managers spend time tracking down and scheduling casual workers only available on particular days

Not Your Typical Temp Pool

University of British Columbia (UBC) overcame the challenges of constructing a reliable pool of casual employees by hiring full-time and benefited employees. Their Staff Finders Program attracts higher-skilled employees who will not continue to seek full-time work elsewhere. As a result, leaders can consistently tap into a reliable source of casual labor. This allowed UBC to avoid expensive temporary staff while simultaneously reducing the need to fill certain full-time positions.

Building a Cadre of “Professional Casuals”

University of British Columbia’s (UBC) Staff Finders Program



Case in Brief: University of British Columbia

- 58,247-student, public research university located in Vancouver, British Columbia, Canada
- Staff Finders Program provides administrative and academic units with internal casual pool of clerical staff
- Started in 1986, program currently employs 100 unionized Staff Finders, plus five administrators that hire and place Staff Finders

Flipping the Conventional Wisdom

Component #1: Under-Hire Casual Pool Relative to Variable Demand for Labor

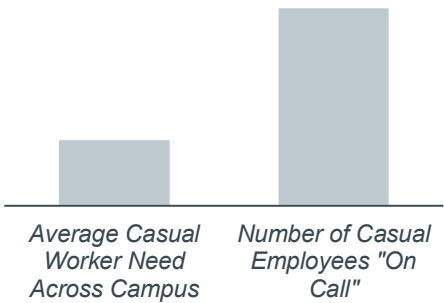
The first implementation component of Full-Time Casual Pool is to intentionally hire fewer casual workers than needed. Most central business units maintain relationships with more casual employees than they need on a daily basis to guarantee available labor. However, this approach often exacerbates turnover, as casual employees do not secure as much work (and pay) as desired.

Instead, UBC under-hires casual employees. As illustrated here, institutional demand for casual staff is roughly 115 FTEs, while UBC employs only 100 Staff Finder employees. By under-hiring casual employees and creating excess demand, UBC ensures Staff Finder employees have full-time work and pay.

To fill any gap between Staff Finder supply and demand, UBC uses a small number of external temporary employees, mostly for short-term needs.

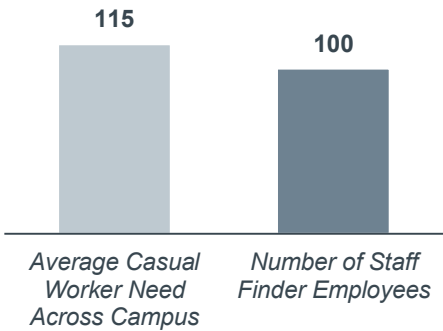
Pool Intentionally Under-Hired to Virtually Ensure Full-Time Work

Typical Approach to Staffing Casual Pool



- Institution maintains more part-time casual workers "on call" than needed to ensure enough are available on a given day
- Large number of casual employees in pool diminishes workers' chance of securing work, increasing turnover and adding to unit leader's scheduling and training burden

Staff Finder Approach to Staffing Casual Pool



- Institution deliberately hires fewer casual workers than needed; excess demand ensures constant need and secures full-time work
- Institution meets gap between needed and available casual workers with limited number of external temps, mostly in units with shorter requests

Funding an Attractive Benefits Package

Component #2: Fund Full-Time Benefits Through Administrative Staffing Fee

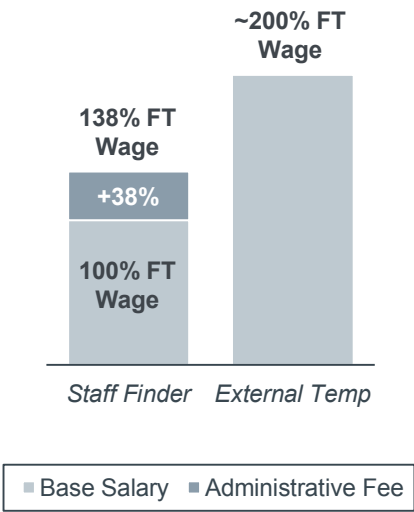
The second component is to provide casual pool staff with full-time benefits. The combination of full-time pay and benefits helps institutions attract higher-skilled and more reliable employees.

To fund full-time benefits for all Staff Finders, individual units that utilize casual staff pay a supplemental fee. Units first pay casual staff the regular, full-time wage of the role they temporarily fill. Then, units pay pool administrators an additional 38%. Even with this fee, Staff Finders is significantly cheaper than external temporary labor, which often charge twice the regular wage.

The 38% fee also funds the salary and benefits of the five dedicated administrators who run the program, ensuring Staff Finders is fully self-funding with no central subsidy.

Program Financed by Admin Fee, Still Cheaper Than External Options

Representative Staffing Costs to Units



Elements Funded by Administrative Fee



Benefits

After 66-day vesting period, Staff Finder employees receive benefits including dental, extended health, payout for time off, maternity leave, and sick leave; because Staff Finder employees receive benefits regardless of hours worked, administrators manage program so all staff finders always employed to “earn” benefits



Staff Finder Overhead

Salaries and benefits of five dedicated Staff Finder administrators



Pension

Staff Finders employees do not receive pension or contributions towards retirement plan

Maintaining High-Quality Performance

Component #3: Regularly Evaluate Casual Pool Employee Performance

The final component of this practice is to regularly evaluate casual pool employee performance. UBC evaluates employee performance by asking unit leaders to fill out the short evaluation shown here. This allows casual pool administrators to create short-term development plans for individual employee needs and, when necessary, manage out under-performing employees. Pool leaders also use the feedback to inventory employee skills and match requesting units with the employee best suited to the role.

For a complete version of the University of British Columbia Review of Temporary Assistance Form, please see page 53.

Staff Finder’s Post-Job Quality Control Survey

UBC Staff Finders

Employee Name:

Classification:

Placement Dates:

Department:

Requested By:

Notes:

Please check the appropriate box to indicate your response, leave blank if criteria is N/A. Print and Fax to Staff Finders (604) 822-6800. This information is critical to the training and development of the employee. Additional information may be submitted on a separate sheet.

	Outstanding Consistently exceeds position requirements	Above Standard Meets position requirements & frequently exceeds them	Competent / Standard Consistently meets position requirements	Below Standard Frequently does not meet position requirements	Unsatisfactory Consistently fails to meet position
1. Quality of Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Quantity of Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Attendance / Punctuality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Attitude	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Flexibility / Adaptability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Job Knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Knowledge of Commercial Software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Grasp of custom / In-house software program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Software complexity – Departmental Requirements		<input type="checkbox"/> Basic	<input type="checkbox"/> Intermediate		<input type="checkbox"/> Advanced
11. Overall Knowledge of UBC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Overall performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The supervisor's name and title is:

The department feels that this employee should develop the following skills to increase their effectiveness / efficiency in this department / position:

Staff Finder administrators send quality control survey to unit leaders after each engagement

Administrators use results to provide constructive feedback to employee, screen-out chronic underperformers, and inventory employee skills to optimize future placements

A Win-Win for Institution and Staff

UBC's Staff Finders Program is a highly effective casual pool. Compared to external temporary staff, Staff Finders are more committed to the institution, stronger performers, more knowledgeable about the school, and generally more reliable.

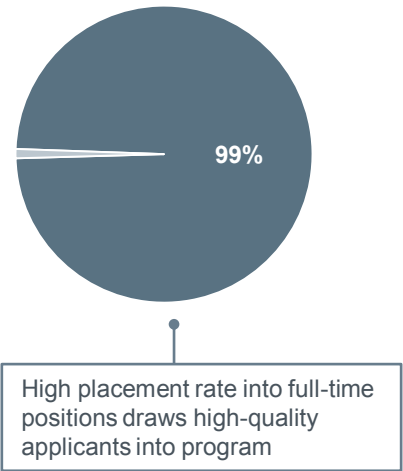
UBC has also found that the Staff Finders Program is a strong pipeline for full-time staff. While the average tenure of a Staff Finder employee is two to three years, 99% of staff leaving the program move into traditional full-time roles at UBC. As a result, potential employees in the community view the program as a gateway to full-time employment at UBC.

Pool Attracts High-Caliber Casuals, Creates Pipeline of Full-Time Hires

Comparing Characteristics of Staff Finders to External Temps

Staff Characteristics	Staff Finder	External Temp
More Reliable	✓	
More Committed	✓	
Stronger Performer	✓	
Greater Institutional Knowledge	✓	

Percentage of Staff Finders Employed Full Time at UBC After Leaving Program



Increasing Flexibility and Spurring Innovation

In general, casual staff provide business leaders more flexibility than any other kind of employee. In addition to filling temporary staffing holes, casual staff can be utilized in a number of ways. Four innovative methods are detailed here.

Four Progressive Uses of Casual Staff

1



Cost effectively meet variable work demand

Reliable source of high-performing and motivated casual workers allow unit leaders to staff more leanly and find savings

2



Temporarily absorb work during unit restructuring

Casual staff provide reinforcements to restructuring unit, ensuring normal work duties are accomplished while positions are redesigned, existing staff learn new roles, and new staff onboarded

3



Test new role before committing to full-time hire

Units use casual staff to test value and design of new role before filling with full-time employee

4



Test new employee prior to full-time hire

Units use casual staff placement as trial period to see if employee is good fit before hiring full time

Review of Temporary Assistance



Employee Name: Classification: Placement Dates:
Department: Requested By:
Notes: Please check the appropriate box to indicate your response, leave blank if criteria is N/A. Print and Fax to Staff Finders (604) 822-6800.
This information is critical to the training and development of the employee. Additional information may be submitted on a separate sheet.

	Outstanding Consistently exceeds position requirements	Above Standard Meets position requirements & frequently exceeds them	Competent / Standard Consistently meets position requirements	Below Standard Frequently does not meet position requirements	Unsatisfactory Consistently fails to meet position
1. Quality of Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Quantity of Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Attendance / Punctuality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Attitude	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Flexibility / Adaptability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Job Knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Knowledge of Commercial Software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Grasp of custom / In-house software program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Software complexity – Departmental Requirements	<input type="checkbox"/>	<input type="checkbox"/> Basic	<input type="checkbox"/> Intermediate	<input type="checkbox"/>	<input type="checkbox"/> Advanced
11. Overall Knowledge of UBC	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Overall performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The supervisor's name and title is: _____

The department feels that this employee should develop the following skills to increase their effectiveness / efficiency in this department / position: _____

Practice #4: Student-Worker Loyalty Rewards

— Practice in Brief —

To reduce student employee turnover, institutions reward students who return to their on-campus jobs each semester with modest pay increases or bonuses.

Rationale

Many units, such as dining and facilities, rely heavily on low-cost student labor. However, they also often suffer from high student turnover rates. By incentivizing students to return to their campus job each semester, departments can reduce hiring and training resources needed to continuously onboard new student employees and create a more stable and reliable source of student labor.

Implementation Options

Option #1: Implement Semester Increases Based on Student Tenure

Units offer small but sliding percentage increases for each semester a student returns to his or her campus job.

Option #2: Offer Students Lump-Sum Bonus Each Semester

Units pay student employees a lump-sum bonus each semester they return to their campus job. The goal is to offer a more engaging and tangible alternative to small hourly pay increases.

Option #3: Provide Hourly Semester Increase Based on Performance

Units provide hourly increases to returning student adjusted for performance level. The goal is to incentivize all students to stay, but invest more in retaining top performers.

Practice Assessment

While Option #1 is the most commonly utilized option, Options #2 and #3 have shown early promise in engaging student employees more. Note, institutions do not need to implement a single option across campus. Unit leaders can utilize the option that works best in that unit.

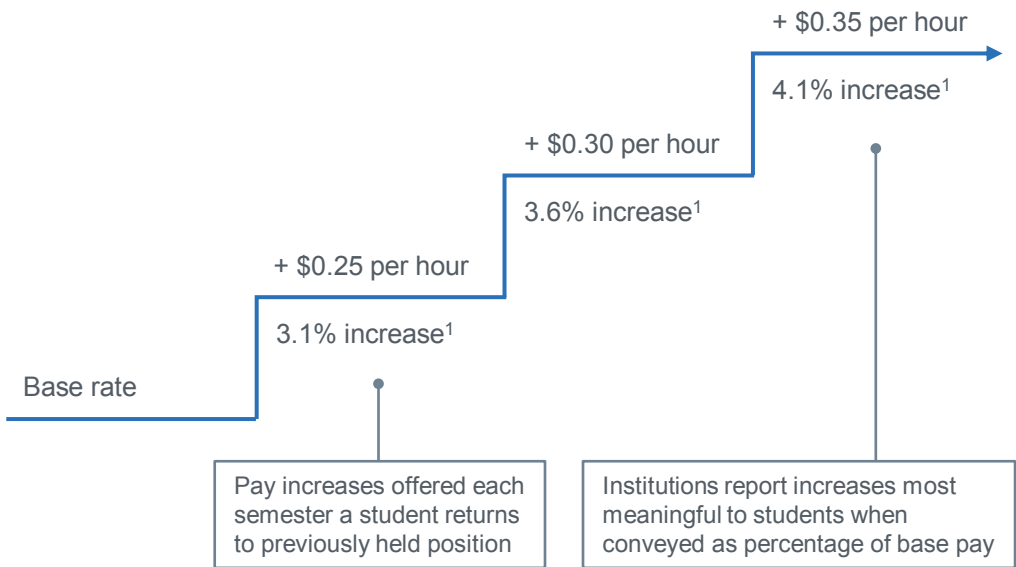
Rewarding Students for Longer Tenures

Option #1: Implement Semester Increases Based on Student Tenure

Incentives that reward student employees to return to their jobs each semester can reduce turnover rates and save business and auxiliary units time and resources needed to train new students. There are three loyalty reward options that incentivize students to return to their campus jobs.

