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# How Position Control Can Help Colleges and Universities Reduce Labor Costs

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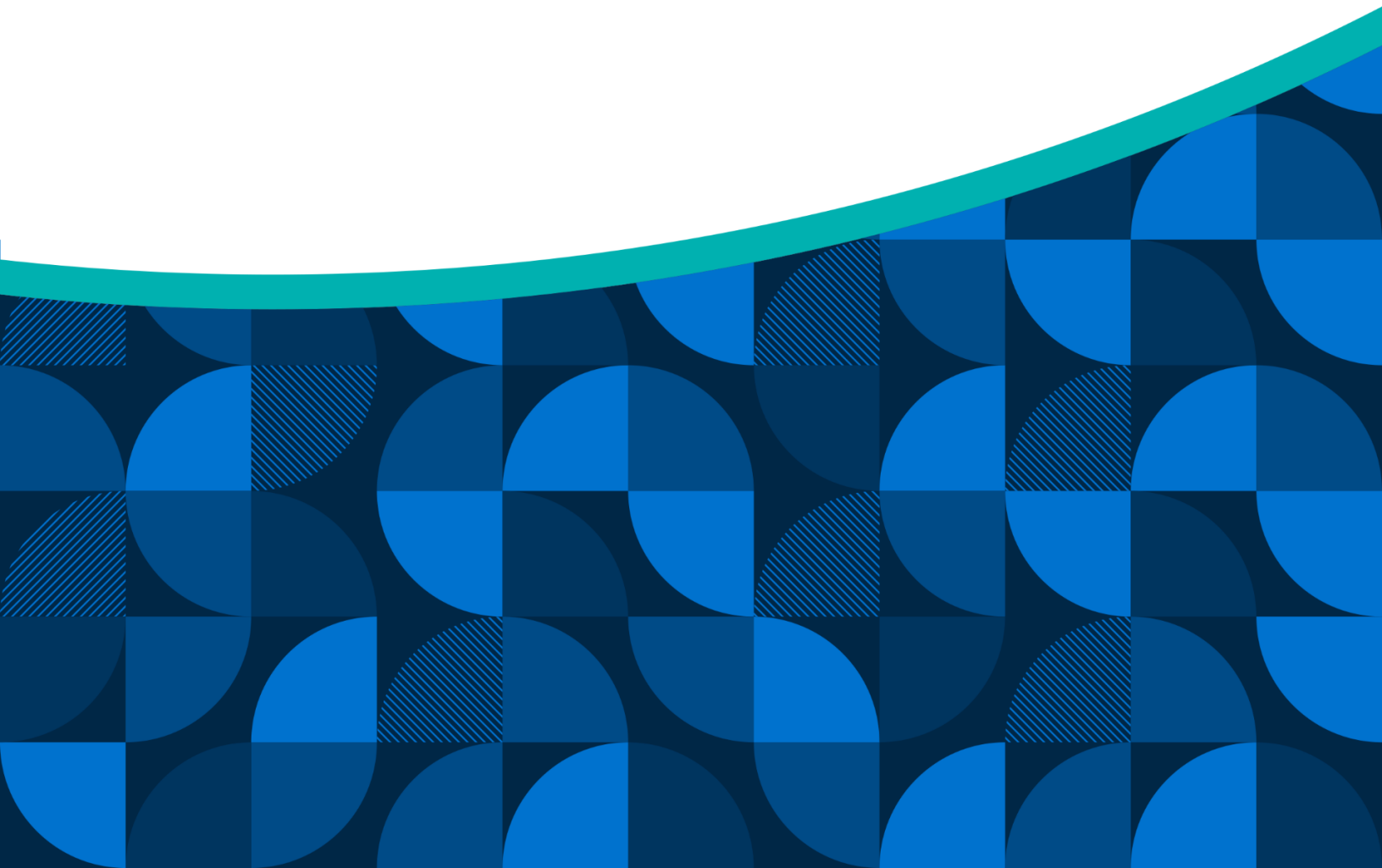
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Project Director

Molly Bell, MPP

Contributing Consultants

Brynna Morgan, MA
Brooke Thayer, M.Ed.

