New Legislation is Turbocharging Higher Education Talent Demand

nextSource
Advancing the way the world connects with talent.

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INTRODUCTION

Universities and colleges have enjoyed a long-standing reputation as some of the most attractive places to work, offering prestige and job stability. However, the COVID pandemic accelerated emerging shifts in worker expectations, technology usage, cultural priorities, and worker demographics.

Higher Education has historically remained relatively unaffected by these market forces. However, economic uncertainty has combined with record levels of unemployment, requiring academic institutions to compete with businesses for high demand talent. And the competitive landscape has changed.

To thrive in the competitive and tight labor market, institutions of higher education must do whatever it takes to stay ahead of the game. This means expanding their talent pipelines, improving hiring strategies, and scaling talent acquisition in ways that benefit the organization in the long term.

This article explores current conditions characterizing the Higher Education workforce, new "game changing" legislation that will provide significant opportunities and threats to Higher Education, and workforce acquisition and management strategies that can serve both as a competitive advantage and protection against threats of talent loss.

TODAY'S HIGHER EDUCATION WORKFORCE: HOW DID WE GET HERE?

MARKET FORCES SHAPING THE U.S. LABOR FORCE

Today's workforce is shaped by changing demographics, technological advancement, psychographic, and behavioral factors.

- By 2039, minority groups will represent the majority of U.S. workers.
- The steadily increasing dominance by women in educational attainment (2:1 female/male ratio in four-year degrees by 2028) will be culturally transformational.
- There has been a shift from "emergency remote" to "sustainable hybrid" work locations in post-covid period. More than 60% of knowledge workers are demanding a remote or hybrid work environment.
- The self-sorting of states and larger metro regions into two vastly different social policy groupings ("Red" and "Blue") are impacting employers' recruitment efforts as Millennials and Gen Z workers choose to work and live in areas aligned with their social values.
- Pandemic job losses have been recovered, with positions requiring higher education levels above, less educated below pre-COVID levels.
- Artificial Intelligence is enhancing and eliminating jobs at all skills levels.
- Talent (acquisition, retention, development, and redevelopment) and change management are identified as the top two elements required by CEOs to create successful enterprises.
- Workplace diversity, equity, inclusion, and belonging is a "must have" for Millennial and Gen Z generations.
- Compliance has increased in importance due to multi-state scale of projects and regularly changing federal and state procurement regulations.

TODAY'S HIGHER EDUCATION WORKFORCE ENVIRONMENT

Higher Education Demographics

According to research conducted by Zippia in 2022:

- There are over 130,377 college professors currently employed in the United States.
- 49.8% of all college professors are women, while 50.2% are men.
- In 2021, women earned 94% of what men earned. This is despite achieving more four-year degrees than men each year since the 1990's.
- The average age of an employed college professor is 46 years old.
- The most common ethnicity of college professors is White (66.3%), followed by Asian (11.3%), Hispanic or Latino (10.1%), and Black or African American (7.1%).
- 16% of all college professors are LGBT.

On the surface, this seems consistent with the U.S. workforce at large. But, by digging a bit deeper, troubling trends become evident:

- Faced with the prospect of returning to campus, many workers are quitting instead of surrendering the flexibility of their work-from-home lifestyle.
- Dissatisfied with pay freezes and burnt out from increased workloads, employees are being lured away by the attractive compensation packages the corporate sector is offering.
- The higher education workforce is aging – and the global pandemic forced many older workers into early retirement.
- Tighter budgets and a leaner workforce have made it almost impossible for Human Resource teams to work diligently to build quality relationships with talent.
- Severe budget cuts also forced many colleges and universities to freeze hiring, cut positions, and, in some cases, decrease salaries. According to CUPA-HR's Administrators in Higher Education Annual Report, when salary increases occurred in the higher education workforce over the past year, they tended to go to faculty, professionals and staff rather than administrators. Higher education administrators overall received near-zero pay increases.