The first option is to offer a modest hourly increase each semester a student returns to his or her previously held job. Institutions often use a tiered pay scale like the one shown here, where longer tenure is rewarded with a larger wage increase. This option is the most common of the three, used in some form by approximately 40% to 50% of institutions. Leaders utilizing this method report it is most impactful to show students the percentage of increase rather than the absolute amount, as this often matches or exceeds annual merit adjustments for full-time positions.

Sample Tiered Student Pay Scale



1) Assumes base rate of \$8.00 per hour.

Source: Business Affairs Forum interviews and analysis.

Frontloading Incentive for More Tangible Reward

Option #2: Offer Students Lump-Sum Bonus Each Semester

The second option is to offer students a lump-sum bonus each semester they return to their campus job. Miami University of Ohio gives each returning student worker a \$250 bonus at the beginning of the semester. Compared to the hourly increase of Option #1, the bonus is only slightly more money, but students react much more positively to the instant gratification of the bonus.

Interestingly, Miami awards their bonus as bookstore credit, rather than cash. To students who must purchase books at the beginning of the semester anyway, there is little difference. However, the credit drives business to the campus bookstore (and away from online retailers), bringing more money into the institution.

Key Components of Miami of Ohio's Student-Worker Returning Bonus



Lump-Sum Bonus

Institution pays \$250 bonus to students returning to their campus jobs each semester



Instant Gratification

Bonuses provide instant gratification, which garners more positive reactions from students than incremental increases



Bookstore Credit

Bonus paid as a bookstore credit instead of cash, driving traffic to the university bookstore and bringing money back into institution



Case in Brief: Miami University

- 16,884-student, public research university located in Oxford, Ohio
- Bonus payments in the form of bookstore credits incent students to return to their campus jobs semester after semester, rewarding returning students and increasing bookstore traffic
- Bonuses provided on top of progressive, tiered pay

For a complete version of the University of Colorado-Colorado Springs Student Employee Evaluation Form, please see page 58.

Simple five-point ratings scale and straight-forward performance criteria provide clear parameters for students new to evaluation process

57

University of Colorado-Colorado Springs

Student Employee Evaluation Form



Student Employee Evaluation Form

Last Name: _____
First Name: _____ Middle Initial: _____
SID: _____ Employee ID: _____
Job Category: _____
Job Title: _____
Department / Agency: _____
Department Number: _____
Current Hourly Rate: \$ _____ Date: _____
New Hourly Rate (if different) *** \$ _____

***This new rate is in compliance with our department's / agency's Compensation Plan – Individual merit raises should be decided based upon student evaluations and funding availability in each department.

Length of time employee has worked in this position: _____
Job Description: _____

Part I: Use the criteria in Part III to evaluate the student employee. Then check each item accordingly in the table below (This list is not limited to these criteria; you may add criteria as appropriate).

Job Performance Rating						
(Check an appropriate rating number for the employee):						
Scale 1 = Lowest 5 = Highest	Unsatisfactory	Below Standard	Standard	Above Standard	Out- standing	Not Applicable
	1	2	3	4	5	n/a
Reliability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Quality of Work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demonstrates Initiative	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Works Well with Others	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adaptability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	1	2	3	4	5	n/a

University of Colorado-Colorado Springs

Student Employee Evaluation Form (cont.)

Part II: Comments to support numerical ratings:

Would you recommend this employee to another employer?

☐ Yes

☐ No

Signatures:

Department Head			
	Department Head Name Typed	Department Head Signature	Date
Supervisor			
	Supervisor Name Typed	Supervisor Signature	Date
Student			
	Student Name Typed	Student Signature	Date

Note:
The signature of the Student Employee does not signify that the Student Employee agrees with the evaluation, only that it has been discussed with the Student Employee.

University of Colorado-Colorado Springs

Student Employee Evaluation Form (cont.)

Part III: Criteria for Evaluation

1. Reliability
 - Always on time, shows up when scheduled, and calls in when unable to make scheduled time or finds a replacement if possible
 - On time or early completion of duties, when assigned
2. Quality of work
 - Accurate, efficient, and knowledgeable work
 - Performs all work duties with 100% effort
 - Displays a positive mental attitude towards work and others
3. Demonstrates initiative
 - Takes pride in work, and finds ways to improve procedures or policies to make work more efficient and effective
 - Goes the extra mile when necessary. For example, helping another student find other available resources on campus
 - Anticipates needs for the future and helps to plan accordingly, working with little supervision
 - Is willing to accept new projects/methods/information that add to the position and the quality of service
4. Works well with others
 - Gets along with fellow co-workers, and students/faculty
 - Adjusts to different or opposing personalities, manages conflict well
 - Always makes the student and employer feel welcome and important
 - Focuses on problem solving rather than assigning blame
5. Adaptability
 - Adapts well to different situations which may arise
 - Remains calm and professional when there are communication differences or new circumstances
6. Customer Service
 - Has a great sense of student's/employer's needs
 - Almost always leaves student/employer satisfied
 - Is knowledgeable of position and is efficient when imparting this knowledge to students/employers

Office of Financial Aid/Student Employment ■ 1420 Austin Bluffs Pkwy ■ Colorado Springs, CO 80918
www.uccs.edu/stuemp ■ (719) 255-3454 or 1-800-990-8227 ext 3454 ■ Fax (719) 255-3650 ■ Email: stuemp@uccs.edu

Practice #5: High-Skill Administrative Internships

— Practice in Brief —

Leaders of business and financial units design student internship roles specifically for the highest-skill students who can perform tasks currently done by full-time employees. This allows units to refocus full-time employees on more complex and higher-value work or potentially replace them altogether.

Rationale

While student employees are common in many units, they are much less common in business and financial units. Because of the nature of the work and concerns about information security, business and financial units do not have as many roles that students naturally plug into. If unit leaders craft roles specifically designed for the highest-skilled students that can take on more complex work, business units can take greater advantage of economical student labor and refocus full-time employees on more complex and higher-value work. In some cases, student interns can even replace full-time employees.

Implementation Components

Component #1: Provide Real-World Professional Experience

Units build internship opportunities from previous full-time positions so that students gain real-world work experience.

Component #2: Integrate Professional Development Opportunities

Administrative leaders pair internships' unit-critical work assignments with development opportunities and projects. By incorporating professional development opportunities, institutions will attract the strongest student candidates already thinking about their careers.

Component #3: Pay Above Typical Student Salary

Administrative leaders offer greater pay, up to one-third more, to make roles more attractive than typical student roles.

Component #4: Manage Number of Internship Opportunities to Maintain Exclusivity

Central leaders manage the number of internships across campus so that acceptance rate remains low. The goal is for students to view the internships as an exclusive and elite honor, attracting the best candidates.

Component #5: Market Roles Alongside External Internships

Administrative leaders post on-campus internships alongside external opportunities. The goal is to prominently post administrative internships where the best students are likely to see them and encourage direct comparison between internal and external opportunities.

Practice Assessment

High-skill student internships cannot typically supplant full-time positions immediately after implementation. However, as the internship matures over the first two to three years, unit leaders find students can largely replace some full-time positions, leading to significant savings.

Creating Higher-Skill Roles for Select Students

While student employees are common in many units, they are much less common in business and financial units. Because of the nature of the work and concerns about information security, business and financial units do not have as many roles that students naturally plug into.

If unit leaders craft roles specifically designed for the highest-skilled students that can take on more complex work, business units can take greater advantage of economical student labor and refocus full-time employees on more complex and higher-value work. In some cases, student interns can even replace full-time employees. There are also clear benefits to students, who gain real-world experience and professional development opportunities difficult to find in typical on-campus jobs.

UNC Charlotte and Rhodes College both excel at crafting administrative roles for high-skill students. Some example internships are shown here. However, these roles require both preexisting skills and ability to do take on complex work, and can only be filled by top performers. This practice details five implementation components necessary for crafting roles that attract the best students.

Sample Administrative Internships

<div>Finance</div> <div>Internship Opportunity: Deferred maintenance planning</div> <div>Skills Developed:<ul style="list-style-type: none">▪ Data analysis▪ Forecasting▪ Budget management</div>	<div>Accounting</div> <div>Internship Opportunity: Account reconciliation and documentation</div> <div>Skills Developed:<ul style="list-style-type: none">▪ Compliance▪ Tax reporting▪ Financial statement analysis</div>
<div>Marketing</div> <div>Internship Opportunity: Social media strategy and implementation</div> <div>Skills Developed:<ul style="list-style-type: none">▪ Communication▪ Brand management▪ Market analysis</div>	<div>Human Resources</div> <div>Internship Opportunity: Employee training module development</div> <div>Skills Developed:<ul style="list-style-type: none">▪ Talent management▪ Organizational design▪ Communication</div>



Case in Brief: UNC Charlotte

- 26,571-student, public research university located in Charlotte, North Carolina
- University Professional Internship Program (UPIP) develops student roles that support admin functions and provide skill development consistent with students' majors and career goals



Case in Brief: Rhodes College

- 2,000-student, private baccalaureate college located in Memphis, Tennessee
- The Rhodes Student Associates Program (RSAP) provides funding for 100 students to work in jobs that reinforce academic learning and help institution avoid adding new staff positions

Source: Rhodes College, Memphis, TN; University of North Carolina, Charlotte, NC; Business Affairs Forum interviews and analysis.

Offering Students Real-World Experience






Component #1: Provide Real-World Professional Experience

The first component to creating administrative internships that attract the best students is to provide real-world professional experience. Rhodes College accomplishes this by building student internships from previous full-time positions. Leaders break all vacant administrative positions with approximate annual salaries of \$35,000 into four quarter-FTE roles. Quarter-FTE roles that could be performed by students become official internships, while others are either reabsorbed by remaining staff or bundled together to form new full-time roles.

The example shown here is the Employment Coordinator position in HR, which yielded two student internships when vacated.

Rhodes Creates Student Positions by Breaking Apart Former FTE Roles

Sample Breakdown of Employment Coordinator Position in Human Resources

Former Full-Time Position	Segmented Roles	Staffing Result
 Employment Coordinator	 #1 <ul style="list-style-type: none">Employment verificationOnboarding/exit interview preparation	Filled with Rhodes Student Associate Program (RSAP) student intern
	 #2 <ul style="list-style-type: none">New hire processingBanner data entry	Filled with RSAP student intern
	 #3 <ul style="list-style-type: none">ID badge administrationReferrals management	ID badge administration outsourced to facilities, referral activity absorbed by recruitment specialist
	 #4 <ul style="list-style-type: none">Incoming inquiries triageIn-office print and mail	Absorbed by department receptionist

Staff jobs in \$35K salary range broken into 0.25 FTE roles, the equivalent of roughly four 10-to-15-hour-per-week student jobs

Units compete for limited number of interns so not all roles backfilled—units must identify alternative solutions for unfilled tasks and roles

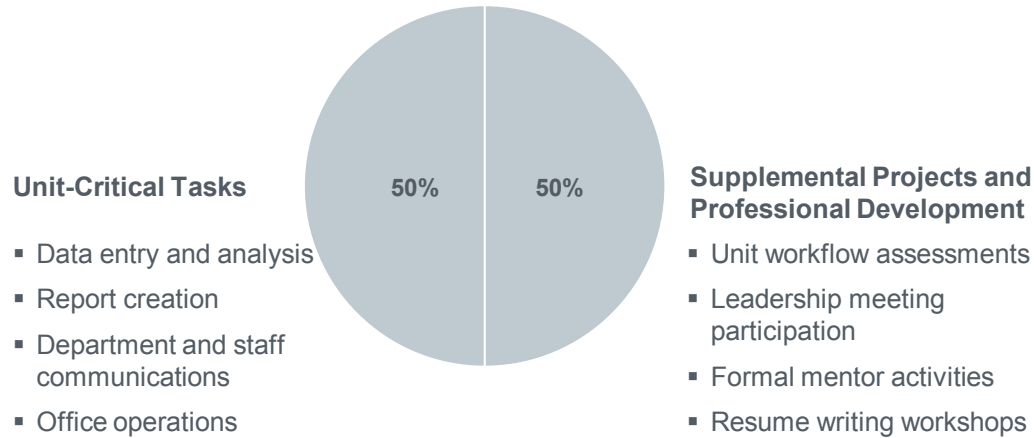
Source: Rhodes College, Memphis, TN; Business Affairs Forum interviews and analysis.

Pairing Professional and Developmental Opportunities

Component #2: Integrate Professional Development Opportunities

The second component is to incorporate dedicated professional development opportunities into high-skill student roles. At UNC Charlotte, student interns spend 50% of their time on unit-critical tasks and the remaining 50% on supplemental projects and professional development, such as completing a time and motion study on a unit process. The goal is to pair real-world work with experiences that make the student an attractive candidate for future employers. This helps attract strong students away from more task-oriented, off-campus opportunities.

Sample Breakdown of Student Intern Activities at UNC Charlotte



Source: University of North Carolina, Charlotte, NC; Business Affairs Forum interviews and analysis.