Executive Director

Ann Forman Lippens

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Introduction

Between an increase of 5.2% in inflation and 8.6% in staff wages, the cost pressures continue to mount for higher education. At the same time, EAB analysis shows that 62% of institutions will see flat or shrinking enrollments by 2030, impacting the ability to offset increased costs with revenue.

Amid these financial pressures, institutions must explore cost-reduction strategies. Yet, common tactics for decreasing costs like restricting travel, reducing fringe benefits, and even cutting academic programs yield small or delayed savings. To significantly reduce costs, colleges and universities must focus on major cost centers, like labor.

> **55%** of institutions' operating budgets are labor costs

Position control, unlike other strategies for reducing labor costs, offers immediate savings and slows long-term cost growth. This report provides an overview of what position control is, trends in higher education, the vacancy review process, and common position control practices.

> **What is position control?**
>
> Position Control is the process of managing jobs in an organization by keeping track of the number and types of positions, as well as whether they are filled or vacant, to ensure that staffing matches the institution's needs, budget, and goals.

Position control is an effective strategy to control labor costs for both staff and faculty, but this brief will focus on staff roles. For more information on controlling labor costs via faculty line reallocation, see EAB's Instructional Capacity Playbook.

Position control yields one-time savings by ensuring that staffing decisions are aligned with an institution's needs and budget, preventing the proliferation of unnecessary roles. Over time, position control helps maintain sustainable staffing levels, preventing gradual increases that drive up labor costs. By managing the creation and filling of vacant roles, institutions avoid unnecessary salary and benefit expenses, leading to more stable and predictable long-term labor costs.

Urgent indicators that position control is needed include:

▶ Operating with a structural deficit

▶ The proliferation of duplicative roles

▶ FTE[1] growth outpacing enrollment

By implementing position control practices, including those outlined in this report, institutions can generate immediate savings and slow labor cost growth long-term.

Emerging Trends in Higher Education

The Rise of Position Control Policies and Centralized Decision-Making

In higher education, position control is becoming increasingly common as more institutions seek to manage labor costs and align staffing to long-term goals. Significant trends include position control policies, formal and informal, becoming the norm and increased centralization of decision-making through position control committees.

Trend 1: Position control is increasingly the norm (whether it's formalized or not)

Institutions across all segments have implemented position control, though policies range from formal to informal. Formal policies are typically separate from broader recruitment and hiring procedures, while institutions taking an informal approach often embed position control into existing processes, such as a standard step in the recruiting process. Examples of this include the University of Houston-Clear Lake's "Strategic Hiring Process", Wright State University's "Strategic Hiring", and Worcester Polytechnic Institute's "Staff Requisition Review and Approval Process".

Formal Policies

✔ PROS

- Clear decision-making process increases accountability as it is easier to track who is responsible for each decision
- Supports broader goals by considering institutional priorities, not just unit priorities
- Increases role clarity throughout hiring process ensuring the role meets actual staffing needs before it is filled

✖ CONS

- Additional administrative burden when processing hiring requests increases workloads, frustrating staff
- Senior leaders review all requests on an ongoing basis, decreasing the time spent on higher-order tasks (e.g., strategic planning)
- May slow hiring process, frustrating hiring managers and/or current staff who must adjust their responsibilities and workloads in the absence of a needed backfill

Informal Policies

✔ PROS

- Units and departments have more discretion in hiring practices ensuring they can meet workload demands with staff as needed
- Reinforces position control as a best-practice by embedding as a step in the hiring process
- Senior leaders review requests as needed, speeding up time to hire as not all positions require senior approval

✖ CONS

- Inconsistency in practices between units leads to undisciplined application of position control and continued cost growth
- Lack of strategic alignment across the institution negatively affects the ability to meet goals (e.g., increasing operational efficiency, right-sizing headcount)
- Missed opportunities to evaluate vacant roles continue unnecessary hiring and increase costs

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Emerging Trends in Higher Education

The Rise of Position Control Policies and Centralized Decision-Making

Trend 2: More institutions are forming position control committees that centralize decision-making authority to ensure roles align with top institutional priorities

Some colleges and universities use a committee structure to review vacancies and position requests, as a centralized structure ensures decisions align with institutional priorities, rather than unit-specific ones. Institutions starting a position control committee should include cross-cabinet representation to break down silos and consider priorities from across the institution. While committee membership differs by institution, common members are the CFO, CHRO, Provost, COO, and/or President.

