

MONTANA UNIVERSITY SYSTEM
COMPENSATION FOCUS GROUP

**COMMENTS TO THE BOARD OF REGENTS
ON THE IMPACT OF COMPENSATION
IN RECRUITING AND RETAINING
CAPABLE FACULTY AND STAFF**

SPRING 2012

BACKGROUND

The Board of Regents in February 2012 convened a focus group of Montana University System (MUS) personnel to discuss the impact of compensation in recruiting and retaining capable faculty and staff. This dialogue is an extension of the MUS Recruitment and Retention Task Force, which issued a number of recommendations in 2007 that have been adhered to in recent years. An example is the collectively bargained faculty and staff pay raise for fiscal years 2012 and 2013, a historic system-wide effort during a two-year pay freeze in effect throughout the rest of Montana state government. The Board of Regents, in planning for the fiscal-year 2014/2015 biennium, convened a cross-section of MUS personnel to provide comment and perspective on these questions:

- 1. What parts of our compensation package are helping our campuses' ability to recruit and retain capable faculty and staff? Why?**
- 2. What parts of our compensation package are hindering our campuses' ability to recruit and retain capable faculty and staff? Why?**
- 3. What significant challenges are ahead of us that you think the Regents should be anticipating and preparing for? (staffing and compensation related)**
- 4. What solutions or approaches do you recommend the Regents consider? (economic and non-economic)**

COMMENTS

What parts of our compensation package are helping our campuses' ability to recruit and retain capable faculty and staff? Why?

- Health insurance and other features of the Montana University System employee group benefits are competitive in comparison to other Montana employers, but not so competitive in comparison to out-of-state colleges and universities.
- The campuses of the Montana University System are located in communities that are desirable places to live.
- The hiring pay ranges for contract professional positions and most faculty positions are relatively flexible, but pay flexibility is minimal after the initial hire.
- The paid leave package (sick leave, holidays, and, for non-faculty support staff, annual vacation leave) is a competitive package.
- The defined-benefit retirement plan for classified support staff (who constitute about one-third of the Montana University System work force) is competitive compared to private sector retirement benefits.
- The staff tuition waiver (100%) and dependent partial tuition waiver (50%) are highly valued, though faculty and staff would like to see the value of the dependent waiver increased.
- Montana's approaches to academic freedom, entrepreneurialism, and fair guidelines for intellectual property are positive and valued.

What parts of our compensation package are hindering our campuses' ability to recruit and retain capable faculty and staff? Why?

- Salary levels for faculty, contract professionals, and administrators rank lowest or nearly lowest in the nation by most measures. This makes it

challenging to compete nationally or regionally in recruiting and retaining capable employees.

- The employer's contribution in the defined-benefit retirement plan for faculty, contract professional employees, and administrators ranks lowest or nearly lowest in the nation by most measures. This, too, makes it challenging to compete nationally or regionally in recruitment and retention of capable employees.
- Wage and salary increases that do not keep pace with inflation have a long-term effect of encouraging faculty and staff to seek employment elsewhere.
- Many classified support staff and contract professional employees view the current compensation guidelines as limiting in regard to career advancement or promotional opportunity.
- Parking fees charged on some campuses make it expensive to arrive at work.

What significant challenges are ahead of us that you think the Regents should be anticipating and preparing for? (staffing and compensation related)

- National and state economic recovery is likely to increase the number of competitive job opportunities offered by other employers, making it more difficult to recruit and retain Montana University System personnel.
- The proportion of the Montana University System's work force that is retiring, or soon to retire, is significant and will remain so for a number of years. This creates challenges with a drain of institutional knowledge and experience. It also exposes the system to having to go onto the job market to recruit new talent, which is often more expensive than the salaries earned by employees who have served a substantial time in the Montana University System. Resulting "salary inversion" – the effect of new employees with less experience earning more than senior employees with a career's worth of experience – is one of the most pressing morale problems in the work force.

**What solutions or approaches do you recommend the Regents consider?
(economic and non-economic)**

- Strong, coordinated system leadership on strategic compensation administration.
- Strategic hiring, not just “filling vacancies with bodies,” even if organizational redesign is necessary to staff right and make the best hires.
- Merit pay pools for classified staff and contract professional employees, similar to faculty merit pay.
- Flexible scheduling options and family-friendly approaches to employment policies and procedures.
- More professional development for faculty, staff and managers.
- More campus forums and listening sessions for better communication between faculty, staff, and administration.
- A promotion or progression plan for contract professional employees (similar to faculty or staff promotion plans).
- Enrichment of the dependent tuition waiver benefit.
- A meaningful pay plan in the 2013 Legislature.
- Enrichment of the mandatory “Optional Retirement Program” benefits for faculty, contract professionals, and administrators.
- Creation of more tenure-track faculty positions.

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