How to Use Data and Empathy to Handle COVID-19 Workforce Reductions

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CUPA-HR Webinar

Presenters

Dr. Paul N. Friga - pnf@unc.edu
- Clinical Associate Professor of Strategy, UNC Kenan-Flagler Business School
- Chief Strategy Officer and Co-Founder, ABC Insights (Academic Benchmarking Consortium) – abc-insights.com
- Paul earned a B.S. degree in Management and Accounting from St. Francis University (served on Board of Trustees) and an MBA and Ph.D. from the UNC-Chapel Hill, Kenan-Flagler Business School

Mark Coldren - mcoldren@buffalo.edu
- Associate Vice President for Human Resources at the University at Buffalo
- Previously served as CHRO at Ithaca College, and before that in the HR team under various functions at Syracuse University
- Has over 25 years of professional background and experience in HR, including software design, manufacturing and public education settings in human resources and learning.

Rob Shomaker – rshomaker@cupahr.org
- Senior Vice President, CUPA-HR
- Has over 17 years of experience at CUPA-HR
- Rob earned a B.S. degree in Marketing at Haslam College of Business at the University of Tennessee and an MBA from East Tennessee State University

Pierre Joanis – pdj002@bucknell.edu
- Vice President for Human Resources at Bucknell University
- CUPA-HR National Board of Directors, Member
- Previously served as executive director of human resources at Princeton University
- Has over 20 years of comprehensive expertise in both the technical and strategic aspects of HR at a dynamic & complex university
Agenda

- Major Change for Higher Ed
- Two CHRO Strategies for COVID-19
- Generalizable Lessons for Moving Forward
How to Use Data and Empathy to Handle COVID-19 Workforce Reductions

Major Change for Higher Ed

Two CHRO Strategies for COVID-19

Generalizable Lessons for Moving Forward
Poll Question

Do you believe your institution will be facing workforce reductions in 2021?

- Highly Likely
- Very Likely
- Likely
- Not Likely but possible
- Not a concern
Academic leaders are planning for major changes

ACE Survey of Presidents – Fall 2020
Most Pressing Issues Facing Presidents

Figure 1. Most Pressing Issues Facing Presidents Due to COVID-19 in September and November

<table>
<thead>
<tr>
<th>Issue</th>
<th>September</th>
<th>November</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mental health of students</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Mental health of faculty &amp; staff</td>
<td>24%</td>
<td>29%</td>
</tr>
<tr>
<td>Enrollment numbers for the spring</td>
<td>32%</td>
<td>27%</td>
</tr>
<tr>
<td>Long-term financial viability</td>
<td>20%</td>
<td>19%</td>
</tr>
<tr>
<td>Short-term financial viability</td>
<td>28%</td>
<td>21%</td>
</tr>
<tr>
<td>Loss of revenue and viability of auxiliary services</td>
<td>3%</td>
<td>2%</td>
</tr>
<tr>
<td>Intercollegiate athletics</td>
<td>14%</td>
<td>14%</td>
</tr>
<tr>
<td>Fundraising</td>
<td>12%</td>
<td>12%</td>
</tr>
<tr>
<td>Spring semester operating plans</td>
<td>14%</td>
<td>15%</td>
</tr>
<tr>
<td>Sustain online learning</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Laying off faculty and/or staff</td>
<td>26%</td>
<td>24%</td>
</tr>
<tr>
<td>Emergency aid</td>
<td>18%</td>
<td>17%</td>
</tr>
<tr>
<td>Furlough or reduce salaries</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>Food &amp; housing insecure students</td>
<td>2%</td>
<td>1%</td>
</tr>
<tr>
<td>International student enrollment</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Managing senior-level team</td>
<td>6%</td>
<td>4%</td>
</tr>
<tr>
<td>Respond to governing board concerns</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
<td>15%</td>
</tr>
</tbody>
</table>

InsideHigherEd Survey of Presidents
How do you intend to use this period?

- Make Transformative Changes: 50%
- Reset for Growth: 35%
- Return to Normal: 11%

Source: ABC Insights Internal Analysis; Paul Friga, Chronicle of Higher Education; ABC Insights AAC&U Survey of Presidents, April 1, 2020 n=142; ABC Insights Survey of CFOs n=21

idents are planning to “Reengineer Operational Processes”
Presidents and CFOs believe the impact will be significant on their respective campuses.

