



Building a Sustainable Future Through Strategic HR Initiatives

Introductions



Amy Heinze
Higher Education Leader
Lockton Companies



Brian Muller
VP, Compensation & Total
Rewards Practice
Lockton Companies

Higher Education Industry Challenges

Systems and Institutions of Higher Education are facing headwinds as enrollment pressures increase, covid relief funds disappear, inflation rises, and government investment in higher education continues to ebb.

As a result, institutions are facing...



Austerity Measures

- Hiring freezes
- Early retirement
- Furloughs
- Reductions in force (both staff and faculty)



Workforce Challenges

- External market pressures
- Changing employee values (e.g. flexible work, quiet quitting)
- DEIB focus (especially Pay Equity)



Mission Impact

- Merging colleges/ programs
- Reducing degree offerings
- Increasing tuition

To thrive in this volatile environment, institutions must focus – not only on the attraction and retention of talent – but on **WHERE** and **HOW** work is done (organization shape, processes, organization effectiveness) in order to better optimize institution spend on payroll while continuing to invest in employees.

Organization Design Principles

1 **Jobs should exist for a reason, scope roles to manage and accomplish those objectives**



Symptoms

Fragmented roles/shadow organizations, low spans of control, individual contributor roles with direct reports.

2 **Define and prioritize the goals and metrics that matter for each function, assign accountability then measure the results**



Frequent high urgency, "firefighter vs. farmer" mentality, requests to take on more without "big picture" in mind, lack of focus on key objectives and limited understanding of progress toward those objectives, lack of accountability/ownership.

3 **Leverage the work down and the people up**



Organization/functional area shape that is "bloated in the middle", lack of differentiation between roles at different levels, "meeting heavy" culture, middle management creates work to justify title/contribution.

4 **Talent is the great differentiator – know and properly lead your people**



Limited visibility to advancement opportunities, managers lack training in stewarding careers, mismatch between job expectations and contribution across the organization.

A Case Study...



Nationally ranked private university



Doctoral/Professional University

5,000+

Total Enrollment

~250

Faculty

~750

Staff

8 Schools with over
250 undergraduate and
graduate programs

Where We Started

Budget

- Multi-million-dollar budget gap
- Loan from endowment
- Commitment to close budget gap and pay back endowment within 6 months

Job Architecture

- Approximately 1:1 job titles to incumbents
- No job families / ~150 departments

Staff Compensation Program

- Traditional salary structure with 25 grades between exempt and non-exempt roles
- Salaries for exempt employees were competitive with the market median on average, however non-exempt salaries lagged the market in aggregate.

Career Development Clarity

- Levels of work and grade assignments were linked based on market value without a link to internal equity
- Institution did not have a clear understanding of where talent sat across the university

Organization

- Staffing and process inefficiencies
- Lack of Leadership accountability

University Culture

- Feeling “short-staffed”
- Instability / Change fatigue
- Distrust in Administration

Where We Finished

Budget

- Hit budget target and had a plan and commitment to maintain a balanced budget
- With surplus budget dollars, committed to ongoing investment in remaining employees

Job Architecture

- Job families established
- Career Tracks and Job Levels defined
- Back-end HRIS system job codes updated and consistent with business titles remaining changed

Staff Compensation Program

- Core and Technical salary structure linked to the external market and internally aligned
- Multi-year implementation plan
- Multi-year goal of moving employees toward the middle the salary range based on talent and proficiency

Career Development Clarity

- Clear understanding of advancement opportunities
- Talent marker exercise
- Critical job identification

Organization

- Commitment to ongoing rigor around staffing decisions and prioritizing efficiencies
- Cabinet dedicated to making tough decisions, holding one another accountable

