Feedback

The competition for scientists and engineers has had some curious results. Recent hearings before the House of Representatives Subcommittee on Manpower Utilization and Departmental Personnel Management bring out the difficulties the Government has in recruiting and retaining scientists and engineers. Its own pay scale is one of the factors that puts the Government at a disadvantage. Starting salaries for college graduates of 1956 in engineering, physical sciences, and mathematics ranged from $410 to $427 per month in industry but were only $373 per month in Government. In the higher grades of federal employment (annual salary $8000 or more), the differential in pay for similar jobs in industry is $1000 or more.

There seems to be little doubt that the Government itself has played an important—though perhaps unavoidable—part in creating its own difficulties, for the Government contracts with industry for projects in defense, either on a cost-plus or a fixed-fee basis, thus bringing about an increased demand for scientists and engineers at the going-rate for industrial salaries.

In a similar way the Government competes against itself in recruitment. Industry can launch extensive recruitment drives by sending teams to college campuses every year and by vigorous advertising campaigns in a way that the Government cannot match—and all of this largely out of Government funds. Some figures prepared by the Department of the Navy on the costs of recruiting by firms with a preponderance of Government business compared with those with a preponderance of non-Government business show that the average cost per new employee for defense industry is $808 and the range is from $245 to $4702; for nondefense industry, the average cost is $502 and the range is from $0 to $2021. Representative Davis, chairman of the subcommittee, dramatized these differences by preparing tables based on the Navy data but calculated on the basis of the net gain of new employees. One defense firm, for example, spent $907,560 to gain 59 employees for a net cost per employee gained of $15,528. On the same basis the highest cost per employee gained in a nondefense firm was $2293.

Those firms that had a net loss of employees present what might be regarded as embarrassing gaps in the column entitled "Cost per new employee." One firm spent $100,674 and had a net loss of four employees, another spent $40,722 and had a net loss of 14 employees. One has to run pretty fast just to stay in the same place.

There is a strong movement afoot to put the Government in a position to meet industrial competition in salaries, if not in recruitment expenses. A Defense Department committee headed by Ralph J. Cordiner has recommended salary increases of from $500 to $3000 per year for employees of all higher grades (starting salaries from $4525 to $16,000) and Senators Johnson and Neuberger have introduced a bill recommending similar increases for the higher grades and raises of about 12 percent for the lower grades. Thus it looks as though the competition for scientists and engineers may have the effect of boosting Government salaries generally.

In general we approve but think it likely that industry would up the ante and thus continue the inflationary competition for talent. The problem is to find some way to apply the brakes without discriminating against the Governmental employee.—G. DuS.