**Expected Potential Decreases to Revenue in FY21**

- 0-4.9%: 10%
- 5-9.9%: 33%
- 10-14.9%: 25%
- 15-19.9%: 28%
- 20-24.9%: 28%
- 25%+: 5%

- **AAC&U Presidents**
- **CFOs**

**Actual Reported Decreases to Revenue in FY21**

- **Expected COVID-19-related revenue loss as a percentage of 2018 revenue by fiscal year, FY2020 and FY2021, as of 12/31/2021**

**Estimated Percentages**

- 0%: 1%
- 5%: 5%
- 10%: 25%
- 15%: 28%
- 20%: 29%
- 25%+: 10%

**Source:** ABC Insights AAC&U Survey of Presidents, July 12, 2020 n=119; ABC Insights Survey of CFOs, April 30, 2020, n=21
Higher education scenario analysis allows for dynamic planning

1. **Unchartered**
   - Cut expenses or draw endowment/debt 25-50% of operating expenses
   - Expand online offerings through partnerships
   - Consider major changes to programs and/or closure

2. **Transition**
   - Cut expenses or draw endowment/debt 5-10% of operating expenses
   - Invest in online offerings
   - Look for revenue generation opportunities

3. **New Normal**
   - Cut expenses or draw endowment/debt 2-5% of operating expenses
   - Stabilize campus and pursue major growth
   - Moderate changes to academic programs – focus on administrative efficiencies

4. **Constrained**
   - Cut expenses or draw endowment/debt 10-25% of operating expenses
   - Stabilize campus and selective growth
   - Major changes to administrative and academic programs and processes

### Location: Virtual

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Minor</strong></td>
<td>33% 28%</td>
<td>5% 5%</td>
</tr>
<tr>
<td><strong>Major</strong></td>
<td>10% 25%</td>
<td>52% 43%</td>
</tr>
</tbody>
</table>

### Location: On-campus

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Major Change</th>
<th>CHRO Strategies</th>
<th>Lessons</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unclear</strong></td>
<td>5% 5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Clear</strong></td>
<td>10% 25%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Indeterminate</strong></td>
<td>33% 28%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: ABC Insights AAC&U Survey of Presidents, July 12, 2020

n=119; ABC Insights Survey of CFOs n=21
Utilize benchmarking data in HR decision-making – CUPA HR and HelioCampus

<table>
<thead>
<tr>
<th>HELIOCAMPUS APPROACH</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Benchmarking Consortium</strong></td>
</tr>
<tr>
<td><strong>Drive Student Success and Grow Revenue</strong></td>
</tr>
<tr>
<td><strong>Maximize Returns of Academic Programs</strong></td>
</tr>
<tr>
<td><strong>Manage Costs and Optimize Operations</strong></td>
</tr>
</tbody>
</table>

Source: https://www.cupahr.org/surveys/datademand/dod-users/; www.heliocampus.com
Potential faculty workforce reductions

**Hiring freeze for faculty** ($n = 247$)
- Implemented/Already in Place
- Planning to Implement
- Considering/Undecided
- Decided Not to Implement
- Haven't Discussed

**Furloughs for faculty** ($n = 247$)
- Implemented/Already in Place
- Planning to Implement
- Considering/Undecided
- Decided Not to Implement
- Haven't Discussed

Source: CUPA-HR Workforce Planning Tool
Potential staff workforce reductions

**Hiring freeze for staff (n = 247)**
- Implemented/Already in Place
- Planning to Implement
- Considering/Undecided
- Decided Not to Implement
- Haven't Discussed

**Furloughs for staff (n = 247)**
- Implemented/Already in Place
- Planning to Implement
- Considering/Undecided
- Decided Not to Implement
- Haven't Discussed

Source: CUPA-HR Workforce Planning Tool
Job loss in higher education

A Brutal Tally: Higher Ed Lost 650,000 Jobs Last Year

By Dan Bauman | FEBRUARY 5, 2021

Colleges and universities closed out 2020 with continued job losses, a 13-percent drop since last February. It was a dispiriting coda to a tough year for higher ed’s labor force.

A Closer Look at the Higher-Ed Work Force Since 2000

Estimated number of workers employed by institutions of higher education

Source: The Chronicle of Higher Education
Women and racial/ethnic minority issues

History shows us that women and racial/ethnic minorities are hardest hit by an economic recession

Women and Racial/Ethnic Minorities are:

The first to lose their jobs: Early coronavirus job losses have impacted more women and minorities proportionally

The slowest groups to recover: effects of recession last much longer for women and minorities

1 in 3 Americans still had not recovered financially from the 2007 recession a decade later, with women and minorities disproportionately affected

Sources: CNBC, ACLU, DOL
Poll Question

What is your institution currently considering or has already implemented regarding budgetary challenges?

- Hiring Freezes
- Furloughs
- Terminations and/or Outsourcing
- Changes to benefits
- Early retirement incentives
- Other
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Generalizable Lessons for Moving Forward
The University at Buffalo

**Campus**

UB is the largest public in NY State, 64 campus system, AAU, 32,000 students, app. 10K employees, predominantly unionized environment (multiple unions including faculty), civil service workforce.

**System**

Statewide agreement needed for dramatic action – no across the board furloughs as in the past – no layoffs – decision to let campuses develop individual strategies.