Changes to the Higher Education Employer Brand

Institutions can no longer assume that the American workforce will consider Higher Education a great industry to work in. In fact, a recent CUPA-HR study showed that most Millennials and Gen Z professionals have poor perceptions of the industry's culture and compensation. In addition, 70% of Black Americans and 60% of LGBTQ+ Americans aren't convinced higher education can offer a diverse, inclusive, and equal opportunity work environment. These perceptions pose huge challenges for colleges and universities looking to diversify their workforce and build strong teams.

NEW LEGISLATION OFFERS OPPORTUNITIES AND CHALLENGES

Talent shortages, which began in some skill areas prior to COVID, are not merely the aftereffects of the pandemic. In fact, the gap between supply and demand will widen over the next decade.

Three historically large Federal legislative acts passed in 2021 and 2022, providing nearly $2 trillion in funding over the next 10 years. Investments, often matched with private and non-federal public funds, will be used for infrastructure, fighting climate change, health care affordability, onshore semiconductor chip manufacturing, scientific research and commercialization, and modernization of the U.S. Internal Revenue Service (IRS).

Together, the new legislation will create demand for products, services and workers in multiple industries, in every state, with some "mega-projects" stimulating growth in entire regional economies.

Higher Education is inextricably linked to the plans for economic recovery driven by two of these new laws. The government and the private sector will turn to colleges and universities for research and development assistance, dramatically increasing the institutions' funding through grants and loan programs. However, higher education will be challenged to secure and maintain the talent needed to pursue these new opportunities while also facing the risk of talent being lured away to fill critical positions in the private sector.

The American Council on Education reminds us that, in this period of political and economic uncertainty, if the government must address cutbacks, funding for institutional support programs, scientific research grants, and other forms of federal higher education support would not be given as high a priority as large programs like Social Security, Medicare, or the defense budget. Since each Act authorizes funding but requires appropriations, which may reflect changing political winds, academic institutions should immediately assess the opportunities, required investments, and potential risks of each.

BIPARTISAN INFRASTRUCTURE LAW

The Bipartisan Infrastructure Law seeks to address a broad range of critical needs in transportation; roads and bridges; passenger and freight rail, airports, ports, and waterways; public transit; electric vehicles; and safety. The Act also funds core infrastructure, including the power grid, broadband, water, environmental resiliency, and environmental remediation. Specifically, the law includes funding for:

- A $550 billion increase in appropriations for surface transportation, broadband, and water infrastructure programs over current levels over eight years.
- $47 billion in climate-change resilience measures to protect buildings from storms and wildfires.
- $65 billion allocated to repair and protect the electric grid, including building new transmission lines for renewable power.
- $39 billion toward maintaining and expanding public transit systems.

Potential Benefits to Higher Education

Potential allocations to Higher Education institutions include:

- The National Center of Excellence for Resilience and Adaptation and the U.S. Department of Transportation will establish 10 Regional Centers of Excellence to improve the resilience of U.S. surface transportation infrastructure to natural disasters and extreme weather. Higher education institutions are eligible to be designated as research and development centers. The law authorizes $500 million over five years, with each center receiving a minimum of $5 million each year (subject to a 50% cost share).
- Grants will be available to establish training and assessment centers to educate construction technicians and engineers about modern building technologies and the use of algorithms to uncover building performance anomalies, and other details of smart building technology.
- Funding is also available to investigate construction and consumer products created from sustainable agriculture products.
- $65 billion in new broadband investments is available, including state-level grants to facilitate broadband deployment, dedicated funding for middle-mile broadband infrastructure, and more.

- Higher Education facilities that are in locations vulnerable to the hazards of storms, floods, and fires may be eligible for funding for climate change resilience measures.

- Institutions that generate some of their own renewable energy may sell excess energy to the grid, demonstrating their commitment to environmental sustainability while generating revenue.

- Higher Education institutions also may find opportunities to leverage public funding by partnering with private companies. Many institutions have used public-private partnerships to launch new innovations.