Attracting Top Students with Greater Pay

Component #3: Pay Above Typical Student Salary

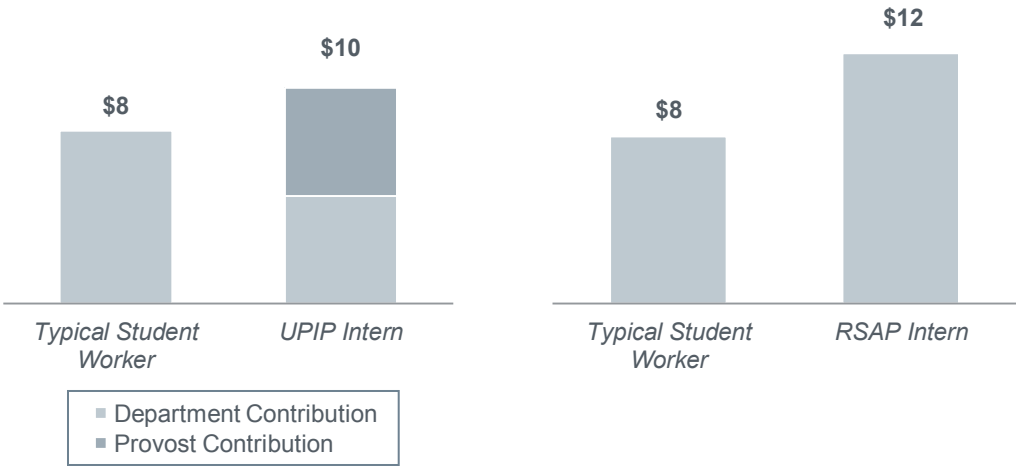
The third component in attracting the best students is to pay interns more than typical student workers. For example, student interns at UNC Charlotte earn \$10 an hour, compared to the typical \$8. Similarly, interns at Rhodes College make \$11 to \$12 an hour.

While not necessary for success, UNC Charlotte's funding model is noteworthy. Business units pay only half of each intern's salary. The Provost's office funds the other half, viewing internships as valuable experiential learning.

Above-Average Wages for High-Skill Roles *Academy Subsidy Makes Role Appealing to Both Students and Units*

Hourly Student Pay at UNC Charlotte

Hourly Student Pay at Rhodes College



Half of students' \$10 per hour wage funded by Provost, who views internship as supporting academic learning objectives and a valuable development experience

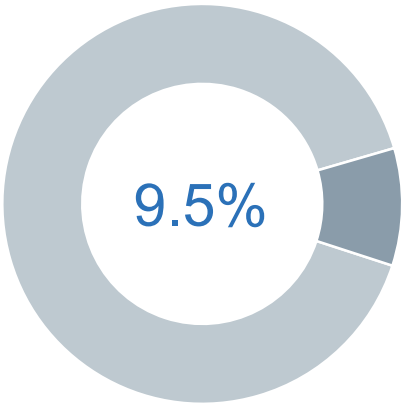
Increasing Internship Desirability Through Selectivity

Component #4: Manage Number of Internship Opportunities to Maintain Exclusivity

The fourth component is to closely manage the number of internship opportunities so that the acceptance rate stays low. By balancing the supply and demand of internships, leaders can build and maintain the exclusivity of the internship program and drive competition among students, resulting in the best possible candidates.

Elite Opportunities Draw Out Best Candidates

Internship Offer Rate at UNC Charlotte



84 Number of student interns hired across 28 UNC Charlotte departments in 2013

100 Current number of student associates at Rhodes, with number expected to grow to 120 in 2014

Competing with Off-Campus Internships

Component #5: Market Role Alongside External Internships

The final component of High-Skill Administrative Internships is marketing on-campus internships alongside external opportunities. Some institutions may need to dispel the misperception that campus jobs offer only menial work and the best internships are off campus.

Kent State markets on-campus internships alongside off-campus work on their central job board. This approach has strong signal value, giving on-campus and off-campus opportunities equal weight in students' minds. It also encourages side-by-side comparisons. While many students will still opt for off-campus roles, others will learn the unique benefits of on-campus roles.

Central Job Board Posts Internal and External Internships Side by Side

The screenshot shows the Kent State University job board interface. The header includes the Kent State University logo and navigation links: Profile, Documents, Applications, Calendar, Jobs & Internships, and Employers. A search bar at the top indicates 'Your search matched 500 results.' On the left, there are filters for 'Narrow Your Results' (By Date Posted, By Experience Level, By Job Status, By Opportunity Type, By Industry, By Job Function, By Network) and 'Refine Your Search' (Keywords). The main content area displays a list of job results. The first result is 'Student Technical Support', which is 'Posted by Kent State University' and is an 'On-Campus' position. The job details include 'OH - Information Services' and a 'Date Posted' of '04/16/2014'. The job is categorized as 'Student Jobs & Graduate Assistantships'. Other results include 'Office / Event Assistant', 'Student Accounting Employee-Controller's Office', and 'Certified Occupational Therapy Assistant'. A callout box points to the 'On-Campus' link in the first job listing, stating: 'Central job board promotes on- and off-campus student employment opportunities together, creating a convenient one-stop shop for students and promoting equal value of internal and external jobs'.

Rel	Job	Employer	Location	Date Posted
	Student Technical Support Posted by Kent State University	On-Campus Student Jobs & Graduate Assistantships	OH - Information Services	04/16/2014 Application Deadline Interview Date
	Office / Event Assistant Posted by Kent State University	On-Campus Student Jobs & Graduate Assistantships	OH - Blackstone LaunchPad, Student Center	04/16/2014
	Student Accounting Employee-Controller's Office Posted by Kent State University	On-Campus Student Jobs & Graduate Assistantships	OH - Controller's Office	04/16/2014
	Certified Occupational Therapy Assistant Posted by Kent State University	Re-Education Services, Inc.	OH - Mentor	04/15/2014



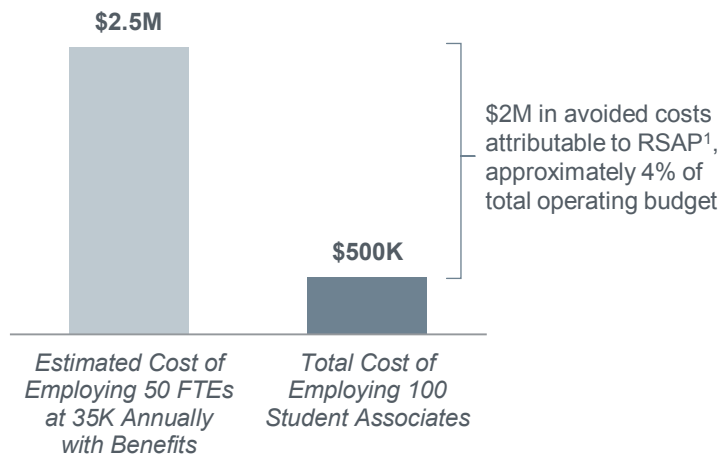
Case in Brief: Kent State University

- 41,891-student, multi-campus public research university located in Ohio
- Institution annually employs more than 6,000 students in over 8,000 on-campus jobs
- Number of internships posted on job board has increased 93% from 2009 to 2013

Seeing a Return on High-Skill Student Workers

The student internship program has provided significant financial benefit to Rhodes College. Crafting student internships from vacated positions, they have avoided backfilling approximately 50 full-time positions. The annual net savings of \$2 million represents nearly 4% of their total operating budget.

Cost Comparison of Full-Time Employees Versus Student Associates at Rhodes



~50

Number of positions Rhodes has avoided backfilling due to greater opportunities for student workers

1) Rhodes Student Associate Program.

Source: Rhodes College, Memphis, TN; Business Affairs Forum interviews and analysis.

Employing the Same Approach with Grad Students

Notably, some institutions have successfully applied the concept of administrative internships with MBA students. Even compared to the highest-skilled undergraduates, graduate students can typically perform more complex work and operate more independently. As an example, Webster University's MBA internship program is shown here. Interestingly, Webster actively recruits their own undergraduates into the program. Faculty encourage high-performing business juniors and seniors to apply to the MBA and internship program. Through a combination of stipends and scholarships, Webster fully covers the accepted students' tuition and fees in exchange for half-time work in the administrative unit that most closely matches their areas of focus.

While total compensation to MBA students (including scholarships) is more than undergraduate salaries, it is still less than full-time staff pay. Webster estimates the internship program has saved nearly half a million dollars in avoided labor costs.

Key Components of Webster University's Finance and Administration Internships



Recruiting High-Potential Undergrads

Webster encourages high-potential undergraduate students to apply to graduate school and administrative internships



Incenting with Salary and Scholarship

Institution provides \$12K in scholarships toward graduate school, \$12K annual salary paid by employing units



Requiring a Two-Year Commitment

Students must commit to working full two years while enrolled in school



Capturing Meaningful Labor Savings

Internship program has led to estimated \$480K in avoided full-time employee costs and \$192K in actual savings



Case in Brief: Webster University

- 19,372-student, private master's university located in St. Louis, Missouri
- Institution seeks students in communications, accounting, and finance undergraduate programs to work in institution's administrative departments while enrolled in graduate school
- Currently, 24 "Graduate Assistants" deployed in administrative units, with number expected to grow by a third in 2014



Section II

Leveraging Position Control to Prioritize Resources

Practice #6: Mandatory Hold-Open Period

Practice #7: Vacancy-Triggered Role Redesign

Practice #8: Standardized Requisition Form

Practice #9: Vacancy Savings Target

Help Wanted

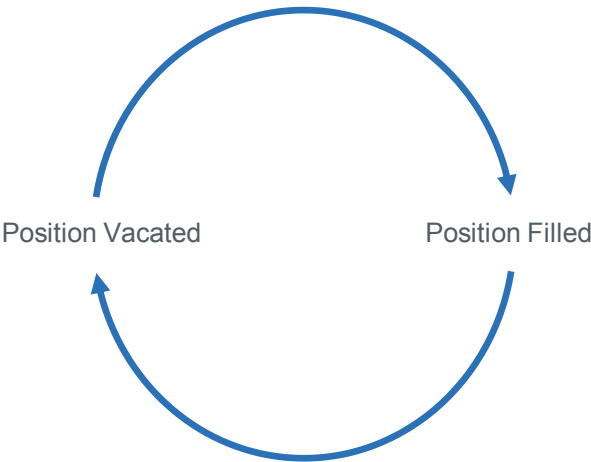
The second strategy business executives can use to slow labor cost growth is position control. While moving or eliminating existing staff is often difficult, vacancies are far more flexible. Through a rigorous position control process, institutions can assess positions as they become vacant, reclaim staffing dollars when appropriate, and potentially redeploy staffing lines to other units with greater needs.

Unfortunately, unit leaders too often reflexively backfill vacant positions. This only serves to maintain the status quo or “business as usual” in terms of unit staffing costs, work process, and productivity.

Central business executives are perfectly situated to institute and enforce a more thorough position control process. This will prevent units from blindly backfilling positions and slow growth of staffing costs.

Many Organizations Blindly Backfilling Vacant Positions

Common Hiring Protocol



“Every time I have a vacancy, it’s an opportunity. I don’t think we should take any vacancy and replace it without first sitting down and considering whether this is the most efficient use of this position, this employee, and this compensation.”

*Vice President of Administrative Affairs
Public Master’s University*

Building a Principled Vacancy Review

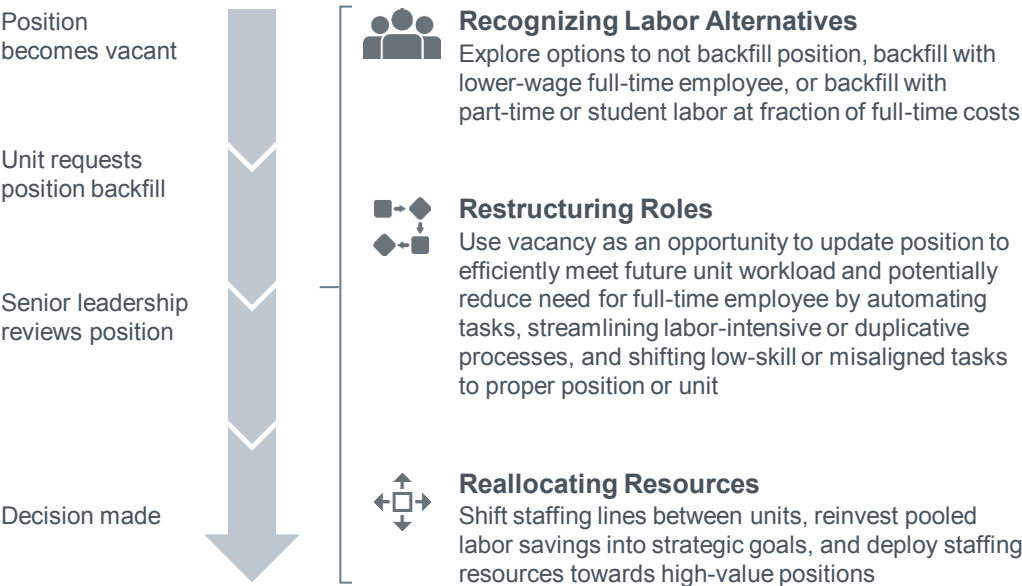
A representative four-step vacancy review process is shown here, and the largest opportunities for labor cost savings are listed to the right. First, leaders should consider all alternatives for a vacant position, including whether to not backfill or backfill with lower-cost labor. Second, institutions should evaluate ways to restructure vacant roles before refilling, including streamlining, automating, or delegating certain tasks. Finally, vacancy review provides leaders an opportunity to reallocate staffing dollars, moving funds from an eliminated or restructured position in one unit to another.

Importantly, business executives do not need to micromanage this process. Instead, a well-functioning position control process will act as a forcing function for unit leaders—who know their unit processes and staffing best—to examine many of these opportunities on their own. The executive’s role is to implement a centralized process across all administrative units and maintain standards over time.

The four practices in this section will help executives establish a rigorous position control process that will create greater staffing efficiencies and slow labor cost growth.

Attrition Offers a Natural Opportunity to Uncover Labor Inefficiencies

Representative Vacancy Review Process and Key Labor Savings Opportunities



Practice #6: Mandatory Hold-Open Period

— Practice in Brief —

Institutions hold all vacated, non-faculty positions open for a specified amount of time to capture one-time salary savings and spur unit leaders to consider how vital the role, as constructed, is to unit productivity.

