

MAINE STATE LEGISLATURE

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STATE OF MAINE
LEGISLATIVE RESEARCH COMMITTEE
REPORT
TO
103rd LEGISLATURE

PROPOSED ORGANIZATION AND POLICIES FOR
STATE PERSONNEL ADMINISTRATION

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CRESAP, McCORMICK and PAGET

Management Consultants

New York • Chicago • San Francisco • Los Angeles • Munich

STATE OF MAINE
PROPOSED ORGANIZATION AND POLICIES FOR
STATE PERSONNEL ADMINISTRATION

January 1967

This report is confidential and intended solely for the
information and benefit of the immediate recipient hereof.

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The Honorable Louis Jalbert
Chairman
Legislative Research Committee
State Capitol
Augusta, Maine 04330

Dear Mr. Jalbert:

This is the third and last volume of the three-volume report on the personnel classification, salary and administration for the State of Maine.

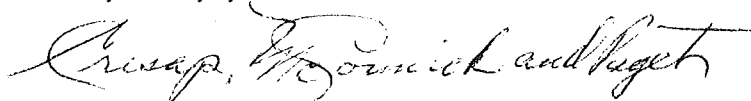
This volume presents the results of our study of the organization and practices for personnel administration and proposes a new approach to this important function.

The major concept underlying the proposed plan is establishment of a system which places the responsibility for personnel administration directly on the shoulders of the Governor of the State. As chief executive of the State, the Governor should have responsibility for ensuring that the departments of the State government operate effectively and efficiently. Among the most important aides the Governor can have in this undertaking is the State's Personnel Director and the Personnel Department. Therefore, we suggest that the Governor be in a position to delegate authority to, and ask for responsibility for, the Personnel Director.

As for other aspects of the study, the Legislative Research Committee should approve this report in principle, prepare legislation for submission to the 103rd Legislature, and recommend adoption of the proposed plan.

Cresap, McCormick and Paget has appreciated the opportunity to serve the State of Maine and the Legislative Research Committee in this study. We believe that its implementation would provide the State with the beginning of a modern personnel system of which it will be proud.

Very truly yours,



CRESAP, McCORMICK and PAGET

STATE OF MAINE
PROPOSED ORGANIZATION AND POLICIES FOR
STATE PERSONNEL ADMINISTRATION

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I - INTRODUCTION

I - INTRODUCTION

This report presents the findings and recommendations from one of three parts of an overall study of personnel administration, position classifications, and a grade and salary plan for the State of Maine. The complete study has been performed over a period of 12 months. The report will be issued in three separate volumes:

<u>Volume</u>	<u>Report Title</u>
I	A Proposed Classification Plan
II	A Proposed Salary Plan For State Of Maine Employees
III	Proposed Organization And Policies For Personnel Administration

In Volume I of this report, the basic objectives and scope of the overall study were described and the detailed methods of study for the reclassification phase of the study were presented. This volume presents the findings resulting from the review of current practices in personnel administration for the State of Maine and proposes a revised plan for personnel administration in the State. It was the intent of this phase of the study to determine the most effective means for the State government to carry out all aspects of its personnel function. This phase of study covered three specific areas:

- Structure and staffing for personnel administration
- Personnel functions
- Personnel policies.

Structure And Staffing For Personnel Administration

The organization and staffing structure of the Personnel Department were studied, to determine the most effective means for carrying out the responsibilities and functions of the State's personnel administration. This phase of

the study compared the personnel functions of the central Personnel Department with the corresponding functions in the various State agencies.

Personnel Functions

The effectiveness of the following personnel functions was analyzed:

- Recruitment
- Selection of employees
- Career development
- Personnel rules and regulations
- Testing
- Training
- Records maintenance
- Procedures in use.

This part of the study was intended to assist the State in establishing an effective and modern system of personnel administration which would be consistent with the size of the State and its desire to make the best use of its human resources.

Personnel Policies

A detailed review was made of many of the State's personnel policies now in effect which have been known to create problems among the personnel. Although it was not the intent of this study to prepare a complete policy manual for the State, suggested modifications of present policies are included in this report.

METHODS OF STUDY

The study was made by a team consisting of three full-time professional staff members of the firm of Cresap, McCormick and Paget, under the direction of a Partner of the firm.

Data were collected by conducting interviews and reviewing official and departmental documents.

- Interviews were held with heads of departments or major operating units of the government of the State of Maine.
- Interviews were held with the Governor and the Governor-Elect to obtain their impressions of the personnel practices of the State.
- Interviews were held with several members and ex-members of the Personnel Board of the State of Maine and members of the Personnel Department.
- Comparison was made with the personnel practices and policies of many other state, municipal and federal agencies in the United States.
- Comparison was made with personnel practices of industry, although it is understood that the general approach to personnel administration in a state government varies from that followed in industry.
- Personnel officers and their key staff in a number of other states were interviewed.
- Annual reports of the State Personnel Department were studied.
- The State Personnel Laws were reviewed.
- Meetings were held with key officials of the Maine State Employees Association.
- Official documents, reports of previous studies, memorandums and records of the personnel services of the State of Maine were reviewed and analyzed.

From the information thus gathered and analyzed, problems were identified and suggestions were developed for correcting them. Many of these suggestions were reviewed with selected administrative officials of the State and were presented, while in preliminary form, to the Legislative Research Committee of the State, before completion of this final report.

ORGANIZATION
OF THIS REPORT

This report is organized into the following chapters:

- I - Introduction (this chapter)
- II - Organization For Personnel Administration - discusses the present and proposed personnel administration structure of the State of Maine, including the roles of the Personnel Department and its staff and the Personnel Board.
- III - Personnel Policies And Practices - reviews the present practices and policies for personnel administration in the State of Maine and suggests the type of functions and the rules and regulations which should be established to improve personnel administration.

II - ORGANIZATION FOR PERSONNEL ADMINISTRATION

II - ORGANIZATION FOR PERSONNEL ADMINISTRATION

After reviewing the overall structure of the personnel administration function, this chapter presents the survey team's observations and suggests recommendations to improve the effectiveness of the State's personnel function.

OVERALL STRUCTURE

Chapter 63 of the Maine Revised Statutes establishes a State system of personnel administration and outlines the basic framework within which this system will operate. It also provides for rule-making and regulatory authority by the State Personnel Board.

The State Personnel Board of five members is established as the administrative authority over the State's personnel system. The Board is empowered to:

- Appoint or remove a Personnel Director
- Adopt or amend rules and regulations for carrying out the functions involved
- Make investigations on the operation of the system
- Enforce, through the director, the statutory provisions and the rules and regulations
- Report annually to the Governor and the Legislature
- Administer oaths and subpoena witnesses and records in its investigatory role.

Three public members of the Personnel Board are appointed by the Governor for four-year terms, with the advice and consent of the Council; one member is designated as Chairman. A fourth member is elected by the Maine State Employees Association for a two-year term, while the fifth member is elected, from among the State department heads, for a two-year term by the other four members.

ADMINISTRATIVE ORGANIZATION

The Director of Personnel is designated as the executive head of the Personnel Department; his duties are to:

- Apply and carry out the Personnel Law and rules
- Attend all meetings of the Board and act as its secretary
- Approve expenditures of the Department
- Appoint the employees of the Department
- Investigate the operation of the system periodically
- Report annually to the Board on his administration.

The present organization plan of the Department is shown, in chart form, in Exhibit II-A, on the following page. The 25 employees of the Department are organized under the Director into four sections, as follows.

- Examination and Recruitment Section - 10 employees
- Classification and Pay Section - 4 employees
- Certification and Records Section - 8 employees
- In-service Training and Procedures Section - 1 employee.

