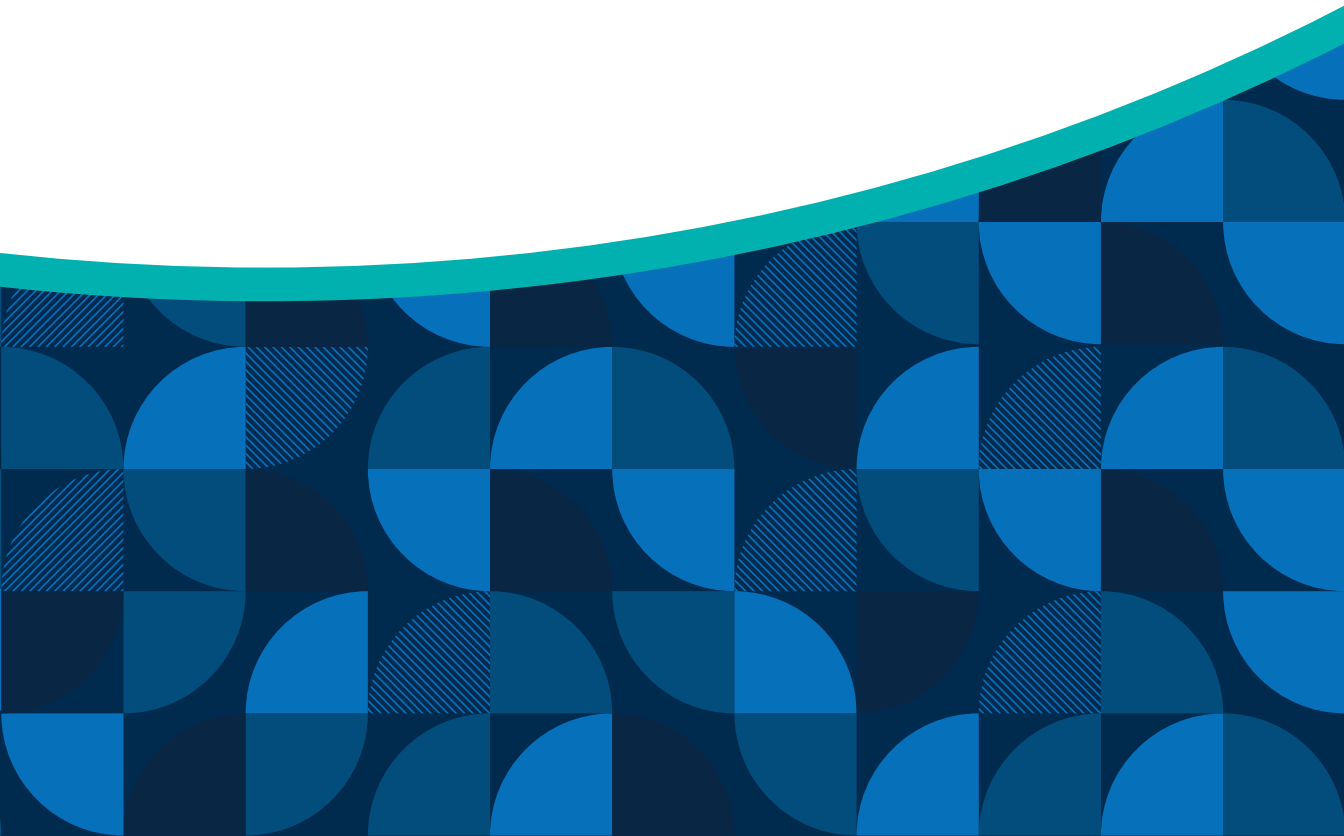




EAB

EXECUTIVE BRIEFING

# 5 Realities Reshaping Higher Education's Competition for Talent



For decades, labour market dynamics changed around higher education. But while out-of-sector employers evolved in response, our sector largely stood still. Today, campus leaders ignore broader labour market transformations and the corporate talent playbook at their peril. Out-of-sector practices are no longer optional. Universities that once competed mainly with one another for talent now must go head-to-head with corporate employers on a large scale. Realistically, most institutions cannot compete with corporate employers on salary alone. Senior university leaders have therefore asked EAB repeatedly: how can we compete for talent beyond compensation? While some of the most commonly cited responses are 'benefits' or 'better HR technology', the answer is actually much, much bigger than that.