Rationale

Unit leaders typically seek to backfill vacant positions as quickly as possible. By implementing a hold-open period, institutions can slow the reflexive backfill process. This will yield one-time salary savings, and more importantly, force units to innovate on work processes while without a staff person. This often leads leaders to realize they do not need to backfill the role at all, or should backfill the role differently to better reflect unit demands.

Implementation Components

Component #1: Establish Duration of Hold-Open Period

Leaders set a default hold period, typically between two and four months, that will apply to most non-faculty vacancies.

Component #2: Determine Exceptions to Hold-Open Policy

Leaders determine which, if any, positions or situations should be exempt from the hold-open period due to safety or efficiency concerns.

Practice Assessment

This practice holds the potential for significant short-term savings through avoided salary costs and has also proven to be one of the most effective ways to spur staffing innovation in units.

Intentionally Decelerating Vacancy Review

In a mandatory hold-open period, leaders intentionally hold non-faculty vacant positions open for a specified time period, usually two to four months. Once the period has elapsed, unit leaders can submit position requests, which will be considered and reviewed as normal. The concept is illustrated here.

There are a number of advantages to this approach outlined to the right. Most importantly, it forces unit leaders to pause and consider true staffing needs. Units must innovate on work processes while without a staff person. This often leads leaders to realize they do not need to backfill the role at all, or should backfill the role differently to better reflect unit demands.

Representative Vacancy Review with Hold Period

Position becomes vacant

Vacant position deliberately held open for specified period of time

Unit requests position backfill

Leadership reviews position

Decision made



Key Advantages of Mandated Hold-Open Period

- **Capture Immediate One-Time Savings**
Delaying review process by several months yields one-time salary savings
- **Batch Requests for Comparison and Prioritization**
Examining multiple vacancies at once allows business executive to compare relative merits of position requests and creates possibility of combining positions
- **Assess Impact of Vacancy on Unit Performance**
Extended hold-open period informs business executive how well unit accommodates workload without position and encourages unit leader to innovate to meet unit workload without position

1) Institution Holds All Vacancy Decisions for Specified Length of Time

Source: Business Affairs Forum interviews and analysis.

Comparing Institutions' Hold-Open Policies

Component #1: Establish Duration of Hold-Open Period

The first component of this practice is to establish the duration of the hold-open period. The hold-open policies for five institutions are listed here. While there is no universal right answer, most institutions have a hold-open period between two and four months.

A notable alternative to establishing a specific hold-open period is to limit the frequency of vacancy review. Rensselaer Polytechnic Institute reviews open positions once a quarter, which accomplishes both a de facto hold-open period and allows vacancy review leaders to batch and compare position requests.

Sample College and University Hold-Open Policies

Institution	Length of Hold-Open Period
Webster University Saint Louis, MO 19,372-student, private master's	2-3 months
The College of Saint Rose Albany, NY 5,309-student, private master's	3-4 months
University of Alaska Fairbanks Fairbanks, AK 9,137-student, public research	3 months
University of Virginia Charlottesville, VA 24,355-student, public research	6 months
Rensselaer Polytechnic Institute Troy, NY 6,901-student, private research	Vacancy review only occurs quarterly, creating natural hold period of up to 3 months

Carving Out Reasoned Exceptions to the Rule

Component #2: Determine Exceptions to Hold-Open Policy

The second component is to determine what, if any, exceptions the hold-open period should have. For some roles, leaders may want to waive the hold and consider requests immediately. Common examples include positions that impact campus safety or are highly specialized.

Conversely, there are some situations where leaders may wish to extend the hold period to capture further savings or capitalize on multiple vacancies as a chance for unit redesign. More detail on both types of exceptions is provided here.

Considerations for Waiving Hold Period



Impact on Campus Safety

Bypass hold-period for any position where vacancy could negatively impact campus safety, such as safety officer or nurse



Highly Specialized Skill Sets

Omit hold-period for positions with specialized skill sets that other employees can not fill



Positions with High Turnover and Low Wages

Avoid hold-periods on low-paid positions with high-turnover, such as custodial, that put chronic stress on unit and yield few savings

Considerations for Extending Hold Period



Financial Shortfalls

Lengthen hold-open period to meet one-time funding needs resulting from missed enrollment targets, budget-cut mandates, or investment towards major initiative



Further Anticipated Turnover

Try to examine multiple vacancies within a unit together for larger opportunity to restructure work or staffing



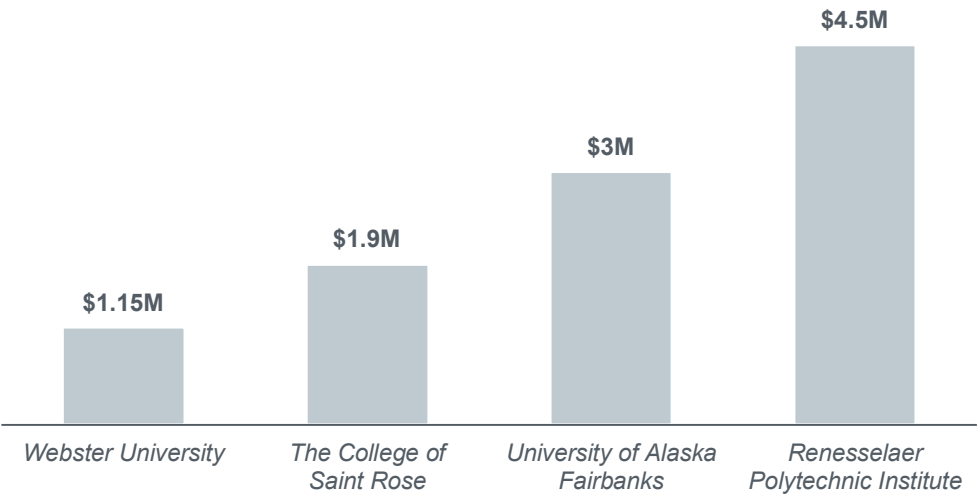
Inconclusive Position Review

Extend duration of vacancy if initial review after standard hold-open period is inconclusive and allow more time for redesign

Hold-Open Policies Yielding Significant Savings

Even considering only one-time salary costs, many institutions have achieved millions in savings by implementing a mandatory hold-open period. This chart shows annual hold-open salary savings at four institutions.

Annual Salary Savings from Hold-Open Period Realized at Select Institutions



Source: The College of Saint Rose, Albany, NY; Rensselaer Polytechnic Institute, Troy, NY; University of Alaska Fairbanks, Fairbanks, AK; Webster University, Saint. Louis, MO; Business Affairs Forum interviews and analysis.

Practice #7: Vacancy-Triggered Role Redesign

— Practice in Brief —

Institutions automatically place a hold on any “as-was” position request—a request to fill a position exactly as it was—and prompt unit leaders to consider ways to efficiently redesign the role, including automating, eliminating, or reassigning associated tasks.

Rationale

Too many institutions limit vacancy review to simply evaluating whether or not to backfill a vacant position. However, this misses a key opportunity for savings. Vacancy is by far the best time to redesign positions, as shifting or automating tasks is simpler with no incumbent staff. By requiring unit leaders to review work processes as part of filling vacant positions, institutions can often refocus positions on higher-value work or sufficiently streamline roles to allow for less expensive or part-time replacements.

Implementation Components

Component #1: Flag and Follow Up on All “As-Was” Position Requests

Institutions automatically place a hold on all “as-was” position requests and prompt unit managers to consider ways to improve or streamline the role.

Component #2: Provide Unit Leaders a Framework to Evaluate Tasks Associated with Vacated Role

Institutions equip unit leaders with a tool to guide role redesign and evaluate each task associated with a vacated role. Leaders gauge whether the task can be automated, eliminated, reassigned to another employee, or absorbed by another department.

Practice Assessment

This practice provides an effective forcing function to compel unit leaders to evaluate a vacant role’s tasks and responsibilities on their own, rather than taking the time and energy of the review committee.

Targeting Both Sides of the Equation

Too many institutions limit vacancy reviews to simply evaluating whether or not to backfill a vacant position. However, this misses a key opportunity for savings. Vacancy is by far the best time to redesign positions, as shifting or automating tasks is simpler with no incumbent staff. The goal of this practice is to address “both sides of the equation,” considering staffing options to fill the role as well as the tasks and responsibilities that make up the role. By asking unit leaders to review work processes as part of filling vacant positions, institutions can often refocus positions on higher-value work or sufficiently streamline roles to allow for less expensive or part-time replacements.

Institutions Also Evaluate Roles and Responsibilities of Vacant Positions

 Considering Staffing Options	 Rethinking Tasks and Responsibilities
<ul style="list-style-type: none">▪ Backfilling with full-time employee▪ Backfilling with part-time labor or student labor▪ Not backfilling at all	<ul style="list-style-type: none">▪ Redesigning or automating work processes▪ Shifting low-skill tasks to other positions or units▪ Eliminating noncritical tasks

Vacancy provides least disruptive occasion to redesign roles

1) Practice #3: Vacancy-Triggered Role Redesign

Source: Business Affairs Forum interviews and analysis.

Requiring Unit-Level Position Reform

Component #1: Flag and Follow Up on All “As-Was” Position Requests

The first component of Vacancy-Triggered Role Redesign is to flag and follow up on any “as-was” position requests, or requests to fill a position exactly as it was. Central administration automatically places all “as-was” position requests on hold and prompts units to redesign the role.

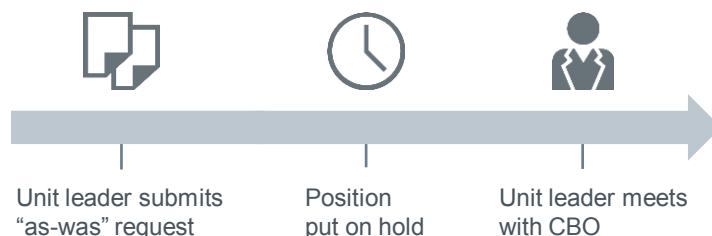
Clearly, as unit leaders best understand their current operations and inefficiencies, they must lead role redesign. There are two proven methods to spur this effort. Utilizing the “soft” option, managers making “as-was” requests at the University of Windsor must meet one-on-one with the Vice President of Planning and Administration to brainstorm possible role improvements.

Employing the “hard” approach, finance units at Texas State University automatically deny any “as-was” request and reabsorb position funding.

Each approach has advantages and disadvantages. While the soft approach requires some executive time, it provides unit managers support in role redesign, which may be a skill deficiency for some. The hard approach is more efficient, but employees may view it as excessively harsh. Institutions seeking to implement the hard approach are advised to use the soft method as an interim step.

“As-Was” Position Requests Not Considered

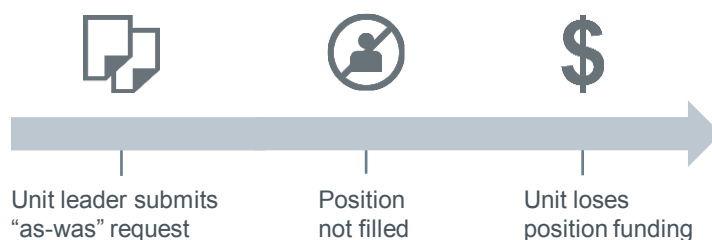
Option #1: Soft Position Reform Requirement



Case in Brief: University of Windsor

- 16,092-student, public research university located in Windsor, Ontario
- CBO uses meeting to jump-start discussion about how to re-engineer position
- Protracted process incents unit leaders to redesign positions, increasing unit productivity and efficiency

Option #2: Hard Position Reform Requirement



Case in Brief: Texas State University

- 30,803-student, public master's university located in San Marcos, Texas
- CBO redirects position funding towards strategic investments in other units
- Threat of losing funds incents unit leaders to proactively redesign positions, increasing unit productivity and efficiency

A Task-by-Task Assessment of Vacant Positions

Component #2: Provide Unit Leaders a Framework to Evaluate Tasks Associated with Vacated Role

The second component is to equip unit leaders with a framework for evaluating the tasks associated with a vacated role. While institutions should put the onus for role redesign on unit managers, they often need some guidance and direction to arrive at the best possible result.

At Glendale Community College, unit managers work with any employee planning to switch departments or leave the institution to document his or her tasks and responsibilities. Unit leaders (often working with their direct managers) decide whether to eliminate, automate, outsource, reallocate, or leave each task. This process determines how best to redesign the role, as well as if and how to backfill. A Media Services Coordinator example is shown here.

Task Breakdown of Media Services Coordinator

Task	Decision
Classroom Media Technical Support	To IT
Multimedia Installation Services	To IT
Special Project Audio & Video Production	To Marketing
Graphics Production	Outsource
On-Site Digital Photography	Eliminate
Local Faxing Services for Students	Eliminate
Library Circulation Support and Services	To Library
Student Circulating Laptop Support	To Library

Prior to vacating position, employee and unit leader document all tasks position is responsible for

Unit leader and CBO then redesign role by vetting each task against following options:

- Eliminate
- Automate
- Outsource
- Reallocate to other unit or employee
- No change



Case in Brief: Glendale Community College

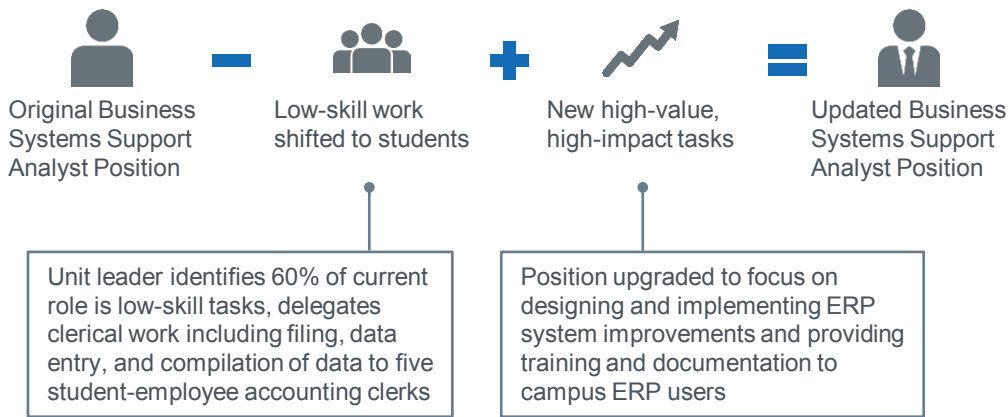
- 20,154-student, community college located in Glendale, Arizona
- Leadership broke down and reassigned tasks in order to avoid backfilling vacated Media Services Coordinator position, generating net savings of \$65K

Creating Capacity for Higher-Value Tasks

Automatically placing “as-was” position requests on hold heavily incentivizes unit leaders to rethink and redesign vacant roles. As an example, a unit leader at Texas State successfully redesigned a vacant business system support analyst role.