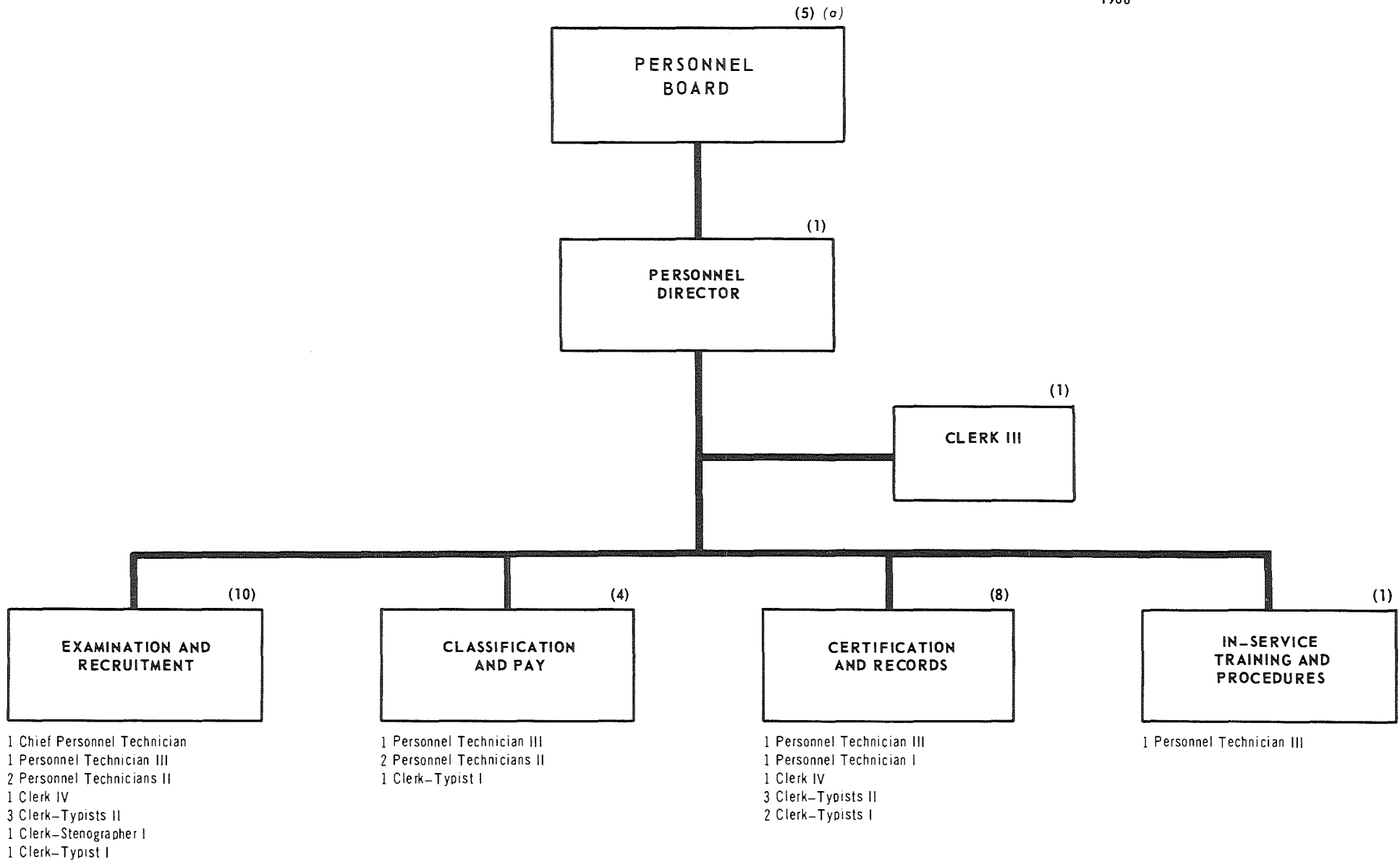
The Director and one clerk make up the remainder of the salaried staff of the Department.

Examination And Recruitment Section

The Examination and Recruitment Section of the Personnel Department is responsible for attracting competent individuals to apply for State service. The most important means used in recruiting is the published announcement of examinations which is forwarded to interested individuals, all State Departments, schools, colleges, and the Employment Security Commission Office. The announcement contains information on salary, location of the vacancy, type of experience required, kind of examination given, and other related facts which would be of interest to a prospective candidate. Other recruiting activities consist of visits to schools and colleges, newspaper advertising, interviewing and screening applicants who apply directly to the Personnel Department, and talks outlining the benefits of careers in State service before selected groups.

STATE OF MAINE
PERSONNEL DEPARTMENT
PRESENT ORGANIZATION PLAN AND STAFFING

1966



(a) Part-time with public members paid per diem.
 25 total employment.

During the fiscal year ending July 1, 1965, there were 5,153 applications for State employment, and 4,532 were accepted. Of those accepted, 3,542 appeared for examination and 2,792 passed. These figures do not include applicants for noncompetitive classes but only those for classes for which written examinations were given.

The Examination and Recruitment Section is also responsible for preparing and administering examinations, and establishing eligible registers, which consist of names of applicants who have passed the examination for the vacancy.

Classification And Pay Section

The Classification and Pay Section is responsible for determining the responsibilities of positions, based on the outlines submitted by employees, and for allocating these positions to appropriate classes. The Section also writes and revises specifications for all classes, develops qualifications for all positions, maintains a pay plan for all classes, and approves personnel transactions in which classification or pay is involved.

Certification And Records Section

The Certification and Records Section is responsible for maintaining the eligible registers, as well as determining the type of register to be employed, e. g., lay-off, promotional or reemployment. This Section is also responsible for the certification procedure, which includes the method of filling vacancies, and it maintains the personnel records of, and reports on, State employees.

In-service Training And Procedures Section

This is a relatively new unit of the Personnel Department which was established to develop a program of in-service training and education for State employees. It will also be responsible for developing personnel management policies and procedures.

PERSONNEL ADMINISTRATION IN THE DEPARTMENTS

Personnel administration is carried on in the departments of the State government by departmental personnel officers. They perform functions in salary administration and limited recruiting activity, as well as work in other areas of personnel management.

OBSERVATIONS

The following conclusions are concerned with the present system of personnel administration and the inadequacy of this system to provide the State with a modern and effective means of utilizing its personnel resources.

The Personnel Administration System Is Not Geared To Meet Today's Personnel Problems

The State's system of personnel administration is largely geared to operate as a control device, rather than as a positive aid to the State departments in establishing and maintaining a modern system of personnel management. It is, therefore, overly concerned with restrictions on who and what method can be used to enter the State service, the classification of positions, the restrictions on promotion, etc. Because it is largely a control function, it is highly centralized and the departments do not have the professional personnel resources they need to do an effective job of personnel management.

The means of recruiting employees is also geared largely to the standardized examination announcements and written examination processes. This might have been a satisfactory method of recruiting 30 years ago when there was a large pool of unemployed with a great diversity of skills. However, during the past 20 years, the labor market has been characterized by rapid technological change, extreme technical and professional skill shortages, and rapidly changing wage rates. The State's current recruitment process is wholly inadequate to ensure a normal supply of qualified employees for public service. Moreover, the delays inherent in its recruiting cycle almost preclude obtaining qualified employees with adequate training and skills.

The Part-Time Personnel Board Has Not Been Able To Provide Adequate Leadership

The part-time, nonprofessional membership of the Board does not permit proper top leadership and administration of the personnel function, since no part-time group could be expected to administer successfully. The Board, operating both as an administrative body and an appellate group, is in the curious position of judging on its own rules.

Furthermore, good personnel administration to be effective must be used as a tool of the administrator. However, in Maine at present, the Personnel Director should be helping the Governor in establishing sound personnel management policies, yet he is appointed by, and subject to, the direction of the Personnel Board. Also, the department heads should have strong, professional personnel assistants, but they do not, largely because of the control by the Board over the personnel function and its treatment as a central control responsibility.

