

# Industry Outlook Report

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Future-Proof:

# Higher Ed Embraces Flexibility in Technology, Data and People to Compete

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# Executive Summary

For hundreds of years, higher education has played a valuable role in protecting knowledge from generation to generation.

But something changed in the 21st century. Students — now sometimes called customers — started making demands, and the economy started asking institutions to prove their worth and deliver an ROI.

The shifting expectations of next-generation students and the strain of adapting to a new standard of business are just two of many changes institutions must maneuver. In today's digitally connected world, institutions are also being asked to achieve operational excellence with seamless digital automation, meet aggressive goals to maintain and increase enrollments, and adjust to an increasing majority of nontraditional student demographics.

And unfortunately, as evidenced by falling enrollments and closings, they are finding they do not have the systems in place to thrive in this new environment.

This report explores how institutions today are redefining and adjusting their approach to institutional and student success and identifies three ways they are changing to flourish in this new economy:

- **New technology** that streamlines, measures and tracks institutional operations and student services — and delivers an outstanding student experience.
- **Data processes** that organize and activate institutional data while proactively protecting student data.
- **Intentional people strategy** that optimizes the employee life cycle and provides training and advancement opportunities.

Because there's no limit to the amount of change that today's higher education institution must navigate, institutions that want to sustain and increase their enrollments must do things differently. They must be firm about their mission but flexible about their methods. And they must stop resisting change and instead be resilient to it to remain an essential part of the next generation's development.

# Introduction

**H**igher education institutions are no strangers to turbulence. For hundreds of years, they've stood the test of time, persisting as beacons of knowledge amid confusion and pillars of leadership through massive cultural shifts. But even for institutions with centuries of tradition, the challenges facing today's higher education landscape are unprecedented — and intimidating.

The National Student Clearinghouse Research Center found that enrollments are declining as much as 19.7% in some institution types.<sup>1</sup> Ernst & Young research reveals hundreds of small colleges at risk of “critical strategic challenges” that could close their doors permanently, citing low enrollments and a lack of online programs, not to mention the number of larger university systems merging and consolidating to reduce operating costs and improve student outcomes.<sup>2</sup>

And all these challenges point to the larger question that has been raised of every institution: What value does higher education offer to the world today that justifies rising tuitions and student debt?<sup>3</sup>

This is not an easy question to answer, especially when so much of the solution rests on unprecedented financial instability, changing student demographics, and shifting regulations and legislation. Though higher education institutions don't have control over the threats that originate in the outside world, they do have control over the one thing that matters: themselves.

“The most pressing threat to higher education institutions comes from the inside, not outside,” said Austin Laird, Product Director of Higher Education at Unit4. “It's the hesitation to embrace the changes needed to thrive against the trifecta of changing learner demographics, learner expectations and the question of value of higher education.”

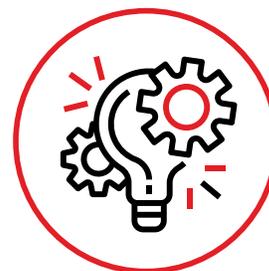


Higher education  
enrollments  
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The ability to embrace change is critical in the next generation of higher education. Traditional approaches to solving these problems won't work because the scale of today's university quickly overwhelms manual solutions; students freely give up their data in hopes of having their expectations met, but institutions don't have the data processes in place to act on it;<sup>5</sup> and institutional staff members, seeing these challenges unmet, continue to grow overwhelmed and disengaged in their work.<sup>6</sup>

"Our purpose in higher education is to help students grow as citizens in the working world, while also continuously learning and adapting," said Karla Loebick, Higher Educational Consultant at Transforming Solutions, Inc. "It's our obligation to those we serve to take the same approach to our work. It's an exciting time filled with incredible opportunities, but only if we allow that change to happen in a meaningful way."