University Culture

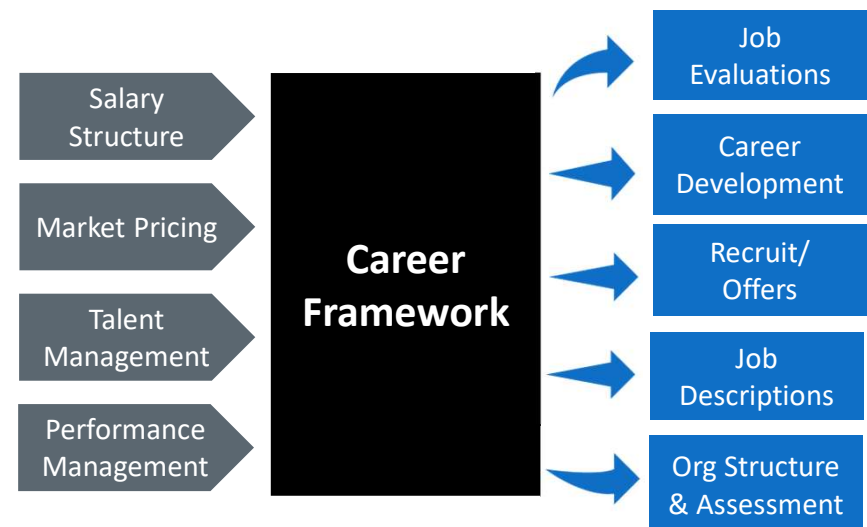
- Improved feeling of university investment in staff
- Building trust over time
- Focus on clear priorities and objectives, rather than everything “high-urgency”

Phase I – Organize

Chaos



Structure



Phase I – Organize

The Job Architecture consists of career tracks, defined levels, and job families that help to clarify the role requirements and type of work being performed.

- Step 1: Define Career Tracks and Job Levels
- Step 2: Develop Job Families and Job Family Definitions
- Step 3: Assign Staff Jobs to Job Families and Levels



Phase I – Organize

Job Family: describes a broad category or field of work to which each staff job across an institution is assigned (e.g., Human Resources, Information Technology, Finance, etc.). A Job Family Definition is a 2 – 3 sentence description that captures the common “mission” that jobs assigned to each job family share.



Finance

Responsible for providing financial support and services for all employees in the organization. This includes financial analysis, tax, accounting, and

Information Technology

Responsible for designing, developing, and implementing computer-based communication systems. This includes network management, database administration, and technology user support.

Human Resources

Responsible for providing human resources support and services for all employees in the organization. This includes talent acquisition, employment processing, staffing, health and welfare benefits, compensation, training and development, employee relations, compliance, and labor relations.

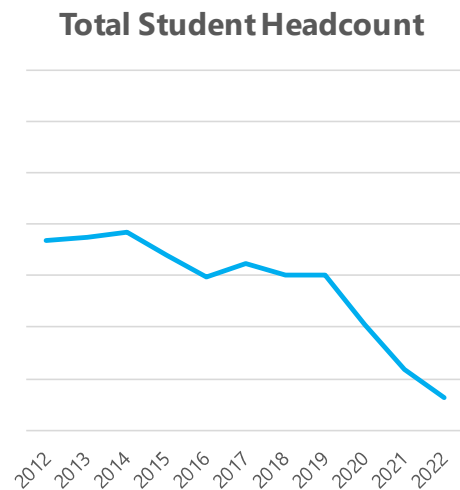
Phase I – Organize

Jobs within each job family are aligned with the Job Architecture based on level definitions and without regard to external market value

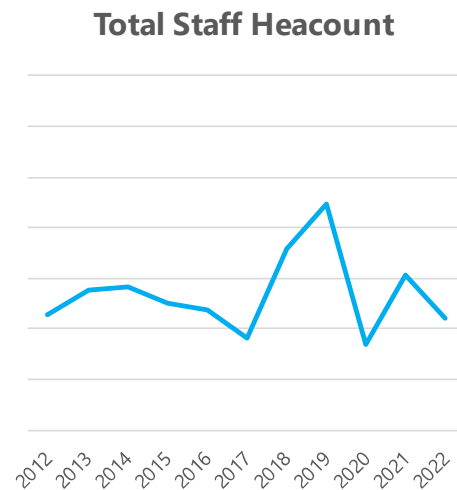
Career Level	Level Definition	Level Description	Human Resources Family	Information Technology Family
P3/T3	Senior Professional	Work is generally independent and collaborative in nature. Typically requires 4 -7 years of related experience.	Senior HR Generalist Senior Recruiter Benefits Analyst III	Software Developer III Senior Systems Analyst Network Administrator III
P2/T2	Professional	Occasionally directed in several aspects of the work. Typically requires 2 -4 years of related experience.	HR Generalist Recruiter Benefits Analyst II	Software Developer II Systems Analyst Network Administrator II
P1/T1	Entry Professional	Work is closely managed. Works on projects/ matters of limited complexity in a support role. Typically requires 0-2 years of related experience.	Associate HR Generalist Associate Recruiter Benefits Analyst I	Software Developer I Assoc Systems Analyst Network Administrator I