Even in its quasi-judicial appellate function, the Board creates operating problems.

- It creates an imbalance in the authority of the supervisor by not giving him enough support in his decisions so that he can effectively control his organization's personnel functions.
- The functions of the Personnel Director of the State become diluted in that his decisions, at times, are overruled, which results in decisions being made in light of how the Personnel Board will react to them.
- As the staff person responsible for personnel administration in the State, one of the Personnel Director's functions should be to assist department managers to obtain a better understanding of the responsibilities of supervision. This function, although sometimes viewed critically by management, cannot be performed effectively in the present atmosphere where an independent appeals board exists and top personnel leadership is lacking.
- An attitude has developed on the part of both supervisory and non-supervisory personnel that the decisions of the Board are not consistent. Many State employees regard the decisions of the Board as being politically motivated, an attitude which impairs employee morale.

In summary, the authority of the supervisor, as well as the Personnel Director, is made less effective by having an appeals board outside the administrative line of supervision to handle grievances.

The present hostile attitude of many administrative heads and State employees toward the Personnel Board is attributable, in part, to the non-professional character of the membership of the Board through the years. Too frequently, its members have had little knowledge of the principles of personnel administration, so that department heads and employees have often concluded that personnel work is viewed by the State as a routine skill, with no claim to professional status.

The Personnel Function Of The State Is Overcentralized

The State personnel function is overcentralized, and most of the departments in the State government are not staffed or organized to handle problems of turnover, classification, overlapping duties, unclear organizational plans, inability to recruit promptly to fill vacancies and other related personnel problems.

The attempt to operate many of the personnel functions centrally has led to inefficiencies. For example, the method of recruiting from a central source results in a slow and cumbersome system. The inflexibility of the procurement process results in higher recruiting costs and a reduction of efficiency in the operating department which has to wait a long time for vacancies to be filled.

The Central Personnel Department Is Not Sufficiently Responsive To The Needs Of Management

For example, many State employees appear unacquainted with their objectives and responsibilities, and many have not had their performance reviewed by their supervisors in the past year.

Another problem is that line management needs more help in training and manpower planning than it now receives.

Practically nothing has been done to improve supervision in all departments, yet ineffective supervision is currently a major problem in achieving good work. Many supervisors are not even aware of what the requirements are for a supervisor.

Although poor organization exists in many places, no one is giving any direction or leadership to organizational improvement.

The central Personnel Department has not aided the departments in identifying and discharging unsatisfactory employees, so that normal performance standards can be maintained and enforced.

The present recruiting process with its great time-lags is accepted as inevitable, and no one is developing a procedure to meet current departmental operating needs.

The probationary period is too short for most jobs, and it is not used as intended to weed out unsatisfactory employees before they are assigned as permanent employees.

The State's Salary Plan Is Outdated

As noted in other volumes of this study, the State's salary schedule has become noncompetitive in the current labor market. This has resulted in internal pressures on the system, such as the demand to reclassify employees. Thus, the pressure generated by inadequate pay rates has led to distortion of other parts of the system, as well as an atmosphere of hostility throughout the State service against the central Personnel Department.

In addition, because pay levels were so inadequate, there has been no thought of withholding any incremental steps, which has led to an automatic pay raise system. This has resulted in all employees getting the same reward, regardless of effort and ability.

RECOMMENDATIONS

The following recommendations have been developed to give the State the organization required for a modern system of personnel administration.

A Citizens' Personnel Advisory Board For Personnel Administration Should Be Established

To ensure that the personnel management of the State remains up to date and effective, the chief executive of the State should appoint a Citizens' Personnel Advisory Board to advise the chief executive on the State's personnel administration programs. In personnel administration, as in other fields, competence in personnel matters should be a prerequisite for Board membership and passing judgment on the State's personnel policies and procedures. The members of the Advisory Board should be prominent businessmen or individuals from prestige sources who have had extensive education and training in the personnel field. They should be non-State employees and would not be representative of either the employees or the State.

The Citizens' Personnel Advisory Board would be a part-time, staggered-term group, and would be composed of three members appointed by the chief executive with the advice and consent of the Executive Council for three-year terms. The Personnel Director would provide secretariat services to the Advisory Board, but would not be a member of the Board. The Board would be expected to review the personnel policies and personnel administration of the State and make recommendations thereon to the Governor. The Governor would review the recommendations of the Citizens' Personnel Advisory Board and would determine whether changes are needed in policies, legislation, or operating practices.

Under the Citizens' Personnel Advisory Board concept, the State's personnel policies and practices would be open to public scrutiny. A variety of lay views would be available, and the public would be informed on the State's success in modern personnel management. This form of advisory board would provide a useful service to the public without impairing the chief executive's and the Personnel Director's power to act and without diluting their responsibility for their acts.

Employee appeals would not be handled routinely by the Citizens' Personnel Advisory Board, but rather through a grievance system established within the State service (this system is described in a later section). However, if an employee has not been satisfied, by the appeals, the next step after appeal to the Personnel Director could be an appeal to the Citizens' Personnel Advisory Board and, of course, ultimately, any employee would have recourse to the courts if he feels that he has not been accorded due process in personnel actions.

Responsibility For The State's Personnel Management Should Be Given To A Single Individual

The Personnel Director should be appointed by the Governor of the State with the advice and consent of the Council. Reporting to the Governor, the Director should be solely responsible for the management of the State's personnel activities; his major duty should be to formulate policies and procedures to aid managers in achieving greater efficiency. In terms of his broad function and his relationship to management, his role would be to:

- Advise and counsel line managers in all departments of the State in personnel matters and in helping with the problems handled by all managers.
- Analyze various indicators of organization, such as absenteeism, internal mobility, complaints and grievances, and turnover.
- Provide personnel procedures and services to aid line management in obtaining more effective results with their employees. These procedures and services should include recruitment, testing, orientation, training, salary surveying, and safety.
- Obtain coordination of these activities and uniform administration of personnel policies through discussions with managers and reports to the Governor, who has the final responsibility for seeing that policies and procedures are consistently administered.
- Perform those central personnel functions which individual departments are not equipped to perform themselves.
- Provide leadership to the State's system of personnel management through supervisory training, a prompt recruiting service, a sound system for measuring employee performance, encouraging the setting of performance standards, prompt discharge of unsuitable employees, and ensuring organization plans are effective.

The Central Personnel Office Should Advise Operating Departments And Audit Personnel Actions

Instead of trying to perform centrally most of the major aspects of personnel management, the basic role of the central Personnel Department should be changed. The central Personnel Department should develop personnel policies and procedures and aid in securing sufficient staff to carry out approved policies. This change is based on the concepts that personnel management is a part of total management, that the departments are the managing units of the State, and that the central Personnel Department serves them in a staff capacity to aid them in effectively carrying out this management responsibility. Personnel management should be decentralized to the maximum extent feasible, with the central Personnel Department offering assistance as necessary, developing policy, appraising personnel operations and performing those functions which cannot be decentralized effectively or cannot be lodged with all departments because of limitations in departmental resources.

If the role of the central Personnel Department is revised, greater responsibility for personnel administration will fall to the departmental personnel offices. In view of this fact, it is suggested that the Personnel Director work with the department heads to provide a concrete plan for strengthening each department's personnel organization.

Since departmental personnel offices will be called upon to provide additional service and assistance to departmental management, under the control of the central Personnel Department, it is recommended that there be a continuing interchange of personnel people between departmental personnel offices and the central Personnel Department. This would provide the personnel program of the State with individuals whose experience would not be limited to one office. Departmental personnel would then feel that the staff of the central Personnel Department was cognizant of the problems encountered by operating departments.