The Act also potentially provides direct funding to academic institutions:

- $12 billion is allocated for updating infrastructure in community colleges and $50 million to the National Science Foundation (NSF). NSF funding will be directed toward fields such as semiconductors and advanced computing.

- $10 billion investment in research and development and $15 billion to create 200 research incubators is available to historically Black colleges and universities, with the intent that those investments could eliminate racial and gender inequities in Research and Development (R&D) and Science, Technology, Engineering, and Mathematics (STEM). In addition, of the $40 billion dedicated to improving research infrastructure and laboratories, half would be set aside specifically for historically Black colleges and universities and other minority-serving institutions.

- Investments in job training and career pathways, combined with the nationwide expansion of broadband, will directly benefit community colleges. Over 40 percent of Hispanic-serving institutions are community colleges.

CHIPS

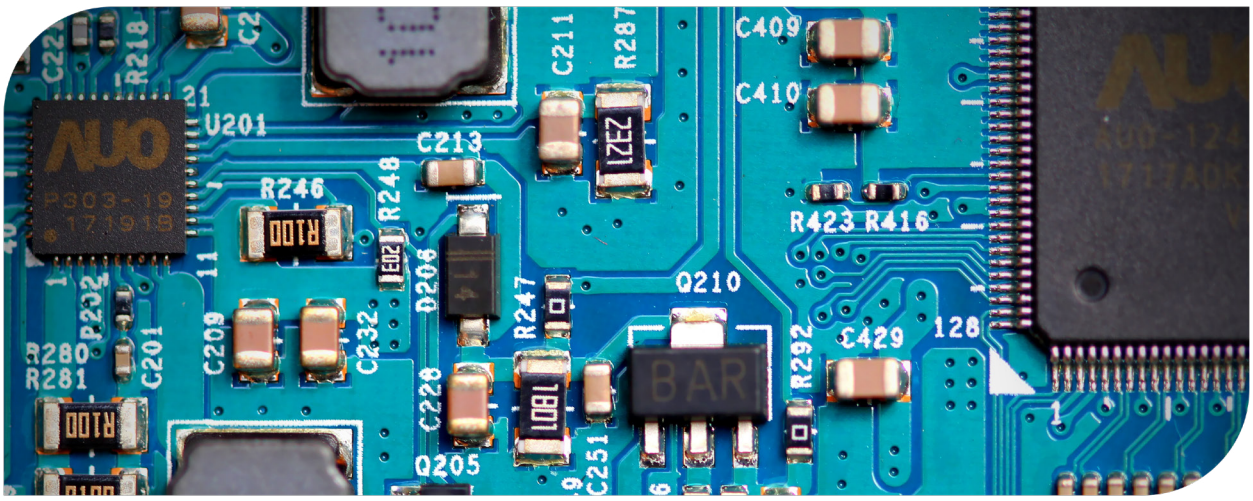
The Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022 (CHIPS Act) is a $280 billion legislative package to support the U.S. semiconductor industry with new funding for manufacturing and R&D. It also seeks to jump-start commercialization of leading-edge technologies, such as quantum computing, AI, clean energy, and nanotechnology, creating new regional high-tech hubs and a bigger, more inclusive STEM workforce. The act is intended to boost US competitiveness, innovation, and national security.

Specific funding allocations include:

- $39 billion in semiconductor manufacturing incentives
- $10 billion for regional innovation and technology hubs
- $1.5 billion for promoting and deploying wireless technologies

Although the Act does not explicitly direct much funding toward Higher Education institutions, it does rely heavily on the notion of Higher Education involvement in R&D and effective implementation, indirectly allocating incremental funds over five years:

- The National Science Foundation will receive an additional $81 billion.
- The allocation to the U.S. Department of Energy is $68 billion.
- $11 billion has been allocated to the U.S. Department of Commerce.
- $10 billion has been awarded to the National Institute for Standards and Technology (NIST).