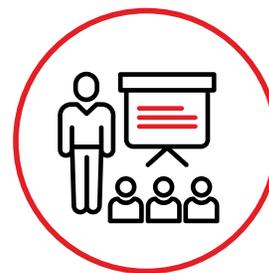
This industry outlook report considers the changes in technology, data processes and people strategy that higher education institutions must face to sustain their enrollments and, when possible, increase them. And, it explores the practices that will allow higher education institutions to future-proof themselves against the changes happening today and the changes still to come.



New technology



Data processes



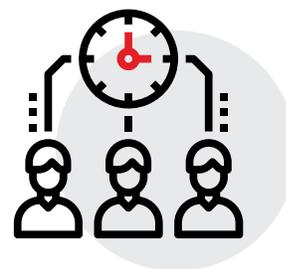
People strategy

# Unlocking New Levels of Administrative Productivity and Student Service With Technology

**W**hile there are clearly higher education leaders that steer the industry with their appetite for innovation, resistance to change is a trademark in most institutional cultures. This is especially true when it comes to incorporating modern, cloud-based business technology into the administrative process, where the sentiment of “We’ve always done it this way” can limit even the most progressive institution’s attempts to upgrade and streamline bulky manual processes.<sup>7</sup>

“The pace of change in technology is only accelerating,” said Brad Hough, Vice President of Information Technology and Chief Information Officer at Logan University. “That can be hard to keep up with from an institutional perspective, but the benefits of trying are substantial. You can deploy technology that makes your institution run better, faster and cheaper at the same time, when before you could only choose one or two of those options.”

Ironically, the impulse not to adapt puts institutions at a disadvantage in fulfilling their unique legacy. Because, despite this almost universal resistance,



**Increasing productivity with tools like an ERP allowed Arizona State University to reduce its cost per degree by**

**15%<sup>8</sup>**

adopting new technologies for higher education is central to an institution’s ability to thrive in two ways: It allows institutions to streamline and optimize their processes while also empowering them to deliver a higher-quality student experience.



## Optimizing Administrative Processes

- Increased efficiency from automating manual processes
- Decreased bottlenecks from making information accessible to students and staff
- Data consistency and accuracy from capturing information in one place

Digital transformation is that it fundamentally changes how individuals relate to the larger organization. Repetitive, manual tasks can be streamlined in an ERP, simultaneously giving staff members access to the information they need and freeing them to do more complex thinking with that information, such as strategic student outreach. In the private sector, this leads to profits and growth, but in higher education, this directly benefits student learning.



## Delivering Higher Quality Student Experience

- Students gain access to the support they need in the delivery format they want
- Staff members can easily identify and support priority and high-need students
- Digital transformation frees staff to be more student-focused

For example, increasing productivity with tools like an ERP allowed Arizona State University to reduce its cost per degree by 15%,<sup>9</sup> and removing bottlenecks in overused and under-resourced call centers allowed University of Maryland Global Campus to spend 20% less on advertising while achieving a 20% increase in new student enrollment.<sup>10</sup> The resulting productivity and information captured about students will eventually enable schools to provide “bespoke, personalized student experiences, with teaching catered to students’ individual styles and competency levels.”<sup>11</sup>

Meeting and exceeding student expectations for personalization and seamless student services experiences is increasingly important in the academic world because of how quickly the “Amazon Effect” is spreading from retail into the higher education space. Both traditional and non-traditional students entering colleges and universities today do so with years of cloud technology incorporated into their previous education and work experience, and they bring those expectations to their higher education institution.<sup>12</sup>

“Student expectations constantly evolve and grow based on the experiences they have as consumers,” said Mickey Baines, Principal at Kennedy & Company Education Strategies. “The technology higher education institutions use is often not fully equipped to allow institutions to respond and provide the level of service students expect.”

“When you get the right kind of technology in place, you’re able to better understand true student expectations and the communication gaps that exist in your institutional experience,” Baines continued. “And then you can fill them, whether that means updating your student portal messaging to SMS or live chat, or justifying the need for after-hours support with a live call center.”



# Highlighting Opportunities for Improvement With Student and Institutional Data

**F**rom using student data to increase learning at minority-serving institutions<sup>13</sup> to identifying students high-risk for not graduating,<sup>14</sup> the practical applications for student and institutional data have incredible potential to improve the way institutions serve their students.