As an example of the change involved in this decentralization, it is contemplated that the departments would do most of the recruiting, since they are better equipped to know sources of skills they need. The central Personnel Department would recruit and examine applicants for clerical and other jobs common to all departments, in a minimum of time and by aggressively seeking qualified people. The departments that are large enough to have a professional personnel staff would recruit and examine applicants for the professional and skilled positions that they employ. The examination procedure should be altered to make it part of the recruitment program. It would consist of, for example:

- A review and grading of education and experience

- A review and grading of each candidate by an oral interview board established specifically for each series of interviews
- A review and grading of structured information obtained from previous employers
- On-the-job testing (perhaps of two years' duration for professional positions) as part of the examination process and graded by a group rating of each person at not more than six-month intervals during the probationary period.

This kind of recruiting would protect the merit system, would be realistic in making a concentrated effort to find qualified candidates, and would enable performance ability to be measured more effectively than any written test which often keeps candidates away from State service.

The State Personnel Organization Should Become Involved In Organizational Analysis And Planning For All State Agencies

The Personnel Department should assume a major role in the organizational planning function of the State. Before management can determine future executive needs, it must have a clear picture of the present organization structure and desirable future changes. An organization chart, showing current positions and line responsibility, is, therefore, essential. But management should think in terms of an ideal organization which can serve as a guide when it is possible to make improvements either in operations or in personnel. Such an analysis of present and future organizational structure naturally raises important questions. For example:

- Are some present position responsibilities the result of special capacities or deficiencies of individuals now occupying those positions? Should the duties of these positions be changed if the incumbents are transferred, promoted or retired?
- Are the present positions necessary or can responsibilities be regrouped for more effective operations now?
- Is each position so organized that the incumbent knows what is expected of him and has been given the necessary authority and responsibility to fulfill these expectations?
- Would a different grouping of responsibilities be more effective if a particular department of State government grows in size during the next 10 years?

Answers to these questions need to be based upon more detailed analyses of present positions and the qualifications of the individuals needed to fill them. Any organizational changes in the State governmental system resulting from careful organizational planning is achieved best with the participation of key members of the management group. The Personnel Department has an opportunity to utilize a principle of organization planning which has gained increasing acceptance, viz., decentralization. As suggested in a previous recommendation, the Personnel Department should decentralize to the extent feasible. This will offer an opportunity to the central personnel function of the State to show how managers can develop when they are given jobs that challenge their abilities and stretch their capacities.

Departments Should Recruit, Examine And Place Personnel To The Greatest Extent Possible, Consistent With Reasonable Economy And Protection Of The Merit System

The most important improvements needed in the personnel function are speeding up the recruitment process, making sure that persons selected are capable of performing the job effectively, and still controlling the process to the extent that people are selected on the basis of merit. To accomplish these objectives, it is recommended that recruitment be decentralized to the larger departments for many of their positions, particularly those for which they are much more able to find recruitment sources and better able to judge the qualifications of applicants.

Under policies and regulations of the central Personnel Department, the personnel staff of the larger departments would recruit and examine applicants for all positions which are unique to each department and those positions for which the department is far more able to find qualified applicants. For these applicants, the examinations, whether written or oral, would be conducted by the department itself under conditions and proceedings approved by the State Personnel Director. The examination procedure could vary for different departments, as mentioned earlier, but would generally consist of the following:

- A written examination, if it is practical and can measure ability
- An oral examination by a committee (Examining Board) selected for this purpose (the department's Personnel Director would be a member of this committee)
- A rating of experience and education
- A rating of performance from prior employers
- A long probationary period, testing of performance, with six-month ratings by a review committee.

All department recruiting and examining would be cleared and approved by the central Personnel Department for coordinating and control purposes.

Decentralization of recruiting is based upon the assumptions that the departments are far more able to develop good recruitment sources for technical and specialized positions, are better able to judge qualifications in these fields, can do their own recruiting more promptly, and are concerned with the recruitment of the most able persons available to fill each of their positions.

The central Personnel Department would continue to examine for all positions in small departments that are without the resources to perform this function for themselves, for all positions common to many departments, and for a large department which has not demonstrated competence and objectivity in the process. This means that the decentralized recruitment is subject to central personnel approval and audit, and that the approval can be denied by the State Personnel Director at his own discretion. Testing should be decentralized for both original entry and promotion, with the approval of the Personnel Director.

To Improve Recruiting, As Well As The Caliber Of State Employees, A Career Candidate Program Should Be Started

Such a program would involve a Statewide effort to recruit college graduates as career candidates in a wide variety of State services. The program should be open to serious students in graduate training programs and graduates of accredited colleges and universities. Career candidates might be recruited in such fields as management and staff services, law, engineering, architecture, planning, financial examination, accounting, medical services, labor market services, casework, counseling, conservation, writing and editing, laboratory services and food management.

Many states with such programs have found this technique a successful means of attracting good candidates and eliminating the shortages of skilled employees. Such career candidates are usually thought of as training assignments, and after one or two years of carefully planned and supervised on-the-job training, the career candidates have moved to full professional levels of responsibility. Many states also provide for further schooling for many of these candidates, especially where an advanced degree is required for full professional status.

Most states with such programs examine the candidates throughout the year at specified centers, except for those candidates who have graduate professional status (law, social work, psychology, etc.) where selection is solely by professional accreditation and rank in class.

Most states with such programs start the candidates at a salary level which is competitive for college graduates in each field, and normally advance them in salary at the end of six months of satisfactory service. They also provide for full professional pay at the end of the one- or two-year training program.

It is strongly recommended that Maine take immediate steps to develop such a program as a means of solving personnel shortages and attracting capable people.

An Organization Plan Adequate To Carry Out These Responsibilities Should Be Adopted

To carry out the foregoing recommendations, the organization plan of the central Personnel Department should be revised. The recommended plan of organization is shown in Exhibits II-B and II-C, on the following pages. The functions of the Citizens' Personnel Advisory Board and the Personnel Director have been explained previously. The major function of each unit in the Personnel Department would be as follows.