**EAB has identified five realities that are reshaping the competitive landscape for talent and spurring progressive employers to transform their talent management strategy. While higher education faces distinct challenges responding to these realities, institutions can no longer afford to wait to develop core talent capabilities. Instead, they must 'leapfrog' the developmental steps of the private sector and undergo rapid talent strategy transformation now.**

This brief focuses on dimensions of talent strategy that require senior leadership attention and new investment. Additional EAB research and advisory services provide tactical advice, implementation tools, and tailored support to help institutions drive progress on their individual campuses.

# Five Realities Shaping the Higher Education Competition for Talent

## MINDSET

1

Every organisation, including higher education, is in the people business.

## INVESTMENT

2

Talent is no longer just a cost centre, but a strategic asset worthy of continuous investment and modern infrastructure.

## HR AS STRATEGY

3

HR must evolve into a strategic business partner capable of driving data-informed decisions rather than managing transactions and compliance.

## JOB MARKET

4

Job-seekers and employers alike benefit from an increasingly fluid, often boundaryless job market.

## SOCIAL CONTRACT

5

Employees no longer devote themselves to one employer for decades, but their expectations for personalised and fulfilling employment are higher than ever.







# Every organisation, including higher education, is in the people business.

The growing recognition across industries that talent fundamentally drives business success has fueled a widespread corporate embrace of the idea that all businesses are people businesses and therefore require a ‘Talent Mindset.’ This outlook demands that leadership holds itself accountable for talent goals and outcomes across the organisation. Corporate leaders commit significant amounts of their time and capacity to talent-related activities: they lead the effort to define their organisation’s employee value proposition, build strong relationships with HR, and even personally recruit top prospects and close candidate offers.

## Non-HR Leaders Should Invest Time, Talent Efforts In Three Areas

Talent Leader	Talent Magnet	Talent Partner
<ul style="list-style-type: none"><li>▶ Link talent to team goals, meeting agendas</li><li>▶ Evaluate hiring as a skill on your team</li></ul>	<ul style="list-style-type: none"><li>▶ Help define, convey value proposition</li><li>▶ Take responsibility for recruiting, closing offers</li></ul>	<ul style="list-style-type: none"><li>▶ Build strong personal relationship with CHRO</li><li>▶ Equip recruiting team with needed info, tools</li></ul>

### Sample Talent Maker™ Activities in Higher Ed

 Involve direct reports in setting talent goals for unit, team(s)	 Use one-on-ones with staff to identify, proactively reach out to top talent	 Schedule regular check-ins with talent director, team
 Integrate talent metrics, performance into feedback, reviews	 Meet with final interview candidates within unit, division	 Work with HR on key initiatives (e.g., job description updates)

In people businesses, leaders hardwire activities that support talent goals throughout the organisation and cascade accountability for talent performance throughout their teams. Talent is a standing item on team agendas, performance evaluations take into account metrics including retention and internal fill rate, and leaders develop and evaluate hiring as a skill on their teams.

By contrast, universities have focused their ambitions not on becoming employee-centric but on becoming student-centric. With this goal in mind, the academic success and well-being of students trumps other priorities, including the success and well-being of staff. This relentless focus on students as the sector’s most important stakeholder has crowded out leadership mindshare for employees, even though it is the employees themselves who ultimately determine the student experience.

Where Do We Go From Here?

Baseline Investments to Get in the Game	Transformational Efforts
<ul style="list-style-type: none"><li>□ Make talent a standing agenda item on senior management and divisional leadership meetings.</li><li>□ Implement mandatory performance reviews for employees and equip managers to deliver continuous feedback.</li></ul>	<ul style="list-style-type: none"><li>□ Dedicate the same time and leadership mindshare to employee success as student success.</li><li>□ Hardwire talent metrics and performance (e.g., retention rate, engagement scores) into job descriptions and evaluation process for senior leaders and managers.</li></ul>

# Talent is no longer just a cost centre, but a strategic asset worthy of continuous investment and modern infrastructure.