Additionally, batching requests during each meeting allows leaders to compare the role criticality, strategic alignment, and budget impact of each request, while also identifying opportunities for combining roles.

One example of this is Oakland University's [Position Review Committee (PRC)](#). The PRC was established in 2022 to help hiring supervisors prioritize positions that align with strategic goals and contain costs. All positions must be approved by the PRC except for seasonal employees funded by revenue-dependent sources, casual and temporary positions within existing wage budgets, and 100% grant-funded positions. The committee consists of three members: the VP for Finance & Operations, the VP for Academic Affairs, and the VP for Human Resources, who meet monthly to evaluate positions using a review form submitted by each hiring manager.

Each position request at Oakland University is reviewed against the following criteria:

- Alignment with the university's strategic goals
- Efficiency and effectiveness of staff utilization
- Potential for performing the function another way
- Possible elimination of the function
- Current staffing levels
- Budget impact
- Identification of funding source
- Potential for reallocation of position funding resources
- Potential to directly or indirectly increase revenues or reduce expenses
- Potential for alternative configurations

While position control committees are a growing trend in higher education, they are only the means for enacting position control, not the method themselves. To effectively implement position control and slow labor cost growth over time, campus leaders should regularly review positions as they become vacant, as it is easier to make changes without someone in the role.

Implementing Position Control Through the Vacancy Review Process

Unit leaders too often reflexively backfill vacant positions, which only serves to maintain the status quo. Through a vacancy review process, institutions can assess positions as they become vacant, reclaim staffing dollars when appropriate, and potentially redeploy staffing lines to units with greater need. However, leaders should note that this process only yields one-time savings.

Key Labor Savings Opportunities in the Vacancy Review Process

- ✕ Eliminate Position (temporary or permanent)
- ☑ Backfill Position (at later date or lower cost)
- Redesign Role
- Reallocate Position to Different Unit
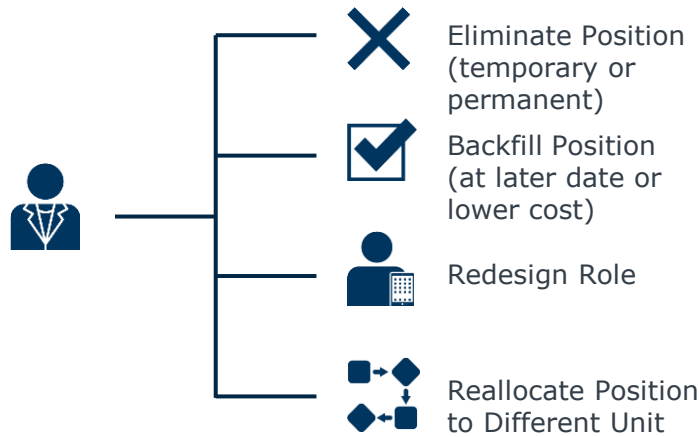
Decisions to create, backfill, eliminate, or redesign a role must consider role criticality, availability of alternatives, impact on operations, and future needs.

Criteria to Consider When Evaluating a New or Vacant Position

	Questions	*Guidance*
Role Criticality	• Does this position fit our definition of critical (e.g., supports campus safety, required by law)? • If we do not add/fill this position, will it have substantive negative effects on campus operations and/or mission (short- and long-term)?	If a role is determined critical, then leaders should prioritize filling the position, making exceptions to policy if necessary. If a role is not critical, then consider eliminating or holding the position open for a longer period to increase savings.
Strategic Alignment and Impact	• How do current staffing levels compare to normal? • Is the division efficiently and effectively utilizing current staff?	If vacant roles do not support institutional strategy, prioritize eliminating or redesigning them.

Criteria Continued on Next Page

Source: EAB interviews and analysis.

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Implementing Position Control Through the Vacancy Review Process (cont.)