Additional Research Funding for Academic Institutions

Universities with a concentration in semiconductor research and manufacturing will receive CHIPS funding directly through grants and sponsored programs and indirectly through partnerships with national labs and industry. However, CHIPS-funded projects require extensive applied and developmental research. This requirement can only be met by a relatively small number of academic institutions due to prohibitive start-up costs (for example, costs for Level 5 cleanrooms required for microchip research start out between $100-1,000 per square foot). While new CHIPS funding will offset some of these costs, the federal agencies prefer institutions with established facilities and track records of success when it comes to funding big-ticket, politically-involved projects.

Smaller and/or non-research institutions can benefit from the research funding within the CHIPS Act through partnerships with larger research universities. Through the Department of Commerce, CHIPS provides $10 billion to establish 20 geographically distributed regional technology hubs based on partnerships between for-profit companies, universities, local and federal government entities, and community organizations to support the "development and implementation of regional innovation strategies." While the larger institutions serve as central research hubs, they will actively recruit other research universities to serve as the regional extensions to the central hub.

Funding for STEM-related Higher Education and Workforce Development

CHIPS also authorizes significant funding for STEM-related Higher Education and workforce development. Provisions within the Act are aimed at smaller, regional institutions, historically Black colleges and universities, minority-serving institutions, community colleges, and institutions in states that historically have not benefited from this type of federal support. Rather than a universal allocation across U.S. colleges and universities, academic institutions must compete for funding on a per-project basis.

Research topics go beyond semiconductor manufacturing to include artificial intelligence, quantum computing, energy, material science, food-energy-water system, sustainable chemistry, critical minerals, information technology, behavioral health, precision agriculture, and more.

There are two specific programs of note:

- A five-year pilot program for multi-institutional partnerships involving emerging research institutions (ERIs), defined as colleges or universities with less than $50 million in federal research expenditures. At least 35% of awards within this pilot to go to one or more ERIs.
- Funding is also earmarked to build the capacity of historically Black colleges and universities, tribal colleges, and minority-serving institutions to successfully compete for and administer NSF grants. In fiscal year 2023, $200 million was allocated. $250 million will be available in subsequent years through fiscal year 2027.
- The Act aims to diversify the institutions and researchers who conduct the work by including $150 million per year to study and implement approaches to attracting and retaining students from diverse backgrounds and institutions in STEM research fields.

TALENT IMPLICATIONS

The current and projected available supply of workers, already stretched, may not meet the talent demand resulting from this new legislation. While all three bills include components to strengthen talent pipelines, these efforts will not be sufficient to close the gap. Therefore, the post pandemic "Great Resignation-Migration" is likely to continue for the next 5-7 years, including a significant reallocation of workers across sectors.

In this period of turbocharged talent demand, employers will face the renewed risk of an economy-wide game of worker musical chairs, with productivity loss caused by turnover and the expense of operating a training treadmill.

The diminished prestige associated with employment at an academic institution will cause every major college and university to compete across industries for needed talent while simultaneously attempting to retain existing personnel. Universities will be a prime target for "poaching" given the large population of talent with transferable skills and workers with upskilling potential.

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PLANNING FOR A SUSTAINABLE FUTURE THROUGH DIRECT SOURCING

The mission of institutions of Higher Education is to shape the workforce of tomorrow while catalyzing discoveries and innovations that drive our economy. Temporary workers are essential to achieving this mission in today's high demand, dynamically changing environment, bringing the needed skills, experience and workforce flexibility.

Direct Sourcing can play a pivotal role in augmenting current talent sourcing channels, providing a competitive advantage when seeking talent and offering protection against threats of loss of critical resources.