The manager identified several low-level tasks that consumed 60% of the position’s time. He delegated these tasks to student workers, then added higher-value tasks such as ERP¹ improvements and ERP training. The updated position was ultimately a more valuable role dedicated to critical work that previously did not have a clear owner. However, without such a strong incentive in place, the manager may not have taken the time necessary to redesign the role.

Vacant Position Redesigned at Texas State University



1) Enterprise resource planning.

Source: Texas State University, San Marcos, TX; Business Affairs Forum interviews and analysis.

Practice #8: Standardized Requisition Form

— Practice in Brief —

Institution requires all unit leaders to use a single, standardized requisition form for all vacant positions and job reclassifications. The goal is ensure central business leaders acquire all necessary information in a parallel, apples-to-apples format in order to fairly assess competing unit requests.

Rationale

Many institutions have a formal requisition process unit leaders follow when they need to create a new role or backfill an employee. However, it does not always capture all the necessary information and may not be used consistently across campus. As a result, vacancy review committees must rely on informal conversations and anecdotal evidence to assess a position request. By creating a standardized requisition form, institutions can more reliably gather the necessary information from unit leaders upfront to rigorously evaluate staffing requests.

Implementation Components

Component #1: Capture Historical Unit Staffing Trends

Form requires unit leaders to provide a snapshot of historical staffing trends on their unit so that vacancy review leaders can evaluate the current request versus staffing needs over time.

Component #2: Assess Position Impact on Strategic Goals

Form requires unit leaders to map the position request to an institutional strategic priority. The goal is to help unit leaders think beyond their own unit and consider the wider value and importance of the vacant position.

Component #3: Ensure Serious Consideration of Staffing Alternatives

Form requires unit leaders to confirm that they have thoroughly evaluated (and ruled out) all staffing alternatives before submitting a requisition.

Component #4: Use Question Types That Lead to Standardized Information

Administrators design the form with more check-the-box and fill-in-the-blank questions and fewer open text boxes. The goal is to standardize the information so that vacancy review leaders can more easily compare various requisitions.

Component #5: Evaluate Validity of Job Reclassification Requests

Unit must use the requisition form for all reclassification requests. The goal is to combat the misuse of job reclassifications simply to provide pay raises by compelling unit leaders to prove the role is sufficiently changing.

Practice Assessment

Because most institutions already use a requisition form of some kind, leaders can use the five components in this practice to dramatically improve their form without starting from scratch.

Getting the Right Information to Guide Decisions

Component #1: Capture Historical Unit Staffing Trends

The first component of building a standardized requisition form is to capture historical unit staffing trends. Alfred State College's Request to Search Position Form, excerpted here, requires unit leaders to provide data on the number of full-time employees in their unit over the previous four years. This allows vacancy review leaders to compare changes in unit staffing to unit workload, helping to determine if a position is truly needed as requested.

For a complete version of Alfred State College Request to Search Position Form, please see page 91.

Alfred State's Request to Search Position Form

11 Department Information:

Department Faculty / Staff FTE.....

* Department Student FTE.....

* Department Student / Faculty Ratio (SFR).

* SCH Generated / Faculty FTE.....

* Leave blank if non-academic department

Fall Semester

4 Yrs Ago	3 Yrs Ago	2 Yrs Ago	Previous Yr	Current Yr

Hiring managers provide data on number of full-time employees in unit over previous four years

In addition to staffing trend data, vacancy review leaders also examine changes in unit workload when determining whether to fill position

Source: Alfred State College, Alfred, NY; Business Affairs Forum interviews and analysis.

Aligning with Strategic Goals

Component #2: Assess Position Impact on Strategic Goals

The second component is to require unit leaders to assess position impact on the institution's strategic goals. This ensures leaders are thinking beyond their own unit and considering the wider value and importance of the vacant position.

As shown here, Illinois Institution of Technology requires leaders to identify which of the five institutional strategic goals or pillars the position addresses. Leaders must also explain their selection on the form. Requests with no link to strategic goals are flagged as potentially low-value positions not worth funding.

For a complete version of Illinois Institute of Technology Justification for Hire Form, please see page 93.

Illinois Institute of Technology's Justification for Hire Form

Justification Information(*required)

Please provide evidence-based justification and use measurable facts to determine the need for the position.

1. Identify which specific University-Wide Priorities from Strategic Plan this position addresses and provide a brief comment explaining how priorities are addressed*:

☐ Distinctively define the IIT graduate

☐ Increase the impact of IIT's research by focusing on interdisciplinary themes

☐ Promote innovation and excellence throughout the university

☐ Elevate engineering's reputation to international stature

☐ Improve the financial strength of the university

Evidence-based justification and use measurable facts:

Form requires hiring managers to justify how position will further any of five strategic priorities

Positions not convincingly impacting at least one of five goals not considered

Exhausting All Possible Alternatives

Component #3: Ensure Serious Consideration of Staffing Alternatives

The third component is to compel unit leaders to consider and rule out a host of staffing alternatives before hiring a full-time employee. Creighton University's position requisition form, previewed here, lists potential staffing alternatives, such as hiring part-time staff and outsourcing. Unit leaders must check each one attesting they considered and exhausted all options. This prompt ensures leaders perform their due diligence in considering staffing alternatives before submitting a request.

For a complete version of Creighton University Position Requisition Form, please see page 95.

Creighton University's Position Requisition Form

Have you reviewed and exhausted alternative staffing options?

- ☐ Eliminate the work or expand a current team member(s) role
- ☐ Considered hiring position at a lesser FTE, salary or classification
- ☐ Contract or outsource the work
- ☐ Defer filling the position
- ☐ Decentralized work and collaborated with University Shared Services but together opted not to centralize

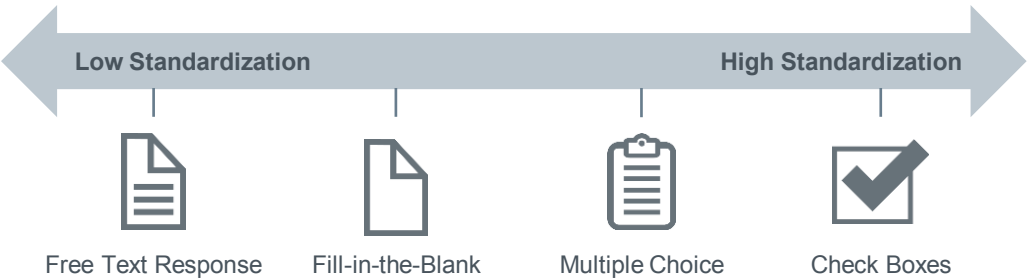
Prompting hiring managers to preemptively consider alternatives to backfilling reduces poorly thought out requests

Leading the Witness

Component #4: Use Question Types That Lead to Standardized Information

The fourth component is to heavily utilize question types that limit response options. This standardizes the information and allows for more apples-to-apples comparisons by vacancy review leaders. The most effective requisition forms rely most on check-box and multiple-choice questions, with limited free-response prompts.

Level of Answer Standardization by Question Type



Source: Business Affairs Forum interviews and analysis.

Ensuring Validity of Reclassification Requests

Component #5: Evaluate Validity of Job Reclassification Requests

The final component of Standardized Requisition Form is to utilize the same form to also evaluate the validity of job reclassification requests. Many unit leaders, particularly at public institutions, cannot give staff raises outside of prescribed salary bands. As a work-around, some leaders reclassify an employee in order to increase his or her salary, even though the job is not changing.

Institutions can combat these unnecessary reclassifications without creating an entirely new process simply by building reclassifications into the standardized requisition form.

For example, unit leaders at the University of North Florida requesting a job reclassification must complete the position requisition form to the right. They must also submit the original job description, the updated job description, and a new organization chart to prove the role is changing.

For a complete version of University of North Florida Request to Recruit on a Vacant Line Form, please see page 97.

University of North Florida’s Request to Recruit on a Vacant Line Form

If the request is for a position reclassification, provide an explanation of why the work must be performed by the requested class rather than the current classification.

If the request is for a managerial or supervisory position:

(a) Give the number of subordinates who report directly to the position:

(b) The position to which the subordinates report when the position is not filled:

(c) The number of other managers or supervisors in the division and the effect on their span of control if the position were to remain unfilled.

In addition to justifying reclassification, hiring managers submit original and updated job descriptions, as well as unit organizational chart

Form requires explanation of how reclassification would affect spans of control in unit

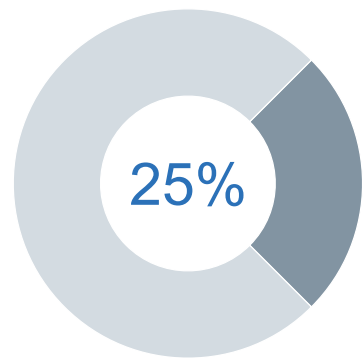
Source: University of North Florida, Jacksonville, FL; Business Affairs Forum interviews and analysis.

Creighton Identifies Efficiencies and Savings

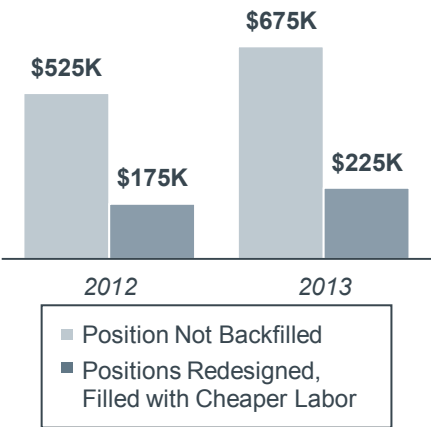
Utilizing a standardized form to increase the rigor of the vacancy review process can yield significant savings. Across 2012 and 2013, Creighton University avoided backfilling 25% of requested positions and saved \$1.6 million dollars in the Finance department alone. This includes savings from not backfilling some positions, as well as redesigning other positions and filling with lower-cost or part-time labor.

A secondary, but important, benefit of a standardized request form is indirect manager training. Over time, managers learn to more proactively seek opportunities for alternative labor and role redesign.

Approximate Percentage of Vacant Positions in Finance Not Backfilled



Savings from Position Control in University Finance Functions



Case in Brief: Creighton University

- 7,385-student, private master’s university located in Omaha, Nebraska
- Rigorous vacancy review process combined with supporting organizational redesign and process improvements has yielded \$1.6M in net savings over past two years

Source: Creighton University, Omaha, NE; Business Affairs Forum interviews and analysis.

Alfred State College Request to Search Position Form

STATE UNIVERSITY OF NEW YORK
COLLEGE OF TECHNOLOGY AT ALFRED
ALFRED, NEW YORK

REQUEST TO SEARCH POSITION

This form is to be used to request approval to search positions, both permanent and temporary, new or replacement. The form must be completed **before** recruiting for the position.

POSITION INFORMATION / JUSTIFICATION (To be completed by department)

1 Department Name	_____
2 Position Characteristics ("x" one).....	_____ New position (new FTE line) _____ Replacement position
3 If a Replacement Request: Replacement for..... Incumbent Salary.....	_____ _____
4 Position Title Local Title..... SUNY Title	_____ _____ Salary Grade _____
5 Date Position Vacant.....	_____
6 Budget Information Funding Source ("x" one).....	_____ State Line _____ Other (indicate where below):
Current Budget Allocation..... Account Number..... Line Number	_____ _____ _____
	Confirmed by controller Initial _____ Date _____
7 Recommended Salary Range.....	_____
8 Anticipated Start Date.....	_____
9 Department Salary Average for rank requested.....	_____
10 Academic Program(s) affected (curr #)...	_____

Alfred State College Request to Search Position Form (cont.)

11 Department Information:

Department Faculty / Staff FTE.....

* Department Student FTE.....

* Department Student / Faculty Ratio (SFR).

* SCH Generated / Faculty FTE.....

Fall Semester

4 Yrs Ago	3 Yrs Ago	2 Yrs Ago	Previous Yr	Current Yr

* Leave blank if non-academic department

12 Position Justification (include ties to the campus strategic plan):

13 Approvals:

Approved

Not Approved

Date

Department Chair / Supervisor:

Signature.....

Dean (if applicable):

Signature.....

Divisional Vice President:

Signature.....