Criteria to Consider When Evaluating a New or Vacant Position

	Questions		*Guidance*
Current/Past Staffing Levels and Efficiency	• How do current staffing levels compare to normal? • Is the division efficiently and effectively utilizing current staff?	▶	If the unit's staffing levels are above historic norms, consider eliminating or reallocating the role. If understaffed, evaluate whether eliminating this role would significantly harm operations and morale.
Substitution Availability	• Are there other options for meeting needs without filling/adding this position that are viable and/or more cost-effective?	▶	If there are options besides filling a position, then consider what alternative is most cost-effective (e.g., technology, outsourcing, split roles, internships, shared services).
Budget Impact	• How resource-intensive (i.e., salary, benefits) is this position? • Could we find alternative ways to fund this position (e.g., grant, donation)? • Does this position directly increase revenues or reduce expenses? • Could the position be reconfigured to increase budget efficiency (e.g., redesign the role at a lower pay band)?	▶	If a position is resource-intensive but serves a critical function, then prioritize seeking alternative funding sources or redesign the role to increase budget efficiency.
Future Needs	• Do we expect the urgency and/or demand for this position to increase in the future?	▶	If the need is expected to increase, then prioritize backfilling the role or finding a more cost-effective alternative. If the need is expected to decrease, then the role should remain vacant until needed again.
Pace of Change	• Do we expect the nature and responsibilities of this position to evolve significantly in the next 3-5 years?	▶	If a role is likely to change significantly in the future, leaders should seize the opportunity presented by a vacancy to redesign the role now in anticipation of meeting new demands.
Skills Availability	• Does this position require specialized or transferrable skills? • Are there others on campus who already possess the needed skills?	▶	If the position requires transferable skills that others on campus possess, deprioritize backfilling and consider eliminating the role. If the position requires specialized skills, anticipate high replacement costs and assess factors like criticality and strategic alignment to justify the investment.
Market Demand	• How competitive is the market for recruiting/hiring people into this role or job family right now? • How big, strong, and/or diverse do we expect the talent pool to be?	▶	If a role may be difficult to fill based on current competition, then consider alternatives like role redesign or flexible work arrangements.

Source: EAB interviews and analysis.

How to Enact Position Control to Achieve Labor Savings

Three Practices for Immediate and Long-term Cost Savings

To achieve immediate labor savings and slow long-term cost growth, leaders must implement strategies beyond just reviewing new and vacant roles. While this review process is a crucial position control practice, many institutions also use mandatory hold-open periods, vacancy savings targets, and vacancy-triggered role redesign to harness

1 Mandatory Hold-Open Periods

Unit leaders often try to backfill vacant roles as soon as possible, but by implementing a hold-open period, a set period of time where positions remain vacant, institutions slow the reflexive backfill process. This forces units to innovate on work processes and consider alternatives such as role redesign.

To start, institution leaders need to establish the duration of the hold period. While there is no one-size-fits-all duration for a hold, many institutions use periods between two and four months. When determining the duration of a hold, leaders should consider potential savings and impact on operations. Next, leaders determine if there are any positions or situations that should be exempt from the hold-open policy. For some roles, leaders may want to waive the hold and consider requests immediately.

Considerations for waiving hold period

- Impact on campus safety (e.g., campus safety officer, nurse)
- Highly specialized skills (e.g., accountant, programmer)
- Positions with higher turnover and low wages (e.g., custodians, cashiers)

Considerations for extending hold period

- Financial shortfalls: Lengthen hold-open period to meet one-time funding needs
- More turnover anticipated: Try to examine multiple vacancies within a unit at the same time for increased opportunities to restructure

Length of hold opens across colleges and universities

Institution	Length of Hold-Open
Oakland University	45 days
Webster University	2-3 months
University of Alaska, Fairbanks	3 months
New York University	3 months
Rensselaer Polytechnic Institute	Vacancy review occurs quarterly, creating a natural hold period of up to 3 months

Source: New York University, New York, NY; Oakland University, Rochester, MI; Rensselaer Polytechnic Institute, Troy, NY; Webster University, St. Louis, MO; University of Alaska, Fairbanks, Fairbanks, AK; EAB interviews and analysis.