But while institutions have more opportunities to capture data than ever before — with as many as 42% of institutions collecting and integrating student information system data and 31% actively using that data to inform initiatives<sup>15</sup> — they're in a unique situation of being doubly vulnerable:

If they collect the data and don't act on it, they miss out on enormous opportunities to differentiate their institutions by customizing and personalizing the student experience. But if they collect the data and act on it, it requires significant investments in time and money and they risk running up against current or future protections and regulations around student data.



Research shows  
**42%**  
of institutions are  
collecting and integrating  
student information  
system data and  
**31%**  
are actively using  
that data to  
inform initiatives<sup>16</sup>

“Institutions need to rethink their goals with data as a whole,” says Loebick. “People want to see measurable action with student and institutional data, but you have to step back and define what that means for your institution so you’re prepared for how the basic components might change in the coming years. Preparing now — learning to use the same terminology around technology and data

and investing in change management and building buy-in — will help you build a blueprint for what you want to happen in the future.”

Institutions that want to capture and deploy student and institutional data in the most effective and impactful way possible need to start with the following five steps.

## How to Capture the Student Data Opportunity



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- 1** Identify a dedicated stakeholder or change agent who can lead data initiatives at your institution — many institutions are hiring a new position for this role.<sup>17</sup>
- 2** Establish shared definitions for data quality and integrity, data stewardship, identity and access management, and reporting, analytics and decision support.
- 3** Build a student data-collection process based on informed ethical considerations from resources such as Stanford CAROL and Ithaka S+R’s “Responsible Use of Student Data in Higher Education.”<sup>18</sup>
- 4** Monitor what’s happening at a governmental level with resources such as the Future of Privacy Forum.<sup>19</sup>
- 5** Identify and pursue high-potential outcomes of using institutional and student data, such as notable emerging student demographics or profitable educational programs.

For example, one way institutions deploy data-driven decision-making is in the assessment of program profitability. As institutions collect information about cost of instruction, time spent on learning, facilities cost and curriculum-development costs, they can capture a clear image of what programs cost today, how to reduce those costs, and what programs have the best potential to be profitable and sustainable for the institution in the long run.

But prioritizing data to capture and determining how to act on it must come from a deliberate understanding of an institution's value proposition. Otherwise, the institution runs the risk of misunderstanding the data or responding to the wrong data.

“Converging social, political and economic pressures are constantly exerting influence over institutions,” said Jonathan Gagliardi, Assistant Vice President of Strategy, Policy and Analytics at Lehman College. “Whether the outcome is positive or negative comes down to how clear the institution is about who it is and what its value proposition is. That’s what will allow an institution to plan and approach the use of student data intentionally rather than chasing the illusion of being all things to all people.”



## Benefits of Capturing the Student Data Opportunity

### Student Data Opportunities

- Customize and personalize the student experience
- Identify high-risk or at-need students for intervention
- Provide students convenient access to their own data

### Student Data Risks

- Data-security protocols for private student data under Family Educational Rights and Privacy Act (FERPA)
- Unique protections for student's private health data (PHI)
- Ethical considerations for use of student data

# Activating People Strategy as a Competitive Advantage

A common victim of budget reallocations, higher education institution staff is often asked to do more with less, frequently carrying the same or larger workloads with fewer staff members.<sup>20</sup> The high stress levels and burnout rates associated with this atmosphere of pressure end up preventing the administrative staff from achieving full potential as a competitive advantage, and it has even been shown to affect institutions' graduation rates.<sup>21</sup>



Research has shown a  
**35%**  
decrease in a student's  
likelihood to graduate  
on time for every 5%  
increase in staff turnover  
their first year at  
an institution.<sup>22</sup>

By focusing on employee engagement and supporting those employees with the technology they need to streamline their workflow, institutions can activate people strategy as a competitive advantage. For example, a lighter administrative load is a significant selling point for faculty retention, making it easier to recruit high-performing staff and faculty.<sup>23</sup> And research from Gartner found that focusing on employee engagement can help institutions see the following improvements in hiring and retention:<sup>24</sup>

- Staff members stay at the institution longer.
- Staff members are better advocates for their institution.
- Staff members recommend their institution as a place to work to their colleagues, peers and friends.
- Staff members cost the institution less in health care, absenteeism and turnover.