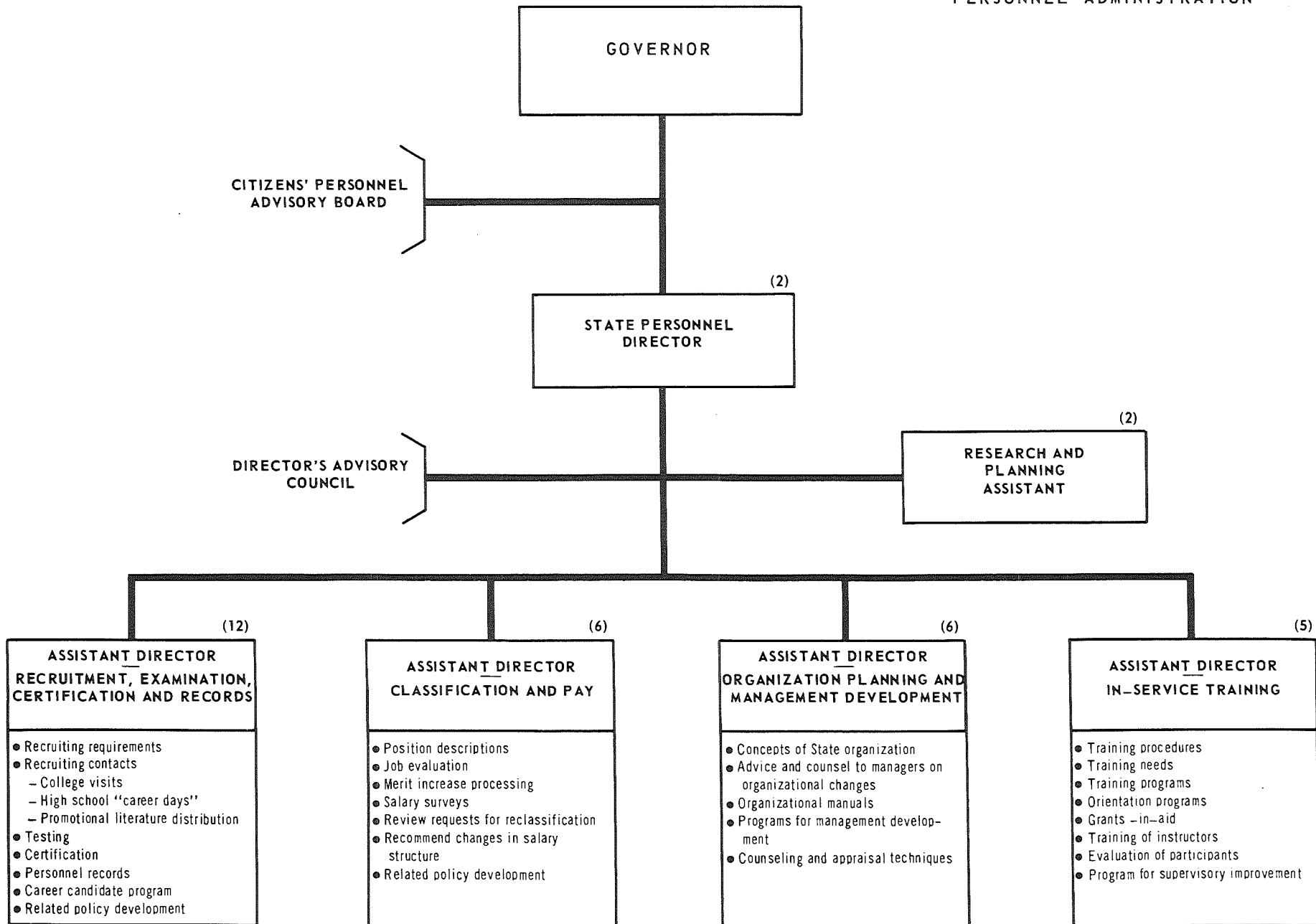
A Research and Planning Assistant to the Director is proposed to keep the State in the forefront of public personnel administration through research in methods and concepts of governmental personnel administration and by long-range planning for the future development of the system.

Under the State Personnel Director, four main sections are proposed. To indicate the level of leadership for each section, each is proposed to be headed by an Assistant Director. The four sections are:

- Recruitment, Examination, Certification and Records
- Classification and Pay
- Organization Planning and Management Development
- In-service Training.

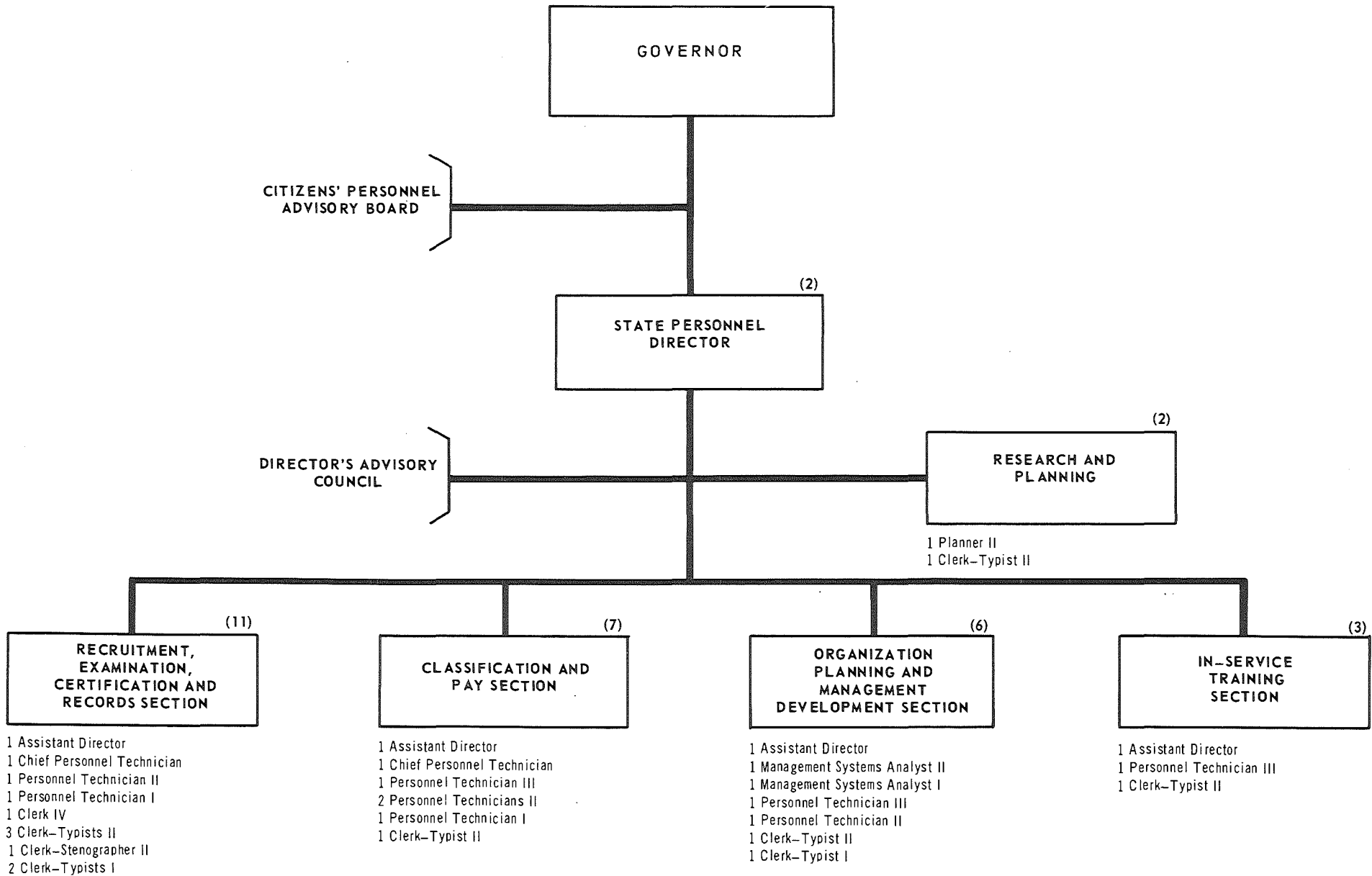
A Director's Advisory Council is proposed as a staff advisory body to the Personnel Director. This Council should be composed of all State department heads, with the Personnel Director as Chairman. The Council should meet quarterly, or more often as needed, and should advise the Personnel Director on the effectiveness of the State's personnel management system, as well as on the means of improving it. Since the central Personnel Department is to be a staff advisory group to the departments in personnel administration, as well as a controlling and coordinating force, the departments

PROPOSED FUNCTIONAL ORGANIZATION FOR
PERSONNEL ADMINISTRATION



Note: Figures in parentheses indicate suggested staffing (33, total employment).

PROPOSED ORGANIZATION AND STAFFING FOR
PERSONNEL ADMINISTRATION



should be given a regular opportunity to appraise the State's personnel program and to participate in developing ways to improve it. The Director's Advisory Council would be concerned with operating matters, while the Citizens' Personnel Advisory Board would be concerned primarily with policy matters.

The Assistant Director - Recruitment, Examination, Certification and Records would be responsible for the State's system of recruitment, examination, certification and personnel record-keeping. As noted earlier, much of the process of examination should be decentralized to the larger divisions, but should operate under the policy guidance and control of this Section. The Assistant Director should be responsible for recommending to the Personnel Director the revocation of authority for departmental examination if he finds it is not carried out effectively and objectively. He should, therefore, maintain close surveillance over those examination and recruitment functions which have been decentralized.