**Impact**

Shortfall of State funds 2019-20, requested 10-20% budget cuts across institution, revenue down with fewer residential students (8K to 4900), costs to address COVID-19 including housing refunds, fee reductions, testing, technology needs, logistics, remote work.
Key HR Actions at Buffalo

Using Data For Decisions

**Academics**
- Planning utilizing data to build a hybrid instructional model (class size, reduction in density)

**Payroll**
- Defer contractual raises, salary compression payouts

**Activities**
- Analyze all administrative people spend (ABC-Insights) to identify opportunities for consolidation / centralization of services – COVID-19 decrease in activity facilitates action in key transactions: travel, people/HR actions, procurement/purchasing

**Workforce**
- Focus on workforce planning categories of positions (strategic, core, currently utilized) as part of the ongoing budget process
  - Connect to analysis of people spend
  - 25% of staff positions identified as currently utilized: strategy of payroll reduction and not headcount reduction
Key HR Actions at Buffalo

Expressing Empathy In Decisions

**Transparency**
Open communication with entire campus community – town halls and data sharing

**Coordination**
Statewide agreement needed for dramatic action – no across the board furloughs as in the past – no layoffs – decision to let campuses develop individual strategies

**Sensitivity**
Focus on voluntary reductions, go to 90%

**Sustainability of Direction**
- Build strategies for the now – knowing the impact of tomorrow
- Slowed, deliberate, and intentional hiring with central approval
- Plan to be respectful and use attrition

**Reassign**
- Plan for redeployment of current positions to align with work needs (i.e. research administration)
- Build shared services for key transactions
- Build individual development plans

**Consistency**
- Consistent approach to individual flexibility to facilitate remote work, family care, control campus density
- Create a low risk environment through testing and health & safety guidelines
- Emphasis on hybrid models of instruction and increased research opportunities
Bucknell University

<table>
<thead>
<tr>
<th>Campus</th>
<th>Liberal Arts select private university with colleges of engineering and management; 3.7K students and over 1.5K employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Culture</td>
<td>High residential focus, collaborative environment and student-centered – “prepare students for lifelong learning”</td>
</tr>
<tr>
<td>Impact</td>
<td>“Tuition Freeze”, paused planned 3.5% tuition increase; Reduce non-essential costs, through collective effort to minimize spending Bucknell experienced a positive budget variance in excess of $10m for FY20; FY 21 planned $30M in deficits</td>
</tr>
</tbody>
</table>
Key HR Actions at Bucknell

Using Data For Decisions

**HR Data**
- Review benefit utilization and benchmarking data. Identify high impact opportunities for cost savings and model implementation scenarios that mitigate adverse impacts.

**Transparency**
- Transparent budget building process. Engage key leaders with clear objectives while providing regular updates to the University community.

**Activities**
- Benefit Redesign:
  - Adding a Spousal Surcharge.
  - Reviewing TIAA contribution.
  - Reviewing Retiree Healthcare.
- Other:
  - Maintain Travel/Hiring freeze.
  - Reduce purchased services.

**Governance**
- Engage and partner with shared governance committees to develop a multi-year plan to streamline the cost of health benefits, pension & retiree health programs, and other potential employment actions.
Key HR Actions at Bucknell

**Expressing Empathy In Decisions**

<table>
<thead>
<tr>
<th>People First</th>
<th>Residential Learning</th>
<th>Safety</th>
<th>Accessibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain optimal employment of our faculty and staff, take appropriate steps to retain key talent.</td>
<td>Maintain the residential learning experience for the benefit of our students, faculty/staff, and our broader community.</td>
<td>Enhance our student testing protocol from EOW to once per week. Add quarantine capacity. Maintain EOW testing for high contact faculty/staff.</td>
<td>Rebalance and continue to implement budget savings to focus more resources on financial aid.</td>
</tr>
<tr>
<td>Do not assume that everyone will want to remain full time.</td>
<td>Recognize that the host community relies on students being in-residence to maintain local businesses and employment.</td>
<td>Review your data, shore up areas of opportunity.</td>
<td>Establish clear principles to support your cost savings efforts. Example: financial discipline to protect the student experience and to enhance financial aid.</td>
</tr>
</tbody>
</table>
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Two CHRO Strategies for COVID-19

Generalizable Lessons for Moving Forward
Lessons learned and advice for the future – a challenge of “trust” during transformation

Use good data for HR decisions

Demonstrate equity and empathy during the process

Avoid across-the-board cuts

Move fast but also be patient for change and always focus on building trust and show respect during the process

Keep the long-term in mind as you make short-term decisions

- Understand the strategic vision and communicate constantly
- Keep the key priorities and objectives up front for alignment and relevance (e.g. people, diversity, etc.)
- Demonstrate flexibility, rapid adjustment, and collaboration during dynamic environments
Submit questions to our presenters using the Chat.
Thank You

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