Executive Vice President:

Reviewed for Accuracy & Completeness

Signature

Date

Presidents' Council:

Illinois Institute of Technology

Justification for Hire Form

Justification for Hire

ILLINOIS INSTITUTE
OF TECHNOLOGY

Position Information

(*required)

Working Title*		Department*		Date	
Hiring Manager*		Title	Department	Ext.	Email
Submitted by*		Title	Department	Ext.	Email
New Position	<input type="checkbox"/>	If Grant Funded, is E-verified Needed		Existing Position	Position Number*
Target Date for Posting*	Type	Date when Position will be vacated			
Proposed Salary*	Incumbent	Current Salary			
HR Salary Recommendation	Proposed Salary				

Budget Information

(*required)

Current Position Funding/FOAP(s): <i>If more than 3 FOAPs are needed, please note that below.</i>					
FOAP* 1: Fund	Org	Account	Program	% Allocation	\$
FOAP 2: Fund	Org	Account	Program	% Allocation	\$
FOAP 3: Fund	Org	Account	Program	% Allocation	\$
Are Funding/FOAP(s) Changes Proposed*? <input type="radio"/> No <input checked="" type="radio"/> Yes (Please indicate new FOAP(s) below:					
FOAP 1: Fund	Org	Account	Program	% Allocation	\$
FOAP 2: Fund	Org	Account	Program	% Allocation	\$
FOAP 3: Fund	Org	Account	Program	% Allocation	\$
Is Additional Funding Required? <input type="radio"/> No <input type="radio"/> Yes (Please Attached Budget Change Form)					
Funding Comments:					

Justification Information

(*required)

Please provide evidence-based justification and use measurable facts to determine the need for the position.

1. Identify which specific University-Wide Priorities from Strategic Plan this position addresses and provide a brief comment explaining how priorities are addressed*:

- ☐ Distinctively define the IIT graduate
- ☐ Increase the impact of IIT's research by focusing on interdisciplinary themes
- ☐ Promote innovation and excellence throughout the university
- ☐ Elevate engineering's reputation to international stature
- ☐ Improve the financial strength of the university

Evidence-based justification and use measurable facts:

--

Illinois Institute of Technology

Justification for Hire Form (cont.)

Justification Information Cont.

2. If this position provides administrative support, please explain need*:

3. How does this position address student engagement and student satisfaction*?

4. If this new posting constitutes a promotion of the position or a change in duties, please identify those changes:

5. What other relevant information do you wish to provide in support of the need for this position?

Attachments:

☐ Updated Job Description Submitted via PeopleAdmin

☐ Budget Change Form

Approvals

Hiring Manager	Date	Approved	Rejected
		<input type="checkbox"/>	<input type="checkbox"/>
Budget Office	Date		
		<input type="checkbox"/>	<input type="checkbox"/>
Dean/Vice President	Date		
		<input type="checkbox"/>	<input type="checkbox"/>
Provost/VP, F&A	Date		

Creighton University Position Requisition Form

CREIGHTON UNIVERSITY POSITION REQUISITION FORM

POSITION TITLE : _____

DEPARTMENT (Please include home org #) : _____

NEW POSITION

Is this position:

☐ Full-time **OR** ☐ Part-time _____ Hrs. per year **OR** ☐ Temporary _____ Hrs. per week/End date _____
(2080 Hrs. per year)

Estimated Hourly Rate/Annual Salary _____

Position tasks are currently being performed by:

- ☐ Position tasks are not being performed at all.
☐ Position tasks are being temporarily performed/ shared by other employees in the unit.

EXISTING REPLACEMENT POSITION

Is this position:

☐ Full-time **OR** ☐ Part-time _____ Hrs. per year **OR** ☐ Temporary _____ Hrs. per week/End date _____
(2080 Hrs. per year)

Estimated Hourly Rate/Annual Salary _____

Is this position vacant? ☐ NO ☐ YES, it has been vacant for _____ months (or _____ years)

Name of employee this position is replacing _____

Grant and Funding Information

Is this position:

Grant Funded ☐ Yes **OR** ☐ No

Budget/Costing and Funding Information: Fund: _____ Org: _____

TO BE FILLED OUT FOR BOTH NEW AND EXISTING POSITION:

Are there any department / unit reductions in costs or increases in revenues to offset this expense? Where will funding come from within the department?

Have you reviewed and exhausted alternative staffing options?

- ☐ Eliminate the work or expand a current team member(s) role
☐ Considered hiring position at a lesser FTE, salary or classification
☐ Contract or outsource the work
☐ Defer filling the position
☐ Decentralized work and collaborated with University Shared Services but together opted not to centralize

Creighton University Position Requisition Form (cont.)

Provide an explanation for the position (including reason it cannot be filled by a contract):

Negative Impact:

What is the impact of not filling this position? Are there projects or priorities which will be impacted? If so, explain dependencies or interdependencies?

Authorization:

Hiring Manager: _____

Date: _____

Human Resources: _____

Date: _____

Vice-President: _____

Date: _____

University of North Florida

Request to Recruit on a Vacant Line Form

OFFICE OF HUMAN RESOURCES REQUEST TO RECRUIT ON A VACANT LINE

A department or unit wishing to recruit for a position on a vacant line should provide the information asked for below. After completing the form and receiving vice presidential approval for the request, the department/unit should **submit the form to the Human Resources designee no later than Tuesday of the week preceding the Review Committee Meeting**. Human Resources will need to verify the form has been fully completed. Once this is done, the Vacancy Pool Review Committee will consider the request at their next regularly scheduled meeting.

Title of positions being reviewed:	Position #:	Dept. Org:
Division:	Contact Name:	Ext:
Administration and Finance		
Department/Unit Submitting Request:	Contact Email Address:	

A. Service Level Information

Provide a description of the services provided by the position, (attach **original** proposed position description with **appropriate signatures**), and a statement of whether or not the position is the only provider of a specific service provided by the position.

--

Provide an assessment of the effect on the department's operations if the position were not allocated and filled, including any quantitative impact on internal and external customer service levels and an assessment of the impact of discontinuing the work altogether.

--

Provide a description of any changes in workload (increase or decrease) in the past 12 months that would affect the need for this position.

--

Provide a description of any other changes, such as increased automation, increased regulation or reporting requirements that have impacted this activity in the past 12 months.

--

University of North Florida

Request to Recruit on a Vacant Line Form (cont.)

B. Organizational Information

Provide an explanation of how any federal, state, or local law mandates are related to the services provided by this position.

List any particular licensure or certification which would be required in this position and which is not commonly found among other positions within the unit.

Provide the number of positions in this classification currently authorized in the department (attach departmental organizational chart.) **Please include position numbers.**

Describe any staff reductions the department has sustained in the last two fiscal years.

Describe the department's efforts to accomplish this work via other positions or contract.

If the request is for a position reclassification, provide an explanation of why the work must be performed by the requested class rather than the current classification.

If the request is for a managerial or supervisory position:

(a) Give the number of subordinates who report directly to the position:

(b) The position to which the subordinates report when the position is not filled:

(c) The number of other managers or supervisors in the division and the effect on their span of control if the position were to remain unfilled.

University of North Florida

Request to Recruit on a Vacant Line Form (cont.)

C. Budgetary Information

Provide a statement regarding the department's ability to fund the position for the balance of the current and next fiscal year.

For auxiliary units or other positions where this question would apply (e.g. development officers), provide a statement of how much revenue the position would generate.

Provide a statement regarding the department's ability to provide adequate space and other resources for the position.

Department Head

Date

Dean (If applicable)

Date

Vice President

Date

REVIEW PROCESS

Human Resources

☐ Approved ☐ Denied

Date

Budget Office

☐ Approved ☐ Denied

Date

COMMITTEE DECISION

Vacancy Pool

☐ Approved ☐ Denied

Date

Department submissions will be reviewed by the Office of Human Resources and the Budget Office for completeness and further analysis as necessary before they are forwarded to the Committee. The department must respond fully to all questions. No request will be forwarded to the Committee until all questions have been adequately answered.

Print Form

Reset Form

Page 3 of 4

Office of Human Resources - Revised: 09/16/2011

University of North Florida's Request to Recruit on a Vacant Line Form (cont.)

VACANCY POOL FLOW

1. Departments forward request to Vice President's office for approval. Form needs to include any supporting documentation. (E.g. copy of position description showing change to position, terminating PAF/resignation letter) and organization chart. **Please include position numbers for each position on the chart.**
2. Request forwarded to HR for approval before the **end of business on Tuesday of the week preceding the committee meeting.**
3. HR forwards request to Budget Office for review. Budget Office forwards recommendations to Vacancy Pool committee by noon **Thursday the week preceding the committee meeting**
4. Vacancy Pool Committee meets at 9 a.m. on Monday mornings.
5. Budget Office will send approval/disapproval via email to department/units submitting request with copies to:
 - a. Appropriate VP of Division/designee.
 - b. Human Resources
 - c. Equal Opportunity and Diversity
6. Budget office will scan copies and place them in its data base.
7. Originals will be returned to the requesting VP's office.
8. **Please have Human Resources sign the Position Description before you send the recruitment request to the Vacancy Pool. The Vacancy Pool does not approve the Position Description. The Position Description has to be signed by HR before recruitment can begin.**

PLEASE NOTE: If a vacant position has initially been approved by the Vacancy Pool Committee, and the newly hired employee vacates the position within the first ninety (90) days of employment, the position will not have to be reviewed again by the Vacancy Pool Committee before the position is re-filled. The options for filling the position are:

- Select the second candidate of choice (or another appropriate candidate from the initial recruitment and interview pool)
- Fill the position through a Departmental Promotion
- Re-post the position on OASys

PLEASE ALSO NOTE: If the position is re-posted, please add the letter R after the position number on OASys (Example: position number 30001R)

Practice #9: Vacancy Savings Target

— Practice in Brief —

Institutions set a specific dollar target to save in the vacancy review process, which is achieved through a combination of holding positions open a set amount of time, redesigning roles, and eliminating some unnecessary positions.

Rationale

Without a clear goal of what the vacancy review is expected to achieve, vacancy review leaders may struggle to develop a standard for how rigorously to evaluate position requests. Setting a concrete target helps establish a bar to measure positions against. It also ensures leaders evaluate all positions in the context of a broader institutional goal, rather than viewing each in isolation.

Implementation Components

Component #1: Set Specific Savings Target to Achieve Through Vacancy Review

Business executives set a clear dollar target for how much money the vacancy review process should save the institution in a given year.

Practice Assessment

Setting a concrete savings target will help ground and focus vacancy review conversations. This practice is especially beneficial to institutions with large vacancy review committees, where it can help drive quicker decisions.

Tangible Goal Grounds Vacancy Review

Component #1: Set Specific Savings Target to Achieve Through Vacancy Review

Vacancy Savings Target has a single component—set a specific dollar target the institution should save through vacancy review. There are a number of advantages to this approach, listed to the right. Most importantly, setting a vacancy target increases institutional savings, providing a concrete target for leaders to strive for.

In 2013, the Illinois Institute of Technology (IIT) set a vacancy savings target of \$1.5 million. This figure represented approximately 4% of their non-faculty salary budget. After successfully hitting their 2013 target, IIT set a more aggressive target of \$2 million for 2014.

“If You Don’t Know Where You’re Going, You’ll End Up Someplace Else”¹



IIT Vacancy Review Savings Target

\$1.5M Savings target for vacancy review process in 2013

4% Savings target as percentage of IIT’s non-faculty salary budget

Key Advantages of Setting a Vacancy Savings Target

- ✓ **Maximizes Savings Potential**
Induces more thorough scrutiny of positions to achieve target
- ✓ **Forces Prioritization**
Prompts development of rigorous standard to compare competing requests
- ✓ **Provides Alternative to Across-the-Board Cuts**
Enables Central Admin to recoup needed savings through targeted position elimination
- ✓ **Offers Political Safeguard**
Equips vacancy review leaders with justification to make strategically sound but potentially unpopular staffing decisions



Case in Brief: Illinois Institute of Technology

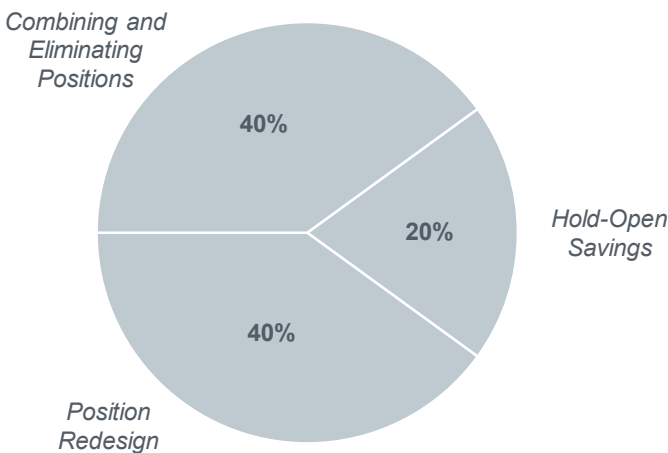
- 7,707-student, private research university located in Chicago, Illinois
- Leadership sets specific dollar target for how much money to save through vacancy review each year

1) Yogi Berra.

Pulling All Levers to Realize Target

IIT achieved \$1.5 million in savings using the three ways outlined in this chart—holding positions open a set amount of time, redesigning roles, and eliminating some unnecessary positions.

Breakdown of IIT Vacancy Savings by Source



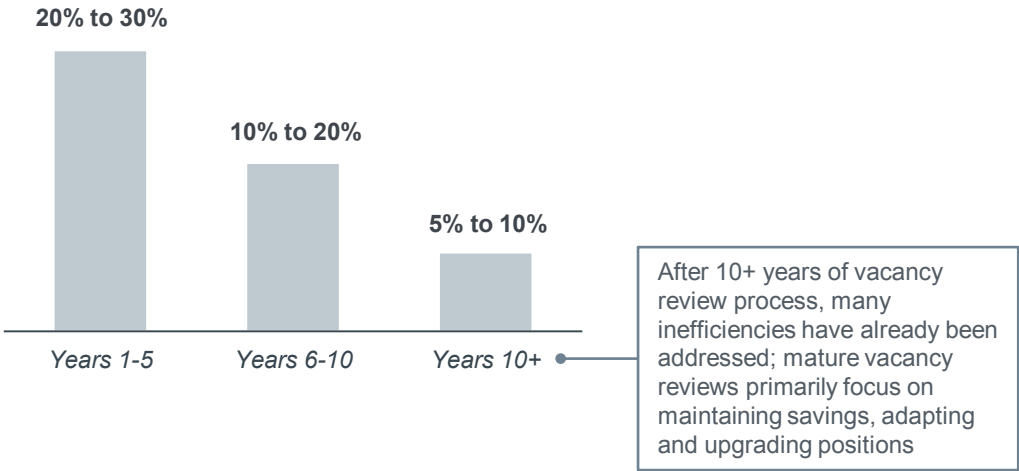
Source: Illinois Institute of Technology, Chicago, IL; Business Affairs Forum interviews and analyses.