The Assistant Director - Classification and Pay would administer the classification system and salary plan for the State, maintain the class specifications, operate a system of position control, and make sufficient periodic position audits to ensure the integrity of the basic classification plan.

The Assistant Director - Organization Planning and Management Development would be responsible for assisting department heads in planning for future departmental growth and realigning responsibilities as a result of this growth. He would also establish guidelines for providing the State with a management development program. In addition, he would establish good principles of organization for the State government and assist the departments in studying and improving their basic organization. He would establish standards for departments in the development and maintenance of organization manuals, and would establish and maintain an overall organization manual for the State government. As the State's expert on governmental organization, he would also develop plans, for the Governor, for improving the State's basic organization of the executive functions.

The Assistant Director - In-Service Training would be responsible for developing and stimulating an adequate program of employee training to meet the needs of the State. He would also be responsible for developing and administering a system of employee performance appraisal for use as an incentive to improve performance and as a part of the examination procedure for promotions. The Assistant Director would be responsible for providing leadership in developing the personnel policies and procedures which are recommended for use by line management.

SUMMARY

It is hoped that the recommendations suggested for reorganizing the personnel administration function will result in a revitalized structure. Under the suggested plan, each department would be completely involved in its internal personnel management and the Personnel Department would provide leadership and coordination. To carry out this revised role, it is believed the Personnel Department will require a total of 33 employees, an increase over the present complement of 25. However, this is believed to be a minor added cost compared with the expected benefit to the State from a system of improved personnel management.

III - PERSONNEL POLICIES AND PRACTICES

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One of the most important tasks of State government, as in industry, is to make maximum use of its personnel resources. Unless a productive work force is maintained, government cannot operate effectively. This chapter describes the present policies and procedures for administering the personnel programs of the State and proposes major revisions in order to carry out the modern plan for personnel administration previously recommended.

This chapter is presented in three main sections:

- Background
- Observations
- Recommendations.

BACKGROUND

Personnel Policies

The personnel policies of the State of Maine are contained in the Personnel Law And Rules, which are found in Title 5, Part 2, Revised Statutes, 1964. These rules govern the administration of the Personnel Law in the State, define the various elements of the personnel system and prescribe certain procedures for the organization of the Personnel Board, for the classification plan, for the announcement of examinations, for recruitment, for promotion, for the appeals procedure and for other related personnel activities.

Recruitment

Candidates for employment in the classified service of the State of Maine are recruited by the central Personnel Department and occasionally by the operating departments themselves. However, all candidates are examined and certified by the Personnel Department, regardless of the recruitment source. In accordance with Rule 6, Subdivision 6.1 of the Personnel Law And Rules, the Personnel Department shall publicly announce openings in the service, specifying the title and salary range of the class for which the examination is announced and the kind of work to be performed.

The basic recruitment tool of the Personnel Department is the published announcement of examination for openings in the service. Other recruiting activities, on a limited basis, consist of visits to schools and colleges, and occasional newspaper advertising when the cost is absorbed by the department requesting that the advertisement be placed.

For professional classes or classes which represent examples of scarcity in which little competition exists, the departments themselves often assume the responsibility for finding candidates.

Testing And Selection

In accordance with Rule 3 of the Personnel Law And Rules, there are three divisions of the classified service: competitive, noncompetitive, and labor.

According to Rule 3.1 of the Personnel Law And Rules, "The Competitive Division of the Classified Service shall include all positions in the Classified Service which are not placed in the Non-Competitive or Labor Divisions by this rule." In the examination program, the Personnel Department employs any one or more of the following: written tests, evaluation of candidate before oral interviewing boards, ratings of experience, and training and performance tests.

For professional classes where a prescribed course of study has been required and where a license must be required by law, examinations are not given. This is based on the principle that the examinations are devised fundamentally to determine the extent of qualification and to serve as a competitive device. In the professional areas, qualification is determined by license, and in classes in which the scarcity of applicants is obvious, little competition exists.

For examinations conducted by the Personnel Department, a minimum of seven to nine weeks, or longer, usually elapses between the date of the announcement of examination and the date that the resulting eligibility list is prepared.

For the fiscal year ending July 1, 1965, there were 5,153 applications for State employment; of this number, 4,532 were accepted. A total of 3,542 of those accepted appeared for examination, and 2,792 passed the examination. These figures are only for classes for which written examinations were given.

Eligible registers for the positions in the competitive division of the classified service are maintained by the certification unit of the Personnel Department, on the basis of the score achieved in the examination process.

Names are taken from the eligible lists and are certified to any department with vacancies to fill. A department head may appoint any one of the three required persons who are certified. If eligible lists are exhausted, department heads are permitted to make provisional appointments pending the holding of an examination. Once the examination has been prepared, the provisional employee must score high enough on the examination to be certified for permanent appointment.

Probationary Period

Rule 9 of the Personnel Law And Rules states that "the probationary period shall be regarded as an integral part of the examination process, and shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to his position, and for rejecting any employee whose performance does not meet the required work standards." The law further states that "all regular and all promotional appointments shall be tentative and subject to a probationary period of six months of actual service, provided, however, that the director upon written request of the appointing authority, may extend the probationary period by not more than six months."

During 1965, there were 1,349 appointments that required a probationary period, both permanent full-time positions and seasonal full-time positions that were for a duration of over six months each year. Of 1,349 appointments, 61 were dismissed during the probationary period, or approximately 4.5 per cent of the total appointments.

Training And Development

Training and personnel development activities in the State have been left to the discretion of the individual departments of State service. A new unit of the Personnel Department has been instituted to coordinate a program of in-service training and education for State employees; however, the program has not been fully developed as yet.

At present, in most departments and for most positions, orientation and training are performed on the job. Some departments have attempted to upgrade the skills of employees by permitting them to attend courses, lectures, and seminars. The Accounts and Control Department has sent employees to school to learn programming, since this was a skill that was required by the department and qualified candidates were extremely difficult to obtain.

The State does have a policy for permanent or probationary employees permitting them to take an educational leave with pay. The main feature of the plan is that an employee may be granted a leave of absence with pay for the purpose of furthering his education, when the granting of such leave is to meet the immediate, or clearly foreseeable, needs of his department.

Wage And Salary Administration

All data and comments regarding the competitiveness of the salary plan will be discussed in Volume II of this study. This section deals only with salary administration policies and practices.

Effective June 25, 1966, the compensation plan for the State of Maine consisted of 45 salary grades. Volume II of this study suggests a revision to that plan.

Rule 5.2, administration of the compensation plan, under the Personnel Law And Rules states that "the minimum rate of pay for a class shall normally be paid upon appointment to the class. Upon written certification by the appointing authority that original appointment at one of the steps above the minimum rate is justified by exceptional qualifications of the eligible or by lack of available eligibles at the minimum rate, the director shall consider the pay rates of employees in the same class and agency, and may authorize such appointment provided other eligibles and employees in the class having similar classification are offered the same rate." Rarely is approval granted to hire at a higher step.

"Salary adjustments," as stated by the Personnel Law And Rules, "within an established range shall be dependent upon specific written recommendations by the appointing authority, which shall be based upon standards of performance as indicated by service ratings or other pertinent data."

Personnel Records

The Personnel Department prepares and maintains payroll certifications for employees in the classified service and maintains employment records for all State employees, as well as former State employees. The records on each employee consist of a payroll record, in a standing tub file, and a personnel folder, which contains a record of all actions taken on the employee. Many of the other departments also maintain a duplicate set of personnel records.

Personnel Manuals

There are two manuals governing personnel policies and practices in the State service:

- The Personnel Law And Rules
- Dimensions - A Handbook For State Of Maine Employees.