In many industries, labour can account for as much as 70% of business costs. Unsurprisingly, corporate employers have historically viewed talent as a cost centre to be managed. Over time, though, these companies began to realise that cuts to their talent budgets often cost more than they saved, while talent investments yielded strong ROI and business outcomes.

Out-of-sector businesses, now convinced that people are a smart investment strategy, have therefore consistently funneled resources into employee compensation and talent budgets. With more budget at their disposal, their HR teams have invested in high-ROI functions and services, such as dedicated employee learning and development. At the same time, they have adopted a sophisticated tech stack and upskilled employees to deploy it against business goals such as improved efficiency and service quality. What's more, these employers have intelligently prioritised when to fill vacancies versus reallocating or redesigning roles. And they have doubled down on data collection and analysis to better inform future decisions and investments.

This paradigm shift has not yet taken hold in higher education. Student-facing expenditures frequently trump 'back-office,' with administrative functions like HR often at the top of the list for cost containment rather than investment. In fact, university HR budgets tend to be 50–75% lower than other industries, and nearly half of institutions have not increased talent spending in recent years despite an uptick in labour and technology costs.

As a result, universities struggle to even be 'market relevant,' no less 'market competitive,' especially when it comes to staff salaries. Their tech stack is outdated at best, fragmented at worst. And institutions lack even the most basic talent data, making it nearly impossible to intelligently invest in their workforces.

47%

of full-time professional staff with master's degrees in the U.S. earn less than \$50K in higher education roles

\$10K+

Average salary increase for leaving the higher education sector in the U.S.

## Where Do We Go From Here?

Baseline Investments to Get in the Game	Transformational Efforts
<ul style="list-style-type: none"><li>□ Implement a position control process to critically assess whether to fill vacancies or reallocate resources.</li><li>□ Inventory HR/workforce systems and tools across campus to assess current functionality and utilisation.</li><li>□ Create web- and/or Cloud-based career and performance tools and resources for employees and managers.</li></ul>	<ul style="list-style-type: none"><li>□ Create a flexible model of staff line allocation that enables leaders to shuffle resources and capacity based on changing needs/priorities.</li><li>□ Strategically allocate limited resources (especially compensation funds) to high-priority and hard-to-recruit/retain roles and units.</li><li>□ Create a high-performance culture by aligning budget model and incentive structures with talent achievements.</li><li>□ Integrate and/or sunset disparate technologies and legacy systems to improve user interface, service quality, and data sharing and analytics.</li></ul>

## HR must evolve into a strategic business partner capable of driving data-informed decisions rather than managing transactions and compliance.

HR has long had a reputation for focusing on compliance and transactional matters like workplace policies and benefits administration. But with the introduction of new technologies and tools, along with growing business urgency to make smart investments in talent, out-of-sector companies launched HR transformation projects decades ago to modernise the function.

Through structures including HR business partners and centres of excellence, out-of-sector leaders have reimagined HR as a key partner for achieving organisational strategic aims. They elevated HR to the C-suite, creating a Chief Human Resources Officer (CHRO) tasked with setting and advancing the organisation's people strategy. With this new position, it would have been easy for other executives to delegate all talent work to HR and avoid their own responsibility for talent outcomes. Instead, out-of-sector companies doubled down on shared accountability, holding divisional leaders responsible for talent and workforce engagement metrics. This required more extensive data collection, monitoring, and analytics than ever before, but the payoff has been high. Data-informed decision-making is now the norm, especially for key activities such as strategic workforce planning and performance management.

### **HR Business Partner (HRBP)**

A role that is focused on aligning business objectives with talent strategy and management in assigned business units. An HRBP acts as an internal consultant, strategic advisor, and proactive collaborator with unit leadership.

### **Centre of Excellence**

A group that possesses expertise in a specific area of HR (e.g., talent acquisition, learning and development) and provides shared resources and services to other internal groups in support of broader business objectives and organisational goals.