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How to Enact Position Control to Achieve Labor Savings

Three Practices for Immediate and Long-term Cost Savings

Annual Salary Savings from Hold-Open Period
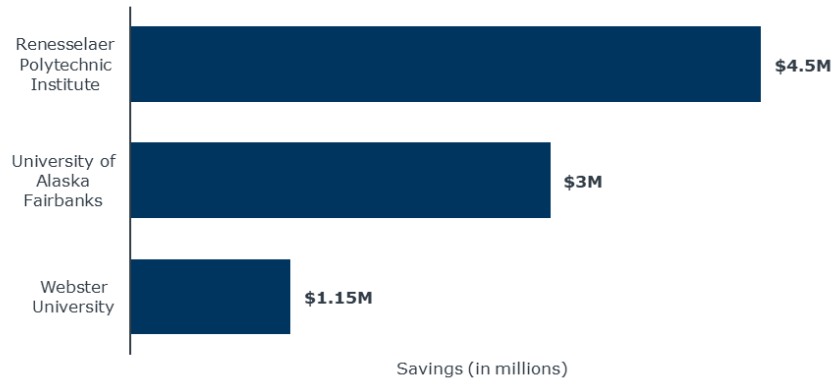
2   Vacancy Savings Targets

Institutions set specific dollar targets for generating savings during the vacancy review process. These savings are achieved by holding positions open, redesigning roles, and eliminating unnecessary positions. Setting a concrete target helps leaders rigorously evaluate position requests in the context of a broader institutional goal, rather than in isolation.

The key component in this strategy is setting a specific savings target for the institution to achieve through the vacancy review process, which campus leaders must communicate clearly to all units, ensuring everyone is working toward the same goal.

Key Advantages of Vacancy Savings Targets

- Maximize savings potential through more scrutiny of positions to achieve target
- Force prioritization by prompting development of rigorous standards to compare competing requests
- Provide alternative to across-the-board cuts that recoups savings through targeted position elimination
- Offer political safeguard by giving leaders justification for potentially unpopular decisions

For example, the University of Central Arkansas launched a Resource Optimization Initiative (ROI) in 2020 to prepare for the financial impacts of demographic shifts and increasing costs. This initiative set a savings target of $7.5 million. The university achieved this through centralized position control, three voluntary retirement programs, vacancy-triggered role redesign, and not backfilling unnecessary vacancies.

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How to Enact Position Control to Achieve Labor Savings

Three Practices for Immediate and Long-term Cost Savings

3 **Vacancy-triggered Role Redesign**

Institutions can automatically place holds on any "as-was" position request—meaning a request to fill a position without changing the role—and instead encourage unit leaders to redesign roles. Vacancies are the ideal time for role redesign, as shifting or automating tasks is simpler without incumbent staff. By requiring unit leaders to review work processes as part of reviewing vacant positions, this practice enables institutions to refocus positions on higher-value work and streamline roles for less expensive or part-time replacements.

The first step in a vacancy-triggered role redesign process is to flag and follow up on "as-was" position requests, prompting managers to consider ways to improve or streamline the role. If an "as-was" request is submitted, institutions may require managers to meet with leadership to brainstorm possible role improvements or automatically deny the request, reabsorbing the funding centrally.

The second step is to provide an evaluation framework to help unit leaders evaluate tasks and guide role redesign. This tool should help managers gauge whether tasks can be automated, eliminated, reassigned, or absorbed by another department. One possible framework requires unit managers to identify the various tasks and responsibilities associated with a role and then vet them against the following options: eliminate, automate, outsource, reallocate, or no change. If most of the tasks can be eliminated or reallocated, the position can be eliminated.

Case Study: Simmons University

Simmons University achieved net savings of $1.6 million in one year through its review and redesign of administrative positions, many of which were vacant roles. An Administrative Efficiency team was created to find seven-figure savings by evaluating administrative structure. The team was comprised of the President, Provost, CFO, General Counsel, VP of Student Affairs, and Associate Provost.

To ensure the administrative salary budget is maintained and optimized, the Hiring and Promotions Committee meets monthly to evaluate all vacant positions for necessity and considers options for how roles can be redesigned to meet institutional priorities, increase efficiency, and reduce costs. Through this process, one division proposed implementing a new software solution instead of backfilling a vacant role. While the salary cost of the role was $80K per year, the software cost $15K leading to net savings of $65K.

Conclusion

Since labor costs account for over 50% of institutional budgets, controlling these costs must be a top priority for higher education leaders. Whether an institution is looking to increase efficiency or decrease labor costs, position control helps institutions in the long term by yielding both one-time savings and slowing labor cost growth over time.

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