DIRECT SOURCING DEFINED

Direct Sourcing goes beyond traditional sourcing techniques to create a talent community of flexible, engaged and loyal workers who know and value the employer brand and are available for re-deployment long after their initial assignment ends. In essence, a talent community is like a members-only club. Membership is open to individuals with demonstrated skills in selected areas and/or alignment with strategic business initiatives such as diversity and inclusion goals. A close relationship is formed between the business and the people needed to get the work done. Through continuous outreach before, during and after each engagement, each candidate experiences a highly personalized journey that builds ongoing interest and loyalty. Direct Sourcing can help universities and colleges cultivate a flexible and scalable workforce that drives true talent sustainability.

WHY DIRECT SOURCING?

Direct Sourcing offers benefits to academic institutions and to the candidates they are attempting to attract.

For Academic Insitutions

- Greater access to talent by reaching out to candidates not traditionally reached by staffing agencies.
- Stronger connections with talent prior to, during and after assignments, resulting is a stronger employer brand and greater candidate/worker loyalty.
- Ability to engage repeat performers familiar with the institution's culture and processes. This results in productivity enhancements.
- Targeted efforts to increase workforce diversity.
- Direct cost savings. Workers are engaged at rates that are lower than those charged by staffing agencies.
- Indirect cost savings. Institutes using direct sourcing report less time to source candidates, fewer applicants to process per hire, better submittal to hire ratios and fewer shortlisted withdrawals, resulting in faster time to fill positions. They also report less time for the worker to come up to speed, and lower instances of workers leaving before assignment end.
- A single, centralized approach and platform for hiring managers to request temporary resources regardless of type. This reduces hiring manager training while offering real-time visibility into projected spend and contractual obligations.

For Temporary Workers

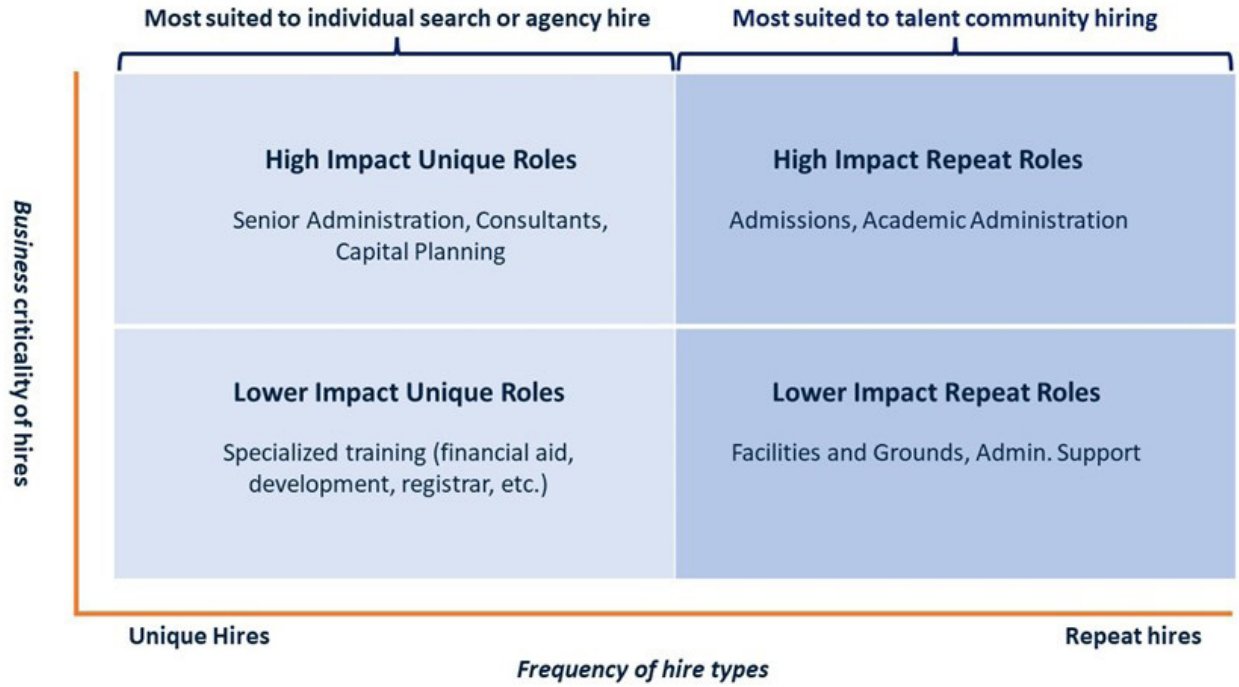
- Greater insight into the prospective institution's culture, business practices, and work expectations, avoiding the "what was I thinking? moment that often follows the beginning of a new assignment.
- Rapid re-engagement at assignment end.
- Coaching on the soft and hard skills needed for career development.