In contrast, the HR organisation at most universities is still stuck in the early 1990s. Making matters worse, distributed operations means that institutions frequently have dozens of duplicative or disparate HR systems, conflicting policies, inconsistent titles or roles for similar work performed, and drastic variation in service quality across their campuses. As a result, most institutions lack easy access to the baseline talent data (e.g., accurate headcount, turnover rate, time-to-fill) needed to make even the simplest strategic decisions.

Admittedly, many universities have created a CHRO position. However, this is often either a symbolic gesture or misconstrued as a silver bullet for HR issues. Without new resources, technology, and staff with the competencies needed for strategy-oriented HR work, no CHRO or institution stands a chance of bringing their talent function into the 21st century.


Symbolic Changes Not Enough to Elevate HR From Tactical to Strategic


71% of institutions have CHRO-type position

 **Problem:**  
Title often not accompanied by updates to role responsibilities, compensation, resources

 **Solution:**  
Redefine CHRO role, competencies to focus on business strategy vs. HR operations

18% of CHROs report to the senior-most executive

 **Problem:**  
Does not improve senior management partnerships or embed CHRO in broader strategy discussions

 **Solution:**  
Require CHRO to set top-down talent agenda, raise data-informed problems and solutions

Where Do We Go From Here?

Baseline Investments to Get in the Game	Transformational Efforts
<div><input type="checkbox"/> Invest in baseline data collection (e.g., turnover rate, time-to-hire, employee satisfaction).</div> <div><input type="checkbox"/> Recruit and/or develop a strategic CHRO by redefining role and competencies to focus on business strategy versus HR operations.</div> <div><input type="checkbox"/> Start upskilling current HR staff with a focus on technology, data analytics, and talent strategy.</div>	<div><input type="checkbox"/> Restructure HR roles and competencies to improve employee recruitment, retention, engagement, and performance.</div> <div><input type="checkbox"/> Redesign HR organisational structure to align staff capacity with talent strategy.</div> <div><input type="checkbox"/> Use shared services and/or outsourcing to improve HR efficiency and service quality, as well as free up staff capacity for higher-value activities.</div>

# Job-seekers and employers alike benefit from an increasingly fluid, often boundaryless job market.

The rise of digital tools like LinkedIn and Glassdoor in the early- and mid-2000s ushered in a new era of job market fluidity. All of a sudden, people working in office-based roles and service and knowledge industries could access thousands of job postings in any location in a matter of seconds, they had internet access. With greater autonomy and transparency, the way that prospective applicants navigated the job search changed for good.

Out-of-sector companies quickly learned they could no longer sit back and rely on passive recruitment to develop robust candidate pools. Instead, they had to nurture active recruiting capabilities and targeted sourcing strategies to build a talent pipeline and capitalise on new sources of available candidates. The tables also turned with the realisation that employers were not just interviewing applicants; applicants were also interviewing them. This required new recruiting processes designed to 'sell' positions to applicants as much as screen them.