People strategy, however, is more than hard metrics. Experts quickly point out that part of unlocking people as an advantage is working through several mindset challenges common in higher education:



### Mindset Challenge



### Practical Solution



<ul style="list-style-type: none"> <li>• Staff members can resist change</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholders need to be given multiple opportunities to understand how a particular change will benefit them in their day-to-day job as well as improve the institution's ability to serve students</li> </ul>
<ul style="list-style-type: none"> <li>• Colleges may view themselves as independent departments, rather than a single institution</li> </ul>	<ul style="list-style-type: none"> <li>• The communications strategy must make room for bringing stakeholders together to find common ground</li> </ul>
<ul style="list-style-type: none"> <li>• Institutions often focus on in-person culture at the expense of online or remote employees</li> </ul>	<ul style="list-style-type: none"> <li>• Because faculty and staff increasingly spend time in the digital space, institutions need to consider how they'll communicate their unique culture online</li> </ul>
<ul style="list-style-type: none"> <li>• Solutions often focus on digitizing an institution's existing processes</li> </ul>	<ul style="list-style-type: none"> <li>• Institutions should rethink and reinvent the way they work today to scale their successful programs and support new ones</li> </ul>
<ul style="list-style-type: none"> <li>• Institutions may reward talent in ways that do not align with the institution's values</li> </ul>	<ul style="list-style-type: none"> <li>• Institutions need to verify that the behaviors they're rewarding are the behaviors they want to reinforce</li> </ul>

Change management at this level requires a lot of time and effort, which leaves many institutions wondering if the investment is worth it. But experts agree it's the only way to bring an institution's full potential to life.

“In a higher education environment, it takes a lot of time to answer everyone’s questions and make sure individual stakeholders feel comfortable with the decision; but when everyone is on board, you can do amazing things,” Hough said. “There’s actually a lot more power in a higher education institution than in a similarly sized corporation — it just takes a lot of work to harness it all.”



## Preparing Institutions for the Unexpected

Part of future-proofing a college or university is preparing for the unexpected. Higher education institutions around the world had to face this reality with the spread of the COVID-19 pandemic in 2020, which prematurely closed campuses and delayed graduation ceremonies from the United Kingdom to the United States.<sup>25</sup>

Several digital transformation preparations allowed institutions to weather this global crisis, such as the following:

- Digital ERPs that allow institutional staff to remotely access information and communicate with students and faculty<sup>26</sup>
- Digital SIS systems that allow institutional staff to report on key areas that could detect an outbreak, such as student health center traffic and absenteeism patterns<sup>27</sup>
- Online learning that allows students to continue to receive assignments and instructions so as not to delay matriculation<sup>28</sup>

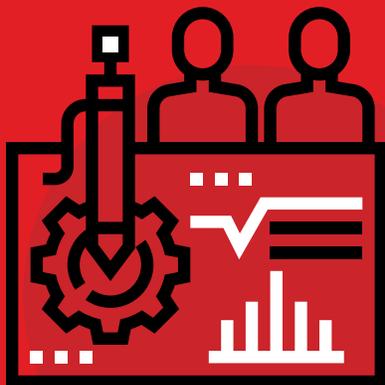
While no institution or industry could have predicted such an immediate and comprehensive global phenomenon like COVID-19, it’s an excellent example of how adapting to more flexible, automated, and digital processes can generally prepare institutions to be more nimble and adaptable as the world continues to change.

“Institutions must constantly be looking at how they can rethink and reinvent the way they operate today in order to support new offerings and scale the successful programs they already deliver,” said Laird. “The more they focus on ensuring operational flexibility that puts people at the center of what they do and delivering a compelling and delightful experience to learners, the safer they’ll be from unexpected fluctuations in the marketplace.”