Considerations for Picking an Appropriate Target

As institutions consider where to set their own savings target, leaders should keep in mind that the number of vacant positions they can eliminate will decline over time. The review process should identify and eliminate inefficiencies faster than they are created. The graph shown here illustrates the typical range by vacancy review maturity.

Conversely, savings from holding positions open for a set period of time will clearly remain consistent as a percentage of salary budget, so long as the hold-open period remains the same. Likewise, savings from redesigning and filling roles differently should also not decline, as there will always be an ongoing need to update and refresh positions.

Observed Percentage of Vacancies Institutions Can Avoid Backfilling as Vacancy Review Process Matures



Source: Business Affairs Forum interviews and analysis.



Section III

Incenting Local Leaders to Find Sustainable Labor Savings

Practice #10: Savings Gain Sharing

Practice #11: Savings-Driven Performance Pay

Practice #12: Managed Competition

The Infamous “Use It or Lose It” Mentality

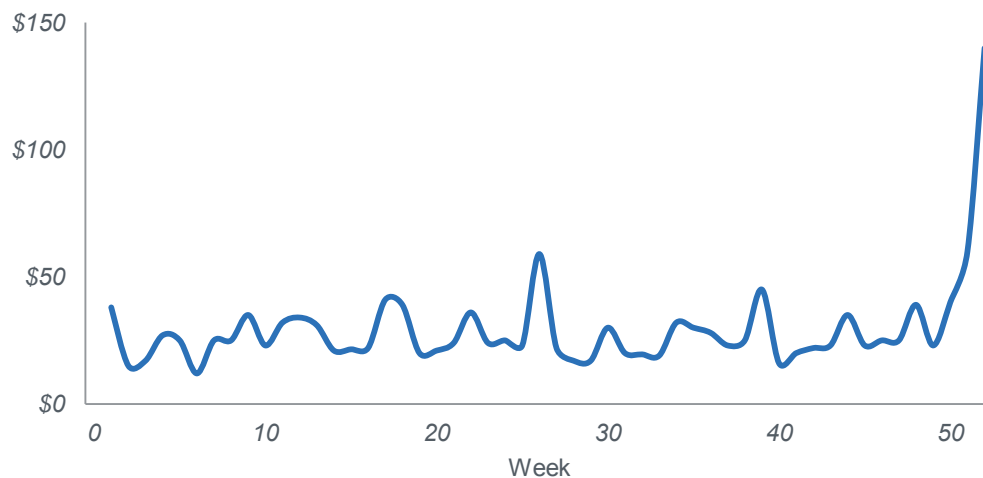
One of the most powerful cost savings strategies business executives can pursue is incentivizing their unit leaders to find local solutions. With the proper incentives, institutions can spur unit leaders to actively seek out labor savings in their unit, rather than simply managing to budget or waiting for top-down savings directives. In fact, some of the most effective tactics for controlling labor costs are often unit-specific and must come from individual unit leaders who best understand existing processes and inefficiencies.

Unfortunately, many institutions observe the polar opposite of this desired behavior from their unit leaders. Too often, units spend down the balance of their budget at the end of the year to avoid losing funds or next-year budget reductions. This “use it or lose it” phenomenon is illustrated in the graph shown here, which highlights spending data across government agencies.

In the context of labor spend, this problem manifests as hoarding faculty and staff lines. Many units intentionally retain unnecessary staff in order to stockpile resources to painlessly eliminate if budgets are cut.

Unit Leaders Compelled to Spend Every Last Dollar

US Federal Government Spending (in Billions) by Week, 2010 to 2012 Aggregate



“

“In this model, highly effective managers who run lean operations are forced to cut muscle while less effective managers simply trim fat. This leads to a culture where people unnecessarily hoard resources so that they have something to give back when asked.”

Bain & Company
“The Financially Sustainable University”

Not Tapping the Best Savings Opportunities

In addition to wasteful spending, a less obvious problem with misaligned unit-leader incentives is that institutions miss the best savings opportunities. This timeline highlights a number of sample labor savings tactics institutions could implement. Each tactic requires some time to launch and realize savings. So, if unit leaders simply wait on budgets and fail to proactively seek savings, they miss opportunities to enact more effective and sustainable strategies. Instead, they are left with only suboptimal, drastic measures such as reducing headcount or services.

To reverse this dynamic and spur unit leaders to actively seek labor savings throughout the year, this final section details three best practices to properly align budget and leader incentives.

Units Not Incented to Gradually Improve, Left with Only Drastic Measures

Labor Savings Opportunities Across Budget Cycle

Beginning of the Year			End of Budget Season
✓ Cross-train staff across similar units	✓ Shift schedules to reduce overtime	✓ Eliminate select vacant positions	× Reduce headcount
✓ Redesign and combine vacant positions	✓ Convert applicable roles to part-time	✓ Use students as substitutes for low-skill positions	× Eliminate services
			Drastic measures that could have been prevented by earlier action

Source: Business Affairs Forum interviews and analysis.

Practice #10: Savings Gain Sharing

— Practice in Brief —

Central finance allows units to retain a specified percentage of their budget surplus. The goal is to incentivize unit leaders to identify cost saving opportunities, allowing the institution to build a reserve for larger institutional strategic priorities.

Rationale

Too many institutions manage unit budget surpluses in ways that do not encourage units to reduce costs. “Use it or lose it” policies, where central reclaims all surplus funds, encourage excessive year-end unit spending. Conversely, carry-forward policies, where units retain all surplus funds, encourage units to save but provide no benefit to the center. By sharing a portion of budget surpluses with the unit, institutions can incent unit leaders to find cost savings while still pulling needed resources back to the center.

Implementation Options

Option #1: Set Fixed Percentage of Budget Surplus Retained by Unit

Central finance sets a specific percentage of budget surpluses each unit will retain. The key is to choose a percentage that both incentivizes unit leaders to pursue saving opportunities while still providing central administration needed resources.

Option #2: Establish Unit-Specific Savings Target That Triggers Gain Sharing Funding

Central finance establishes a unique savings target for each unit. Finance reclaims all saved dollars up to this target, while savings beyond the target are split via more typical gain sharing.

Practice Assessment

Option #1 is the most commonly used approach, but Option #2 prescriptively ensures the institution achieves a specific savings target and has the potential to yield more significant savings.

Sharing the Wealth

Option #1: Set Fixed Percentage of Budget Surplus Retained by Unit

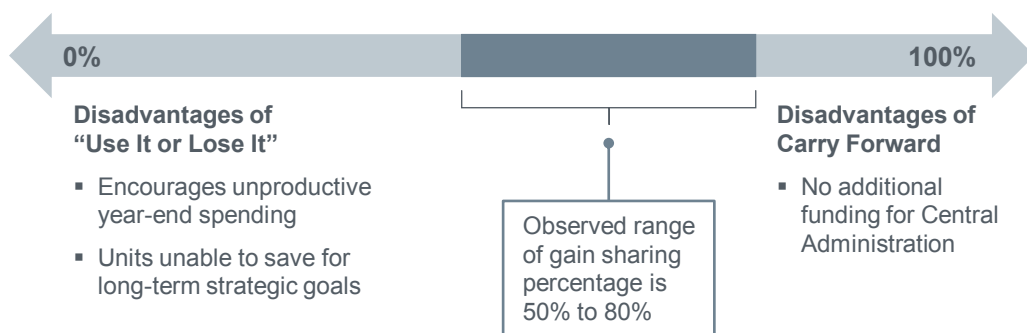
The first option for effective gain sharing is to establish a fixed percentage of budget surpluses each unit will retain. Many institutions use this approach in both administrative and academic units. The key is establishing a gain sharing percentage that incentivizes unit leaders to pursue saving opportunities while still providing central administration needed resources.

Allowing units to retain all or none of their own budget surplus creates perverse incentives. Use-it-or-lose-it policies, where central reclaims all surplus funds, encourage excessive year-end unit spending. Conversely, carry-forward policies, where units retain all surplus funds, encourage units to save but provide no benefit to the center. By sharing a portion of budget surpluses with the unit, institutions can incent unit leaders to find cost savings while still pulling needed resources back to the center.

The most successful gain sharing programs typically have percentages between 50% and 80%. 50% is an important psychological marker for unit leaders, who often need to retain a majority of savings to buy into the process. On the other hand, institutions report that percentages above 80% leave the center with too little additional funding.

Finding a Middle Ground Between “Use It Or Lose It” and Carry Forward

Percentage of Budget Surpluses Retained by Unit



Stipulations on Gain-Sharing Monies

- Most institutions apply deadlines and restrictions for when and how units use surplus funds
- Some institutions require units to submit concrete business plans with long-term strategies before providing access to funds

Ensuring Necessary Savings for the Center

Option #2: Establish Unit-Specific Savings Target That Triggers Gain Sharing Funding

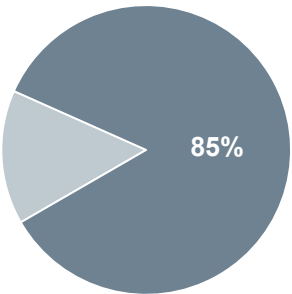
The second option is to establish a unique savings target that each unit must hit before gain sharing begins. Overall, this is a more prescriptive approach, as the center can dictate the funds it needs in advance rather than waiting to see how much units save.

At the University of Guelph, central administration establishes a savings target for each unit and reclaims 100% of those dollars. To counterbalance those funds flowing exclusively to the center, units retain a generous 85% of any savings achieved beyond the predetermined target, and the center reclaims the remaining 15%. University leaders report that the 85% gain sharing split is an attractive enough incentive that most units achieve their initial target in order to trigger the generous gain-sharing split beyond that.

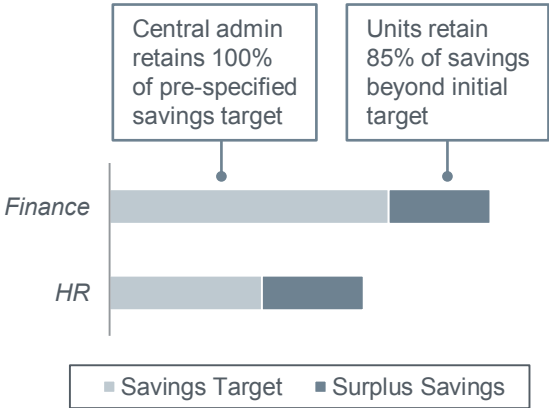
University of Guelph leaders are also particularly careful to set realistic targets that units can achieve, as unit leaders will not buy into the program if they do not believe they can ever trigger gain sharing.

Guelph's Gain-Sharing Rate Only Applies After Specified Savings Target

Guelph Unit Gain-Sharing Rate



Sample Unit End-of-Year Budget Savings



Case in Brief: University of Guelph

- 21,915-student, public research university located in Guelph, Ontario, Canada
- Central administration sets a savings target units must achieve over a specified time frame, and units are allowed to retain 85% of any surplus funds above this initial savings goal

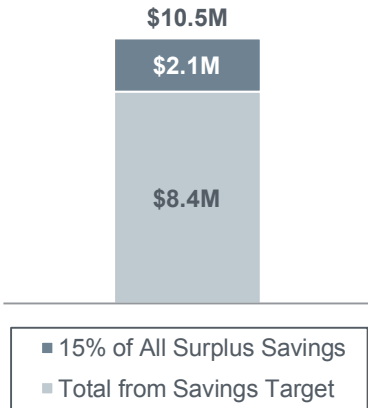
Meaningful Savings and Strategic Reinvestment

The University of Guelph’s gain sharing approach has yielded significant savings. Across the past five years, the program has saved the university \$10.5 million—\$8.4 million from the unit-specific savings targets and \$2.1 million from the 15% of gain sharing that the center retains. University leaders report that this model has generated more savings for both central administration and units than the traditional 70%/30% split they used before.

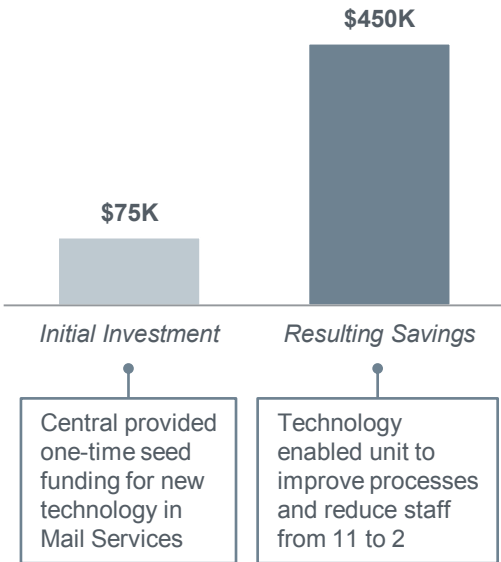
Beyond direct savings, this model has also allowed the institution to provide seed funding for other savings initiatives. For example, central funded a technology upgrade in mail services, leading to an additional \$450,000 in labor savings.

Results from University of Guelph’s Gain-Sharing Program

Total Central Savings Over Five Years



Sample Reinvestment from Central Fund and Resulting Savings



Source: University of Guelph, Guelph, Ontario, Canada; Business Affairs Forum interviews and analysis.