Phase 2 – Understand the Institution

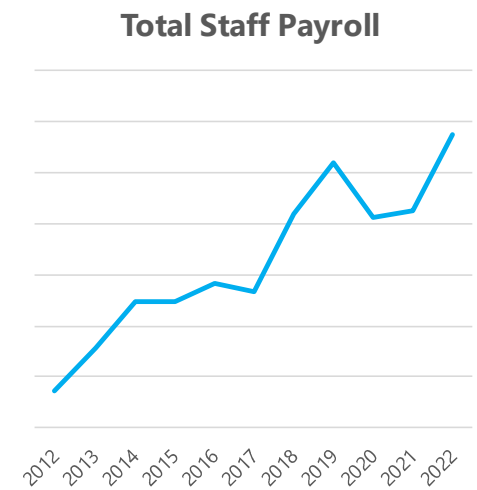
Payroll had increased, and staff levels had remained consistent, even as enrollment dropped year-over-year



14.5% reduction in student headcount



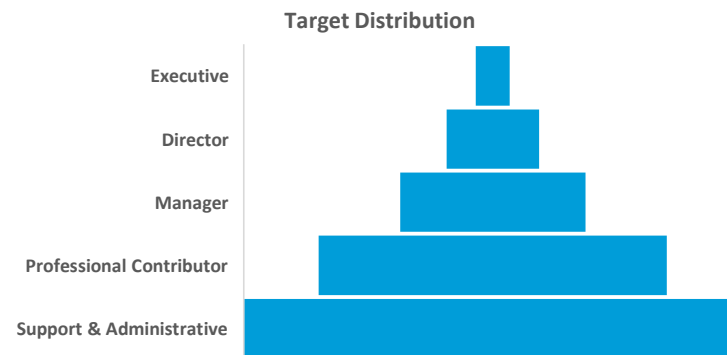
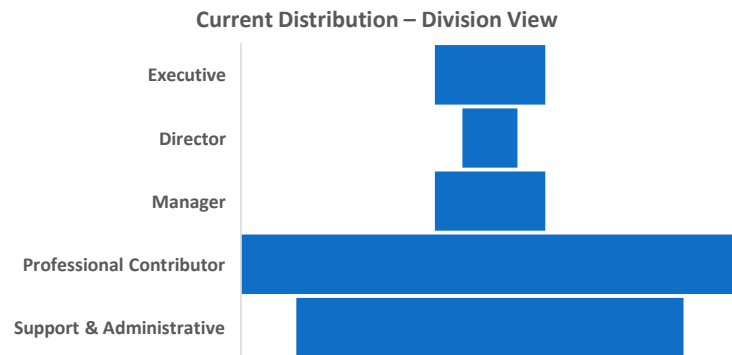
0.3% reduction in staff headcount



28.3% increase in staff payroll

Phase 2 – Understand the Institution

Over time, work was not efficiently aligned to the right level



Phase 3 – Cabinet Prioritization

Impact	High	<ul style="list-style-type: none"> • Advancement Reductions • Benefits/Insurance Review • Eliminate Auxiliary • Finance set Room & Board • Financial Aid / Student Account • Hiring Freeze/Open Job Review • Marketing Reductions • Reduce Marketing Budget 	<ul style="list-style-type: none"> • Develop and implement stewardship sessions with leaders • Automate AP • Close 1 of 9 Schools • CRM Tool • Event/AV/Production Consolidation • Provost Reductions • Workforce Reduction
	Low	<ul style="list-style-type: none"> • Enhance Facilities Director • Grad Housing Move • HR Global Term • Marketing Consolidation • Move Property Management • Split Communications • Stop Charging Marketing • Student Development Reductions 	<ul style="list-style-type: none"> • Admissions Ops • HR Payroll System
		Low	High