# Conclusion: Translating the Institutional Legacy for the Future of Higher Education

Because both the higher education industry and the business industry are reacting to changes in technology and consumer behavior, they now share many of the same needs when it comes to people, processes and tools. But, ultimately, they do not share the same goals.

While the business world pursues profits and market share, institutions focus on continuous learning and student success as defined by their unique legacy and mission. But to stay competitive in today's higher education ecosystem, those institutions must identify what makes them unique and distinctive in today's loud and competitive space, harness it, and share it with the students that will best succeed in that environment. And the only way to do that is to embrace change in the areas of technology, data and people strategy.



- <sup>1</sup> [“Current Term Enrollment — Spring 2019,”](#) National Student Clearinghouse Research Center
- <sup>2</sup> [“A look at trends in college and university consolidation since 2016,”](#) Education Dive
- <sup>3</sup> [“Rethinking 101: A new agenda for university and higher education system leaders?,”](#) McKinsey & Company
- <sup>4</sup> [“Current Term Enrollment — Spring 2019,”](#) National Student Clearinghouse Research Center
- <sup>5</sup> [“Success by design: Improving outcomes in American higher education,”](#) Deloitte
- <sup>6</sup> [“Is Employee Turnover Related to Higher Education Institutional Performance? An Empirical Analysis,”](#) Columbia University Libraries
- <sup>7</sup> [“Building operational excellence in higher education,”](#) McKinsey and Company
- <sup>8</sup> [“Rethinking 101: A new agenda for university and higher education system leaders?,”](#) McKinsey and Company
- <sup>9</sup> Ibid.
- <sup>10</sup> [“How higher-education institutions can transform themselves using advanced analytics,”](#) McKinsey and Company
- <sup>11</sup> Ibid.
- <sup>12</sup> [“Analysis: Is Higher Ed Ready for the Tech Expectations of the Teens of 2022?,”](#) EdSurge
- <sup>13</sup> [“Using Educational Data to Increase Learning, Retention, and Degree Attainment at Minority Serving Institutions \(MSIs\),”](#) Penn Graduate School of Education
- <sup>14</sup> [“The Telltale Data That Can Identify College Students at Risk,”](#) The New York Times
- <sup>15</sup> [“Privacy Emerges as a Top Concern for Higher Education IT,”](#) EdTech Magazine
- <sup>16</sup> Ibid.
- <sup>17</sup> [“The Chief Data Officer In Higher Education,”](#) EDUCAUSE
- <sup>18</sup> [“Responsible Use of Student Data in Higher Education,”](#) Stanford University
- <sup>19</sup> [“Higher Education,”](#) Future of Privacy Forum
- <sup>20</sup> [“The need to do more with less is driving the mental health crisis,”](#) Times Higher Ed
- <sup>21</sup> [“Is Employee Turnover Related to Higher Education Institutional Performance? An Empirical Analysis,”](#) Columbia University Libraries. Note: Taken from Page 72 of the study: “As a result, for each 5% increase in employee turnover experienced in the student’s first year at the University (Table 17), the odds ratio of .65 means that the student is 35% less likely to graduate on time (as defined as 2 years). Similarly, for each 4.69% increase in employee turnover experienced in the student’s second year, the student is 25% less likely to graduate on time.”
- <sup>22</sup> Ibid.
- <sup>23</sup> [“Building operational excellence in higher education,”](#) McKinsey and Company
- <sup>24</sup> [“Why Drive Employee Engagement in Higher Ed?”](#) Gallup
- <sup>25</sup> [“Coronavirus threat prompts more cancellations for colleges,”](#) Education Dive
- <sup>26</sup> [“Will COVID-19 Permanently Shift How Higher Ed Thinks About Remote Work,”](#) Inside Higher Ed
- <sup>27</sup> [“CDC Issues COVID-19 Guidance to Higher Ed,”](#) Campus Technology
- <sup>28</sup> [“Amherst College switches to online learning, as universities nationally scramble to respond to covid-19 outbreak,”](#) The Washington Post

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