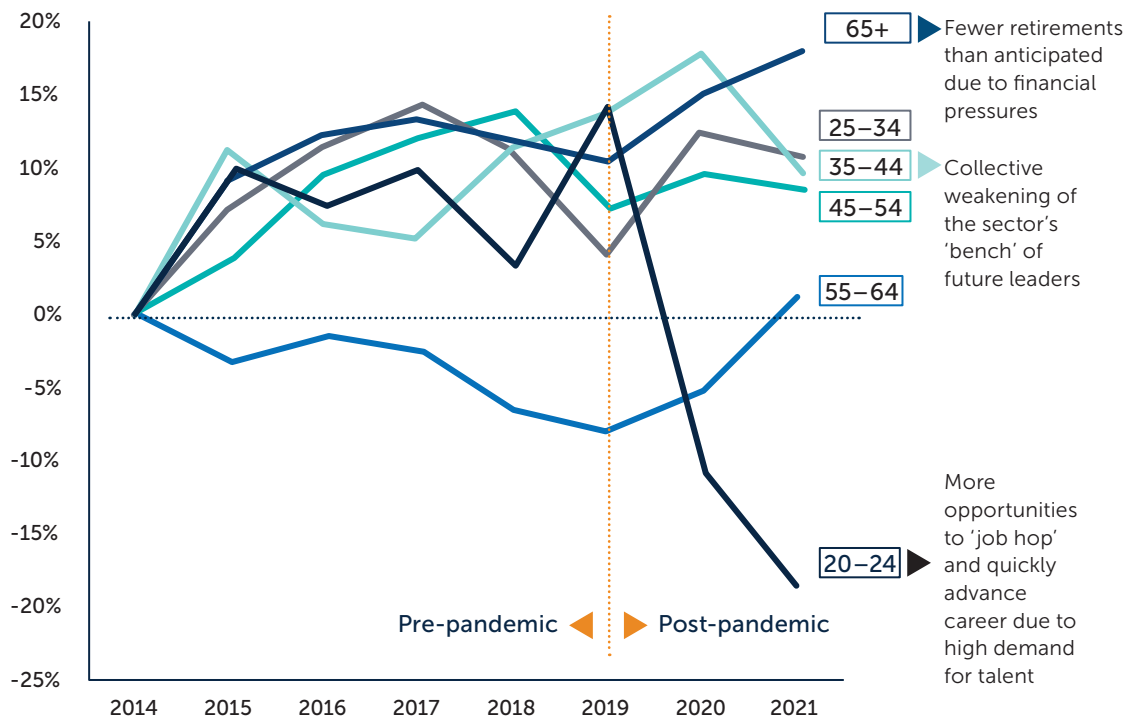
More recently, remote work technology has transformed the boundaries of the workplace itself. It eliminated geographic barriers for certain roles and fields, enabling employers to tap previously inaccessible talent pools.

Historically, the higher education sector's above-average workforce stability insulated universities from this new dynamism. 'Post-and-pray' recruiting tactics and slow-moving interviewing timelines are still the norm even today. Many campus leaders also underestimate how crucial internal hiring and career development for staff are in today's competitive recruiting environment, resulting in a weakened leadership bench and underdeveloped talent pipeline. Moreover, the sector's deeply engrained culture of in-person operations means tech-enabled work modes (e.g., remote, hybrid) remain the exception, not the rule, for most staff.

But in a job seeker's market, institutions can no longer afford to wait for applicants to seek them out, nor can they ignore the growing role technology plays in recruiting and retaining top talent.

### A Growing Divide Between Early- and Late-Career Workers in Higher Education in the U.S.

Per cent change from 2014, not seasonally adjusted



### Where Do We Go From Here?

Baseline Investments to Get in the Game	Transformational Efforts
<ul style="list-style-type: none"> <li>Shift from passive to active recruiting techniques to grow the prospective applicant pipeline.</li> <li>Reduce barriers to entry (e.g., years of experience) and bias in job descriptions and hiring processes that narrow applicant pools.</li> <li>Create a remote work policy that broadens applicant pools and helps retain top performers.</li> </ul>	<ul style="list-style-type: none"> <li>Grow digital-first recruiting capabilities amongst HR staff and hiring managers.</li> <li>Use digital tools and tech to streamline and personalise candidate experience.</li> <li>Explore the full range of flexible work (e.g., non-standard hours, four-day week) and employment (e.g., contract, gig) models to attract and retain talent.</li> </ul>

# Employees no longer devote themselves to one employer for decades, but their expectations for personalised and fulfilling employment are higher than ever.

The new fluidity of the job market and continuous workforce churn meant corporate employers stopped assuming people would work for the same company for decades. Companies modernised their expectations and practices for recruitment, retention, and engagement to align with more frequent turnover. They also recognised some turnover is not only inevitable, but beneficial. Vacancies offer opportunities to reimagine roles and advance high-potential employees internally within the company.

Even though most employees no longer spend decades working at a single company, expectations for a quality employee experience have continued to rise. Employees expect not only competitive benefits packages but also more personalised benefits tailored to their individual needs. They seek not only meaningful work but also deep personal fulfillment from their roles. Out-of-sector employers have therefore invested in family-friendly benefits, employee well-being and culture initiatives, and broader social impact to enrich their employee value proposition.