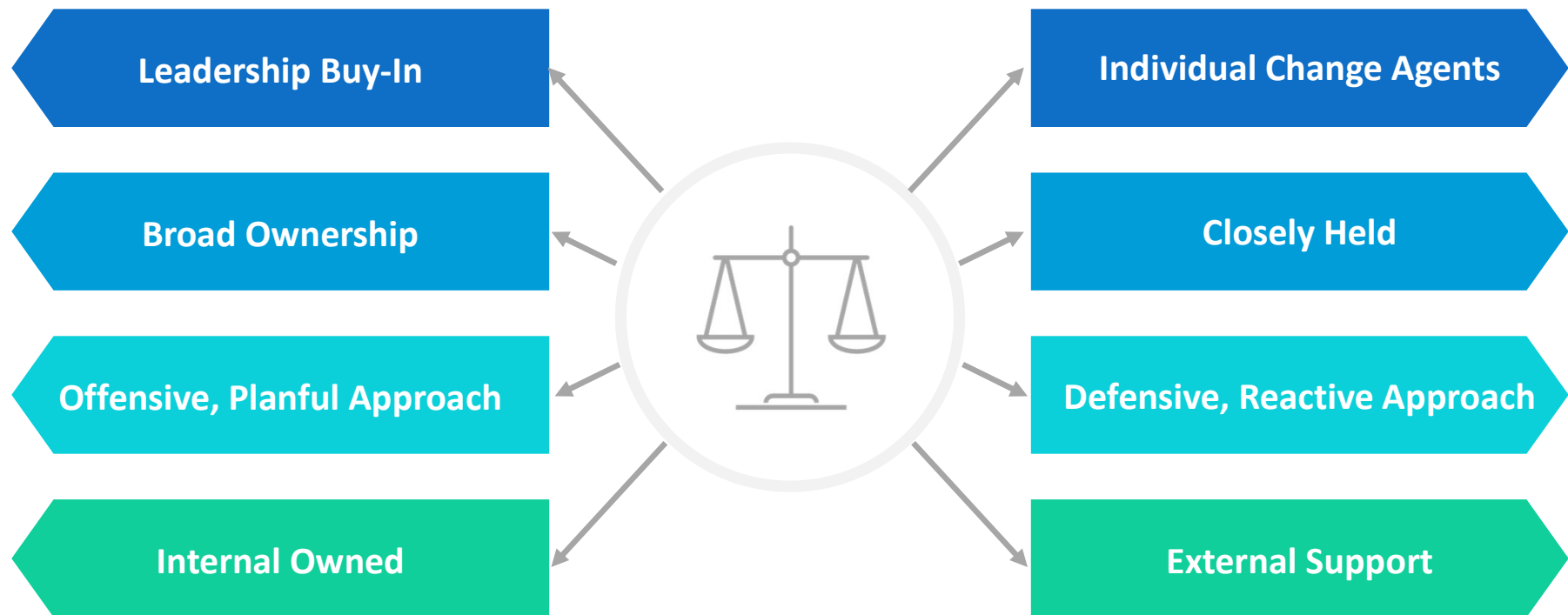
Effort

Quick Wins

Major Projects

- Understanding the impact and effort of potential organization changes can help to identify and prioritize actionable items.
- In the *sample* matrix to the left – high priority organization changes that were discussed during Cabinet interviews were mapped onto an Impact/Effort matrix
- Quick wins (left side) versus major projects (right side) became visible.
- The institution leveraged this concept to help prioritize potential organization changes.

Execution – A Balancing Act





Questions?

Thank You

Amy Heinze | Lockton | amy.heinze@lockton.com | 415.572.6472

Brian Muller | Lockton | brian.muller@lockton.com | 513.520.2137

John Holst III | Lockton | jholst@lockton.com | 314.221.7456



Certificate of Attendance

Building a Sustainable Future Through Strategic HR Initiatives

Live Webinar | March 27, 2025 | 9:30A.M.-10:30A.M

This document certifies that the attendee participated in this program and is eligible for the following credits.

SHRM-CP: 1.0 credit, 25-NN2Z4

HRCI: 1.0 credit, 695239

Print Name

Attendee Signature

By signing I certify that I attended the activity described and am eligible to claim the continuing education credits listed.