The booklet entitled Dimensions, designed for each employee's personal information, briefly covers such areas as:

- Information about the State of Maine
- Personnel status
- Position classification
- Salaries and wages
- Selection of employees
- Working conditions
- Subsistence charges
- Merit rating
- Separations
- Layoff
- Disciplinary action
- Appeals and hearings
- Political activity
- Discrimination
- The retirement plan
- The code of the Maine State Employees.

The booklet is designed to acquaint the new State employee with the basic facts of State employment.

OBSERVATIONS

The personnel policies and practices of the State of Maine are comparable to those found in many other states. However, for a state with a deep concern for improving its career service, it is felt that a more advanced concept in personnel management should be adopted. The observations presented below reflect the extent to which the present practices fall short of the concepts of modern personnel administration.

The Present Concept Of Personnel Administration For The State Of Maine Is Antiquated And Has Outlived Its Usefulness

Personnel administration based upon strict and unchanging rules, controlled in the last analysis by decisions of the Personnel Board, was established as a means of preventing political manipulation of positions in a government organization. Today, forward-looking states are increasingly tending to modify such strict procedures for the personnel function in order to make more effective use of the most extensive resource available to a governmental jurisdiction - its people.

The State of Maine is still, however, operating on the old basis of classifying positions and certifying lists for employing personnel. Such functions as training and development and performance appraisal are performed sporadically at best. Records are kept by departments in a haphazard manner, and departmental practices vary.

It is fair to say, in brief, that modern concepts and practices in personnel administration are needed in the State, if it is to compete successfully for the kind of skills and talent the State needs for effective administration.

In the observations which follow, some of the State's specific lacks in good personnel practices are described.

There Is No Standard Manual Containing All Personnel Policies, Procedures And Practices

There is no single volume of information or other authority on personnel policy and procedures. Since the Personnel Law And Rules, Title 5, Part 2 of the Revised Statutes of 1964 is written in a general and abbreviated form, rules governing the personnel policies of the State require frequent interpretation. This results in widespread confusion on all levels, up to the department heads, regarding the rights and privileges and the rules and regulations governing employment.

- The role and function of the central Personnel Department are, at best, little understood and, at worst, completely misunderstood by all levels of State employees. A frequent criticism heard was that the central Personnel Department did not understand the problems of line management in attempting to get the most out of its work groups.
- The official grievance procedure, for which the composition and powers of the Grievance Committee are described in pages 60 and 61 of the Personnel Law And Rules, is largely unknown and unused.
- There is no overall safety program in existence. Any safety measures undertaken are strictly up to each department.
- Department heads appear to be uncertain regarding their right to control the timing of employees' vacation and compensatory time, as well as what is proper in controlling the abuse of personal and sick leave. In addition, the problem of what to do about tardiness is dubious.
- Supervisors are uncertain regarding their disciplinary duties, and are generally confused regarding when during the probationary period it is permissible to terminate the new employee. Also, supervisors generally have no idea how to go about discharging an employee or on what basis an employee can be terminated.

There Is No Planned, Professional Approach To The Problem Of Recruiting Qualified Candidates For The Classified Service

As noted, candidates for employment in the classified service of the State of Maine are recruited by the Personnel Department mainly by disseminating written announcements of impending examinations for specific job classifications, as required by law, and by whatever uncoordinated efforts might be made by the interested departments. There is little other concerted effort to seek and recruit qualified applicants either for the entry positions or for higher-level skilled positions.

Recruitment by various departments to locate qualified candidates, especially for higher-level positions, is completely undirected and uncoordinated. While no specific evidence exists that this has happened, there is nothing to prevent more than one department from running advertisements for the same job classification in the same newspaper on the same day.

There has been little recruiting on college campuses for candidates for trainee or internship programs, for beginning engineers or scientists, or

for candidates for administrative or supervisory positions, as widely practiced by industry and business. Any recruiting done, e.g., at the University of Maine, is done without a complete knowledge of the needs of the various departments. No planning is done by department heads and personnel to determine future needs before recruitment begins. One Engineering professor at the University said, "The State recruits from the bottom of the barrel."

As a result of the Personnel Department's passivity regarding recruitment and the undirected, uncoordinated efforts of the various departments to fill their own needs, there exists throughout the State on the department-head level, a general feeling of dissatisfaction with the overall quality of the personnel attracted to the classified service, as well as a definite loss in effectiveness and productivity through filling positions with underqualified people or by not filling these positions at all for extended periods.

The Present Examining And Placement Process Is Time Consuming And Inflexible, And Its Effectiveness Is Questionable

In accordance with the Personnel Law, examinations are given to determine the applicants' qualification for entrance into State service and to serve as a competitive device. Some of the problems resulting from this practice are as follows.

- The State takes an excessively long time to schedule and rate examinations and to prepare the eligible lists. For routine positions, it takes approximately a minimum of seven to nine weeks, or longer, from the time of announcement until the eligibility list is prepared and the names have been certified to the departments. During this time, many candidates find other employment. For some positions, numerous names have to be canvassed before a person can be found who is available for employment. This results in a tremendous waste of time and effort on the part of the Personnel Department.
- In certain classifications, there appears to be a tendency to over-recruit, when in other classes little or no effort is made. Eligibility lists are readily available for clerical and low-level classifications, while higher-level positions are not recruited for on an active, wide-range scale. For example, some of the departments in the State have submitted notice of vacancies to the Personnel Department every two weeks for two-year periods. Vacancies in professional classifications have existed for two and three years, and in some cases longer. Although low salaries in the past have played a part in the difficulty in filling positions, poor recruiting practices have also been partially responsible.

- Examinations prepared and given to candidates often do not reflect the duties of the position. Many of the technical classifications are relatively unfamiliar to the people preparing the examinations because of the subtle nuances which exist in many job classifications. Many of the examinations for professional classifications are prepared by outside groups for the State.
- Many tests emphasize theoretical knowledge with little credit given for the ability to apply knowledge.

On the whole, there appears to be a major problem in the quality of examinations conducted by the State, their timing and the delays in issuing the lists.

Other problems were noted in the present examination process. For example, the use of written examinations as the entire criterion for establishing eligible lists, both for new recruits and for promotional examinations, leaves a wide margin for error in selecting the best person to fill a vacancy. Past studies on the validity of written examinations as a reliable predictor of success have shown that wide variations exist.

In addition, since eligible lists are not always available, provisional employees must be appointed and trained on the job, with the risk of losing months of time and expense should the provisional employee fail the examination when it is finally given. In some classifications for which the State gives examinations, there are provisional employees who have been employed by the State for years, in spite of the fact that, according to the Personnel Law, "In no event shall a temporary appointment be continued for more than three months."

All of these factors add up to an unsatisfactory method for examining new employees or employees desiring promotion to higher positions, so that both employees and supervisors continue to seek ways of circumventing the entire procedure.

Because Of The Lack Of Guidance From The Personnel Department, Employee Training And Career Development Are Left Entirely To The Departments And Are Carried On In An Uncoordinated Way Or Not At All

Until very recently, the Personnel Department had no one on its staff whose area of responsibility covered the broad field of employee training and development. All training and developmental activities for the State have been a matter of departmental discretion. Department heads have been completely free to place as much or as little emphasis on training as they wished. As a result of this autonomy, departments vary widely in the sophistication of

their training and development activities, which range from no discernible activity to formal programs in some of the departments, e.g., Education, Health and the State Police.

Most of the departmental training and development programs are designed to train personnel for certain specific skills in relatively low level but technically oriented positions. Little of the training, except as previously mentioned, can be characterized as true career development, i.e., designed to raise employees to the limit of their capabilities.

The Existing System Of Service Ratings Is Not Effective

Rule 10 of the Personnel Law states that "Standards of performance established as a basis for service ratings shall have reference to the quality and quantity of the work done, the manner in which the service is rendered, the faithfulness of employees to their duties and such other characteristics as will measure the value of the employee to the service." Each employee of the State, other than those on probationary status, is to be reviewed once a year. However, few of the departments submit evaluations on their employees. Consequently, no formal performance history of employees is maintained.

