

## EMPLOYEE RECRUITMENT AND RETENTION: DIFFICULT AT BEST

It is becoming increasingly difficult to recruit and retain employees in Northern Virginia on the salaries the university can offer. Consider these facts:

- exceptionally strong competition for workers
- federal and local government salaries, as well as those in private industry, significantly greater than those paid at Mason
- internal efforts to improve entry level salaries have worsened salary compression, leaving more experienced employees with salaries that are less competitive than those of newer employees.
- housing costs in region rose 24 percent last year and continue to rise.
- transportation and child care costs among the most expensive in the country.

The high cost of living has a devastating effect on morale and productivity. Some employees travel from as far west as Front Royal and even south of Fredricksburg, trapped daily in bumper to bumper traffic along I-66 and I-95. Long commutes result in a loss of productivity on the job and psychological stress due to giving up family time to be on the road.

High turnover, another result of inadequate salaries, is both expensive and detrimental to the ability to provide good service. Mason has a record of efficiency and effectiveness, with the lowest ratio of staff to student among the state's doctoral institutions. Good service when staffing is lean requires employees who are not only creative and innovative, but also possess a historical perspective and an understanding of the shared vision of the institution. These are the same people who are most easily lost and most costly to replace when competitive salaries and work conditions are not available here at Mason.

## DOING OUR PART

Mason has taken creative steps to improve cost of living issues for its employees by:

- supporting seven Telework Centers throughout Northern Virginia that are open to staff.
- offering flextime as a staff option.
- partnering with Fairfax City to offer the City University Express (CUE) bus system that runs from the Vienna Metro Station to locations throughout Fairfax City.
- running a shuttle service between its Prince William and Fairfax campuses, and the metro station.
- operating several workforce shuttles between distant locations and select campuses.

Mason has also sought to address the salary issue through the internal reallocation of limited resources. However, given the existing base budget deficiency of the university, this strategy is no longer viable.

## WHAT'S AT STAKE

The economy of Northern Virginia is a major driver for the economy of the Commonwealth. Business leaders agree that a major university is critical to the region, and that university is George Mason.

George Mason is proud of its faculty and their achievements, and its role as an important economic asset to Northern Virginia and the state.

For Mason to continue to grow and flourish, it must be able to attract and retain experienced, talented, and dedicated faculty and staff. Current salary levels place this ability in jeopardy.

*We ask that the Commonwealth institute a compensation adjustment for George Mason University employees.*



# Supporting Northern Virginia's Economy

*A George Mason University  
Compensation Adjustment*



COST OF LIVING

# 33%

## The cost of living in Northern Virginia now outstrips that of any other area of the Commonwealth by 33 percent. **The result?** Employees have a no-win choice: either purchase an affordable house far from the university with a two- to three-hour daily commute and lose precious quality-of-life time, or rent a place near the university and abandon the American dream of building equity through homeownership.

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### THE FACTS SPEAK FOR THEMSELVES

- **The Greater Washington Metropolitan Area Cost of Living Index (COLI) is 143.** Richmond's COLI is 100.3. (ACCRA, 4th Quarter 2004)
- **The average cost of a house in Northern Virginia is \$470,000.** In Richmond, it is \$210,000. (HUD [http://www.huduser.org/periodicals/ushmc/spring05/USHMC\\_05Q1.pdf](http://www.huduser.org/periodicals/ushmc/spring05/USHMC_05Q1.pdf)).
- **Mason salaries for more experienced staff are generally 25 to 45 percent below market level.** (AON Consulting, Inc., Report)
- **The staff turnover rate at Mason is 19.3 percent.** The state average is 10.4 percent. (2004-05 DHRM Workforce Planning Report)

Mason recently contracted with the international human capital and management consulting firm AON Consulting, Inc., to analyze the competitiveness of Mason salaries compared with its market

place. Their comprehensive study confirms most Mason positions pay well below market level in the region.

### THE ADJUSTMENT PROPOSAL

*The AON study indicates that a differential of 11.43 percent is necessary simply to bring Mason salaries up to a modest 50th percentile of its surrounding market. The total cost of this adjustment would be \$24M to be phased in over the next three years.*

### PRECEDENT FOR TAKING ACTION TODAY

Seventeen years ago, Virginia's gubernatorial and legislative leadership recognized the high costs associated with living in Northern Virginia, and added what was called a "Northern Virginia differential" of 8.5 percent to the salaries of Mason faculty. This was a key factor in enabling Mason to attract a world class faculty and develop into a major university, fully supporting the state's fast growing, economic engine in Northern Virginia.

This decision by Virginia's leaders proved to be visionary. Mason now educates students from throughout the state, provides employers with a highly skilled workforce, and serves as a catalyst for economic growth in the region.

The idea of a Northern Virginia adjustment also has precedence outside higher education. The Federal Government has done this for a number of years. The Office of Personnel Management authorizes a 15.98% locality pay differential for the Washington-Baltimore-Northern Virginia area.

### THE NEED FOR ADEQUATE SALARIES FOR FACULTY

The faculty salary disparity is actually much greater than indicated by the AON study. Faculty salaries are calculated on the basis of those paid at Virginia-identified peer group institutions. Mason's faculty salaries, like other Virginia state universities, are currently targeted to reach the 60th percentile of their peer group in 2012. At first glance, this would seem to be fair.

However, a closer look at the cost of living index of the areas in which Mason's peer institutions are located tells another story. At 143 for the Washington Metropolitan Region (128 for Fairfax County), Mason's cost of living index is way above the average of 102.4 for its peer group. Of the 24 institutions in Mason's peer group, 18 are located in areas with a cost of living index below 100.

As the chart below shows, no other Virginia school is so out of line with its peer group's cost of living average.