Practice #11: Savings-Driven Performance Pay

— Practice in Brief —

Institutions link a portion of each administrative unit leader's personal compensation to a unit-specific budget savings goal, either through annual merit increases or bonus payouts.

Rationale

Too many institutions simply set annual budgets and allow units to manage against them, with no incentive for unit leaders to find additional savings. Even institutions with unit-specific savings targets often miss an opportunity to personally motivate individual leaders to hit their goal. Linking a portion of a leader's individual pay—either their annual merit increase or bonus—personally engages each leader in helping their unit achieve savings.

Implementation Options

Option #1: Tie Leader Merit Pay to Budget Savings Goal

Institutions incorporate a unit-specific budget savings target into each administrative unit leader's performance evaluation and tie a meaningful portion of merit pay to performance on the goal.

Option #2: Link Leader Incentive Plan to Budget Savings Goal

Institutions provide an end-of-year bonus program to administrative unit leaders, with potential payouts based on a budget savings goal and one to two other unit-specific goals.

Practice Assessment

Institutions that do not already have a sophisticated performance evaluation and merit pay system are encouraged to use Option #2 for now and improve performance management as a long-term goal.

Linking Unit Savings to Leaders' Take-Home Pay

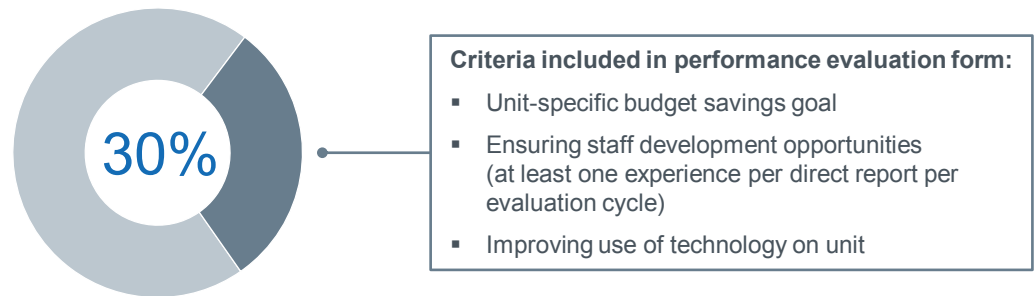
Option #1: Tie Leader Merit Pay to Budget Savings Goal

There are two options for implementing Savings-Driven Performance Pay to personally incentivize administrative unit leaders to find unit savings. The first option is to tie leader merit pay to a specific budget savings goal.

Russo College¹ ties 30% of leader performance evaluations to a unit-specific budget savings goal, as well as high-priority business process improvements such as enhancing use of technology. The leader's overall performance rating determines his or her merit increase. A top rating of five ("Exceptional") corresponds to the maximum merit increase of 4%, while a rating of one ("Needs Improvement") yields no merit increase for the leader.

Russo College¹ Bases Leader Evaluations, Merit Pay on Performance Metrics

Percentage of Unit Leader Performance Evaluation Tied to Budget Savings Goal and Business Process Improvements



Differentiated Leader Merit Pay by Evaluation Score

Rating	Performance	Merit Increase
5	Exceptional	4%
4	Exceeds Expectations	3.5%
3	Meets Expectations	2.5%
2	Nearly Meets Expectations	0.5%
1	Needs Improvement	0%



Case in Brief: Russo College¹

- Large public master's university located in Southeast
- Unit leader merit increases tied to specific goals for improving efficiency and finding savings

1) Pseudonym.

Source: Business Affairs Forum interviews and analysis.

All-or-Nothing Bonus Tied to Budget Goal

Option #2: Link Leader Incentive Plan to Budget Savings Goal

The second option is to offer administrative unit leaders an end-of-year bonus payment based heavily on a unit-specific savings target. As an example, Cole University¹ created an incentive plan based on three separate goals—two unit goals and one institutional goal. The first goal is to meet a unit-specific budget savings target, usually between 2% to 5% under budget. If a unit hits all three goals, the leader earns a bonus equal to 10% of his or her base pay. However, the incentive plan is all or nothing. If the unit misses even one goal, the leader receives no bonus.

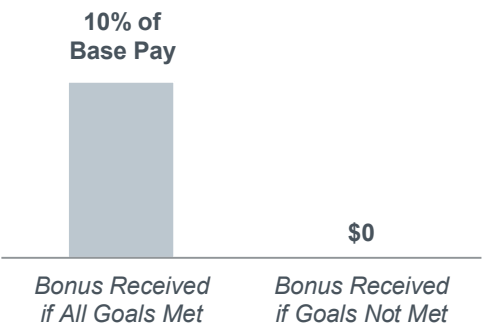
Importantly, Cole includes enrollment targets as the third goal in all administrative unit leaders' bonus plans. Clearly, most unit leaders are unable to directly impact this goal. Instead, it serves as a “financial trigger,” ensuring the institution only pays bonuses when it has sufficient funds. If Cole misses its enrollment targets, no unit leader would qualify for a bonus.

Cole University¹ Incorporates Cost Goal in Leader Bonus

University Performance Goals for Annual Leader Bonus

Goal	Capsule Description
Budget and Costs	Unit-specific goal encouraging budget management and cost savings; goals range from 2% to 5% under budget, depending on unit and past performance
Unit-Specific Strategy	Custom goal aimed at improving service and performance quality; examples include reducing processing or wait time in IT and reducing institutional turnover in HR
Enrollment	University-wide target that must be met to ensure sufficient funds are available for providing bonus payouts

Annual Leader Bonus Amount



Case in Brief: Cole University¹

- Small private baccalaureate university located in the Northeast
- VPs and unit leaders eligible for end-of-year bonus if they meet three university and unit-specific goals

1) Pseudonym.

Source: Business Affairs Forum interviews and analysis.

Executive Guidelines for Compensation Changes

Whether institutions pursue merit pay, bonuses, or a combination of both, changing compensation plans can be both technically and politically challenging. Details of key compensation guidelines that help ensure performance pay effectively incents desired behavior change are listed here.

- ❑ **Stagger rollout of leader compensation changes.** Announce all changes in advance but “go live” with modifications gradually and incrementally. This allows additional time for communication and education, decreasing likelihood of resistance. Shadow compensation, where employees see their compensation under new model while still receiving pay under old model, is highly recommended.
- ❑ **Pilot new compensation by level, not department.** Piloting compensation changes is recommended as part of gradual rollout. However, compensation changes must be viewed as equitable across divisions and departments to avoid political backlash. Therefore, compensation pilots should occur across particular titles or levels, ideally starting with most senior roles and moving down over time.
- ❑ **Establish leader bonus as privilege, not right.** Institutions should ensure leaders do not view any bonus payments as guaranteed money, or the program will fail to incent desired behavior change. Compensation experts recommend setting targets so that approximately 50% of leaders typically receive all-or-nothing bonuses, or approximately 20% of leaders receive maximum payout for graduated bonuses.
- ❑ **Tie leader performance pay to “self-funding” financial goal.** Bonus payouts should be tied to or triggered by at least one institutional financial goal, such as enrollment or budget. This ensures the institution will only pay out bonuses if funds are available.

Practice #12: Managed Competition

— Practice in Brief —

Institutions request formal RFPs to outsource services and then allow internal unit leaders to compete against external bids by proposing efficiency improvements and cost savings they could make on their own.

Rationale

By soliciting proposals to outsource units or subunits and equipping unit leaders with a point of comparison for processes and operations, business executives can build a sense of competition that incentivizes unit leaders to improve services and costs.

Implementation Options

Option #1: Solicit External Bids for Entire Unit

Central business leaders solicit bids to outsource an entire unit. Unit leaders have the opportunity to prove they can achieve the externally-proposed improvements. If they cannot, the unit is outsourced.

Option #2: Solicit External Bids for Functional Subunits

Central business leaders solicit bids for functional subunits. The goal is to allow subunits to compete on their own merits without being unfairly buoyed or dragged down by other subunits.

Practice Assessment

Business executives should only utilize managed competition with units they are genuinely willing to outsource. This practice will be ineffective if units believe the potential for outsourcing is an idle threat.

Providing External Motivation

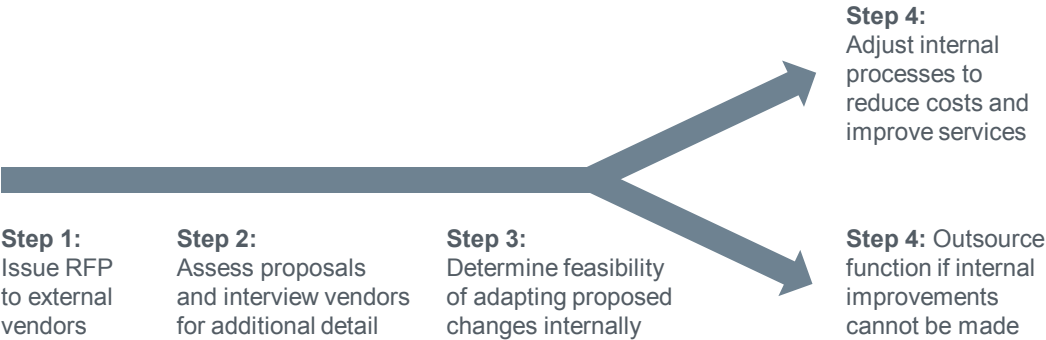
In Managed Competition, institutions use external vendors and the potential for outsourcing to drive internal improvement. The concept is outlined here.

First, institutions issue an RFP to external vendors. Second, they evaluate proposals to understand what improvements vendors would make and how staffing structures would change. Third, institutions determine if they can achieve similar cost savings by giving units an opportunity to compete against the external bid. If units can make the same or greater improvements, the function stays in-house. If not, it is outsourced.

Importantly, business executives should only utilize managed competition with units they are genuinely willing to outsource. This practice will be ineffective if units believe the potential for outsourcing is an idle threat.

Third-Party Vendor Comparisons Can Spur Internal Improvements

Representative Managed Competition Process



Key Advantages of Managed Competition

- Learning industry best practices
- Spurring units to innovate by creating direct competition
- Benchmarking against peer institutions

Source: Business Affairs Forum interviews and analysis.

Vendor Proposals Drive Efficiencies in Custodial

Option #1: Solicit External Bids for Entire Unit

There are two options for pursuing managed competition. The first option is to solicit bids from vendors to outsource an entire unit. Once business executives have gathered and evaluated the proposals, they provide unit leaders the opportunity to demonstrate they can achieve the same improvements.

Creighton University utilized managed competition with their custodial services unit. Vendor-suggested improvements largely centered on the three changes listed to the right. However, custodial leaders proved they could implement the vast majority of recommendations on their own. Therefore, Creighton opted not to outsource, and unit-led efficiency improvements resulted in the elimination of 13 positions (through attrition) and \$250,000 in annual salary savings.

Vendor-Suggested Improvements at Creighton



Changed Task Assignments

Adjusted internal workforce matrix to reflect shifts in staff coverage



Reduced Frequency of Select Tasks

For example, stopped vacuuming offices and removing office trash daily



Increased Productivity Standards

Increased custodial coverage from 20,000 sq. ft. to 30,000 sq. ft.



13 Number of positions eliminated through attrition to move to vendor proposed headcount of 86

\$250K Total savings from internal process and structural changes in Custodial Services



Case in Brief: Creighton University

- 7,385-student, private master's university located in Omaha, Nebraska
- Made numerous improvements to Custodial Services following comparison to external vendor proposal

Segmenting Functional Subunits

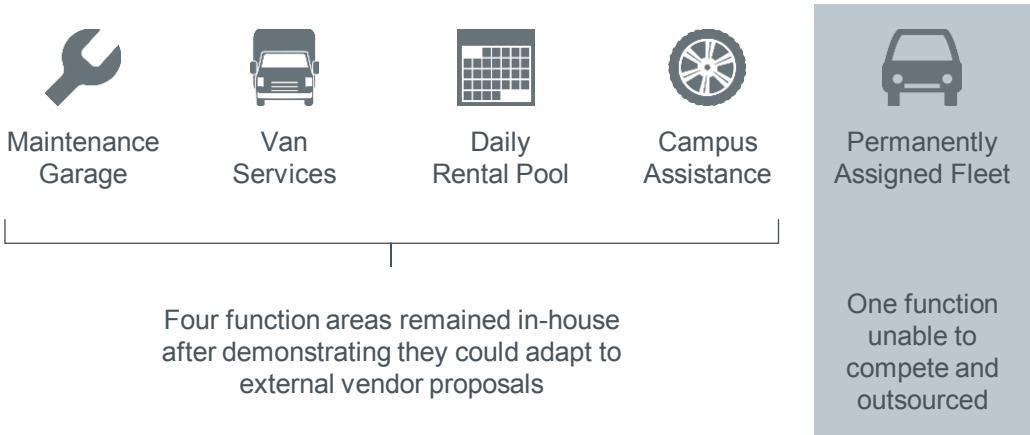
Option #2: Solicit External Bids for Functional Subunits

The second option is to solicit bids for functional subunits, rather than the unit as a whole. This allows subunits to compete on their own merits without being unfairly buoyed or dragged down by other subunits.

Posner College¹ invited vendors to bid on the five Fleet Services subunits listed here. Four subunits successfully demonstrated their ability to meet external vendor proposals while one was outsourced.

Function-by-Function Assessments Safeguard High-Performing Areas

Results of Managed Competition for Fleet Services at Posner College¹



Case in Brief: Posner College¹

- Large public research university located in the Midwest
- Requested separate RFPs for five distinct functions in Fleet Services so areas could compete individually
- Ensured areas able to make necessary changes remained in-house, rather than outsourced as part of one large contract

1) Pseudonym.

Source: Business Affairs Forum interviews and analysis.