KEY CONSIDERATIONS

Direct sourcing is not a solution to every talent acquisition challenge. Before getting started, consider the following cautions:

Direct sourcing should not be used as a solution to fulfill 100% of positions

As indicated in the table below, direct sourcing can be a fit for all academic institutions, but not all roles.



Colleges and universities often utilize direct sourcing to fill short-term project needs for summer camp staff and other events. Resources often needed for annual recurring events include adjunct professors, lecturers, research assistants, counselors, and advisors. For longer-term, university-wide initiatives direct sourcing aids in finding IT implementation managers, software developers, project managers, and fundraisers.

Talent communities take time to build

Direct sourcing focuses on creating a community of specialized skills which may take time to scale. This can be reduced when starting with a seed population of known resources (e.g., former contractors/employees or retirees) but the effort to source and attract passive candidates not typically on the radar of staffing agencies requires more time.

Direct sourcing requires a mutually beneficial relationship between the university and the worker

The benefits of direct sourcing may be negatively impacted when the primary and strategic objective is cost savings. Higher Education institutions must be willing to offer market-based wage rates to compete for top talent. In addition, the benefits of direct sourcing, will not offset challenging or unhealthy work environments.

NEXTSOURCING™: A FORWARD-THINKING APPROACH TO DIRECT SOURCING

Due to the effort associated with designing, populating and continuously refreshing a community of available and ready-to-work candidates that include fresh talents along with previously gathered top workers, most clients elect to outsource direct sourcing to third-party workforce management experts.

nextSource has built upon more than two decades of managing temporary labor programs to design a superior direct sourcing solution that places equal emphasis on talent identification, attraction, engagement, and redeployment. nextSourcing incorporates best-in-class practices for a high-yield direct sourcing program.

DESIGNING THE DIRECT SOURCING SOLUTION

The design must start with a clear understanding of your needs. nextSourcing steps include:

- Evaluating the availability of the skills needed over the next year and identifying those that are best met by direct sourcing. Data analysis includes projections of workforce demand and the identification of capacity bottlenecks.

- Establishing consistent skill taxonomies, going beyond broad job categories to ensure attraction of best fit candidates. Breaking the skills down by short, medium, and long-term needs.

- Building cross-sections of candidate types by geography/region, skillsets and expertise, compensation, certifications, diversity status, and more.

- Discovering the institution's flexibility in accommodating candidates' requests for remote work, emphasis of transferable skills over traditional credentials, assessing the ability to offer accommodations where needed, etc.

- Determining the potential return on investment by evaluating the current cost-per-hire using historical data and comparing that to anticipated direct sourcing costs.

- Considering technology options. Ideally, clients should choose a software platform that will seamlessly integrate with the vendor management system and/or HRIS system so that those requesting resources can do so through a single system. We also consider the built-in functionality for two-way communication with talent community members as well as reporting and analytics capabilities.

- Deciding whether the direct sourcing solution is to be client-branded or anonymous.

COMMUNITY POPULATION

- Identifying known talent to include in the talent community. This typically includes retirees, alumni, strong candidates for prior positions who were not chosen, past freelancers/contractors, and more.

- Establishing strategies for sourcing new candidates. In addition to job boards and online sites used by staffing agencies, planning to outreach to professional associations, community organizations, business groups, technology centers, cultural centers, local media, workforce development agencies, training organizations, trade associations offering certifications, and government agencies.