An **Employee Value Proposition (EVP)** is comprised of all the ways an organisation provides value to employees and convinces people to want to work (and stay) there. More than just a list of benefits and perks, an EVP draws on the intangible benefits and emotional impact of working at an organisation. Conversely, an EVP helps employers attract the talent they want and need based on their broader strategic goals. A compelling EVP is a key part of the corporate talent playbook but is often missing from Talent strategy in higher education.

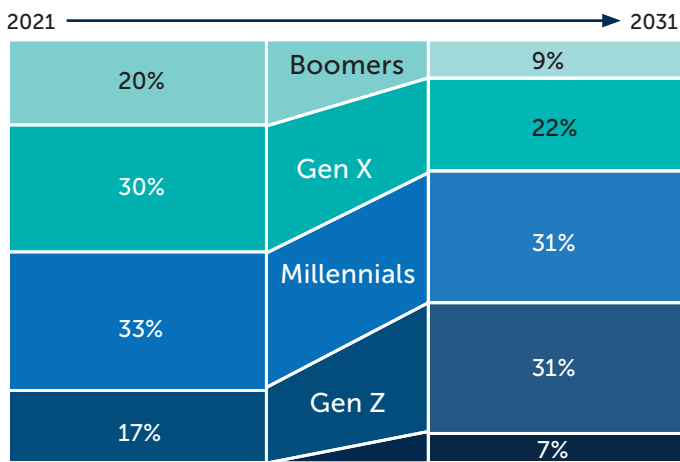
In higher education, historically lower-than-average employee churn has masked this trend and created a false sense of security and employee loyalty. Similarly, the sector's track record of strong benefits and a sense of contributing to the 'greater good' have caused leaders to assume these offerings are differentiators. But while the sector could once claim that its non-compensation benefits were distinctive, that is no longer the case given widespread adoption out-of-sector.

The redefinition of higher education’s social contract goes even deeper. While institutions often position themselves as an engine of social mobility for their students, the same cannot be said for their employees. In truth, the question of the sector’s ROI applies not just to students expecting a rewarding career after graduation but also to staff seeking a rewarding career at the institution.

Indeed, the very definition of career ROI has changed. Once a simpler calculation of tangible compensation and benefits, younger generations seek a larger purpose, psychological fulfillment, and access to future opportunities. These heightened expectations only make it more imperative that institutions develop a compelling Employee Value Proposition.

Preparing for a Five-Generation Workforce

Change in Higher Ed Workforce Composition by Generation, 2021–2031 (Projected)



Gen Alpha

Where Do We Go From Here?

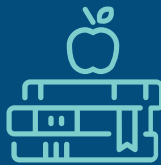
Baseline Investments to Get in the Game	Transformational Efforts
<div><div></div>Make exit and stay interviews the status quo across all divisions and departments via training and incentives.</div> <div><div></div>Audit current benefits offerings to assess employee uptake and competitiveness in the market.</div> <div><div></div>Embed organisational values and social impact into recruitment (e.g., employment website, job descriptions).</div> <div><div></div>Identify and deploy tactics to increase career development.</div>	<div><div></div>Establish campus-wide succession planning process and requirements, including for non-executive roles.</div> <div><div></div>Build intentional career lattices and a culture of talent sharing to strengthen your internal talent pipeline and enable employee mobility and agency.</div> <div><div></div>Develop and articulate a compelling employee value proposition that aligns with modern workforce needs/preferences and incorporates intangible benefits of working at the institution.</div>

# How EAB Can Help You Advance Talent Strategy

## Access Tools and Resources

1

### Recruitment and Retention Resource Centre



**Review** best practices for inclusive hiring, flexible work, career development, and employee experience.

2

### Staff Recruitment and Onboarding White Paper



**Learn** how to address four major pain points in recruiting and onboarding processes.

# Apply Best Practices on Your Campus

3

## Job Description Audit and Review Service



**Revise** descriptions to reduce barriers, increase readability, and better convince applicants to apply.

4

## Employment Website Audit and Review Service



**Modernise** your website to bolster the usability and value for applicants.

5

## EAB-Facilitated Session for Senior Leadership Team



**Bring** EAB experts to your campus (in-person or virtual) to facilitate a discussion on talent strategy.

6

## Financial Performance Collaborative



**Implement** peer-tested solutions to promote administrative effectiveness and performance.

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