- Defining ways to reflect the company's overall brand and culture in every outreach.

- Enabling existing candidates to refer like-minded and similar-skilled workers to join your company's talent community.

TALENT NURTURING AND COMMUNICATION

We establish frequent communications with candidates. This ensures that they are properly engaged and show interest in potential employment. This entails:

- Building awareness and enthusiasm for the academic institution as a great place to work.
- Encouraging members to maintain their profiles, including skills updates, availability, desired positions, and compensation expectations.
- Providing career assistance, offering guidance on resume creation, interviewing, job/skills supply and demand, and links to skill development sites.
- Ensuring bi-directional communication through chats, web-based feedback sessions, invitations to remote events, and more.

ENGAGEMENT AND REASSIGNMENT

- When a requisition is issued, identifying candidates from within the talent community, evaluating each and submitting a shortlist of candidates to the requestor.
- If a member of the talent community is selected for a position, nextSource will act as the Employer of Record and payrolling agent for the duration of the engagement.
- At engagement end, addressing reasons for departure and motivation to be re-engaged.
- Offering information and assistance to overcome barriers to return.
- Including skills queries in post-assignment follow ups.

CONTINUOUS ENHANCEMENT

- Discussions with the institution will result in the direct sourcing program design and inform the service level agreements and associated key performance indicators that govern the program.
- Data analytics will combine program performance reporting and external market analysis to provide insight into additional opportunities and enhancements.
- Quality of service surveys conducted with the institution and the talent community members will also inform program enhancement opportunities.

NEXTSOURCE TALENTCALLING™ SOLUTION

Academic institutions have a long history of joining together to leverage their combined buying power. Many have also established **networks of colleges and universities** that share academic and extracurricular resources open to all students across all institutions. The nextSource TalentCalling™ solution applies this concept to create greater access to temporary talent needed by academic institutions. TalentCalling delivers a shared talent community, enabled by an online centralized system, where participating institutions can draw from the community to access qualified professionals with select skills commonly needed by all universities.

The TalentCalling talent community is initially populated with admissions personnel, administrative assistants, exam proctors, instructional designers, research assistants, teaching assistants, application readers, project managers, general managers, student success specialists, and more.

Each participating college or university is assigned a program specialist who reinforces your employer brand through continuous outreach to talent community members and draws candidates from the community that match your staffing needs.

Our first TalentCalling direct sourcing center has been established to support colleges and universities in the Metro Washington DC area. In addition to expanded access to needed talent:

- Member institutions can participate in an open forum where colleagues discuss pertinent topics in a collegial, non-sales environment.

- Select members will be invited to join an advisory council consisting of academic institutions, professional associations, and others to share best practices and challenges, provide professional development opportunities, and encourage network growth.

When schools synchronize their sourcing through a shared direct sourcing program, they mutually benefit. Each has ready access to resources when needed. TalentCalling can serve as an introduction to direct sourcing for academic institutions that are not yet ready for a university-specific, dedicated direct sourcing solution. And, peer best practice sharing accelerates innovation and saves time and money.

ABOUT NEXTSOURCE

nextSource advances the way the world connects with talent. As a privately held, certified woman-owned business with over 20 years' experience, nextSource provides a personalized, intelligent approach to workforce solutions driven by high impact, strong results, and continuous growth. We offer innovative workforce solutions that deliver extraordinary service, efficiency, analytical insight, risk mitigation and improved access to talent that enhances a unified workforce. Solutions offerings include Managed Services Program, Direct Sourcing solutions, Employer of Record services, Independent Contractor Compliance Management, Agent of Record Services, Statement of Work based Project Services Management and Workforce Consulting and Advisory services.

To find out if our nextSource TalentCalling solution is a good fit for your college or university, click the button below, and a TalentCalling expert will get back to you to discuss your needs.

CONTACT US