Employees can easily drift into slipshod work habits as soon as they become permanent employees, since under present practice, it is unlikely that their performance will ever be reviewed with them. Since performance on the job has little or no bearing on future salary increments or promotional opportunities, employees have little incentive to do a superior job when the rewards for fair, or even poor, performance are just as great.

The lack of an effective performance appraisal plan is one of the basic weaknesses of the present system. Since supervisors do not systematically analyze the performance of their subordinates, they cannot identify the weak spots in their department's total performance.

Without a performance review, it is easier for the supervisor to allow the employee to receive the normal salary increment each year instead of rewarding the outstanding worker and penalizing the subnormal worker by withholding or delaying the increment for poor performance. In fact, department heads often commented that the red tape and effort involved in either accelerating a salary increase or withholding one makes any attempt to do so unpleasant; therefore it is rarely done.

Employees in the classified service are hired at the minimum salary of the position grade to which their job classification is assigned and progress through the salary range automatically according to their length of service,

except where the department head is willing to seek approval from the Personnel Director to deviate from the plan either for hiring at a salary higher than the starting salary or for accelerating or withholding increments.

The employee's performance in his present assignment has no real bearing on his salary level. The unsatisfactory employee, the average employee and the outstanding employee are, in all probability, earning the same salary if they started work together and remained in the same classification. Since all are rewarded equally, there is no incentive to spur employees to better performance.

Classification Practices Are Poor

The position classification rests with the central Personnel Department. However, salary and other pressures frequently distort this process.

- The Legislature, in approving a budget for a department, may provide funds for a position that is in a classification higher than would be recommended by the Personnel Department. The Department will then request that the position be filled at the higher level, since the Legislature has already provided the funds.
- To hold their employees, department heads frequently claim that the duties of a position have changed, when in reality they have not, merely to get an employee who might be at the maximum salary of one level into the next higher level.
- The Personnel Board has reversed itself on some of its previous classification decisions when the same set of facts were presented to the Board on a reclassification appeal.

These factors tend to destroy any faith that State employees might have in the present system of classification. In addition, the Personnel Department has not taken the initiative in reviewing positions as major departmental changes occur, so that classifications have been allowed to become obsolete and are corrected only when pressure within the departments is brought to bear on the Personnel Department. The net result is a system that is distorted and often inequitable.

All Departments Are Not Required To Maintain A Standard Personnel File For Each Employee

Since the personnel records are maintained by the central personnel office, the Personnel Department does not require standard personnel record procedures at the department level. Because of the widely different styles

of personnel record-keeping, newly elected or appointed officials often have difficulty in getting factual information about their employees from the departmental files, since some files contain scant information while others have unorganized voluminous information. For example, the Highway Department uses the standard position classification number in a way different from most departments; as a result, data run during the reclassification study were not consistent for certain positions in that department.

This dual system of record keeping is inefficient, since it results in a duplication of effort and in conflicting data.

Departmental Systems Providing Perquisites To Employees Is Highly Variable

Some of the departments interpret differently what perquisites are to be given to employees. At one institution, a physician may be given a home, meals and a garage, while at another, his counterpart may be given these items, but in addition will receive laundry service. This situation creates a morale problem.

The Option Of Appointing Provisional Employees Is Abused

One of the most effective and customary methods of circumventing the personnel rules on employment is the use of provisional appointments. These appointments are legally provided for when an appointing officer submits a requisition for an eligible list and learns that a list is not available. In that event, the department head is authorized by the examining agency to make an appointment for a limited period of time until a suitable list has been established. Some provisional appointments have considerably exceeded the period of limitation.

No Formal System Of Personnel Research Exists

Personnel research involves searching for and analyzing facts so that personnel problems may be solved and principles governing their solution can be derived. The absence of adequate personnel research is a reflection on the philosophy of personnel management adopted by the State. In the last analysis, the attitude taken toward solving personnel administration problems will determine more than anything the quality of the State's personnel administration.

The following problems remain to be solved:

- How to lessen the State's costly turnover of employees
- The most fruitful sources for recruiting

- Productivity levels achieved within each department for various levels of positions
- The extent to which unsatisfactory employees are not terminated during probation
- The extent to which the State is securing top-quality employees
- Difficulties caused in State service by extended vacant positions
- The general image of State service by college graduates seeking employment
- The extent to which State employees develop a career pattern in State employment.

Because of lack of research on these and related factors, the State continues practices which are severely limiting its position as an employer. Further, because of the lack of answers to such questions, there is little forward planning by the State in personnel management. It is a rare business that does not have a five-year plan. The State's personnel management, which represents the State's greatest expenditure, has no such plan nor even anyone responsible for developing it.

RECOMMENDATIONS

The following recommendations are believed to be essential to the State in achieving good personnel management.

The State Should Adopt A Revised Concept Of Personnel Management

State government should realize that it is not now an attractive employer, and many actions, besides providing more competitive salaries, must be taken to change this image. To compete successfully for the best minds and for skills, the concept of the scale and function of governmental personnel administration must be completely revised. Among the basic changes needed are the following.

1. The State Must Search For Qualified Applicants

In today's competitive labor market, the State can no longer assume that there are qualified candidates who will go through the State's rigorous process of examination and long wait in order to secure employment. The State must realize that qualified applicants are in heavy demand, that it must search all places to find them, and that it must shorten its preentry process in order to be competitive with other employers. This is a fundamental change in the State's concept of the recruitment process and, as mentioned earlier, this is the reason why it is recommended that so much of this activity be decentralized to the departments, which are better able to find talent they are searching for and to evaluate the qualifications of applicants.

2. The State Employment Must Be Made Attractive

To increase the quality of applicants, the State must take a number of actions to make State employment an attractive, challenging career. Among the elements required are a system of real recognition of superior accomplishment, and rewards for such employees in the form of more frequent salary increases and promotion, and the development of a career pattern for promising employees.

3. The State Must Create An Atmosphere Of Sound Management

Such an atmosphere must be created by the Governor who must be concerned with the overall administration of the State's affairs, including personnel management. The Governor, through his efforts, must transmit to each State department a sense of urgency of purpose and dedication to improve management. To do this, he will probably need a regular management improvement program in which all departments should participate and which should be given attention by all top personnel.

4. The State Must Regularly Evaluate Individuals And Activities

A regular evaluation of the results achieved from the efforts of individuals, as well as from primary programs of the State government, is essential to any improvement program. The Governor again should give primary leadership to the evaluation process of individuals and programs, and he should stress the urgency which he attaches to an effective, objective evaluation. Through his department heads, he should make sure that there is a regular and effective evaluation within each department and that reports are made regularly to him regarding the evaluation results.

5. The State Should Improve Its Career Personnel System

The State should take aggressive action to improve its system of career personnel management. As already mentioned, this should include a career candidate recruitment program for colleges and universities as well as the development of lines of career advancement for employees in all departments. Staff should be regularly evaluated, and promotion lines and special training for promising employees should be developed. The requirements of each job should be published regularly, and individuals who show promise in State employment should be encouraged.

6. The State Should Stress The Role Of Supervisors

Management improvement and good public service depend on the caliber and effectiveness of supervisors at all levels. The State, therefore, needs to do much to define the role of supervisors and to train them.

7. The State Should Have A Basic Personnel Research Capability

As also mentioned earlier, the State should develop personnel research techniques to improve the effectiveness of its overall personnel management.

8. The State Should Give Considerable Attention To Organization Planning

If the State is to have a challenging career system, it also must have sound organizations in which individuals can work effectively and advance. The central personnel office and the Governor should stress the improvement of the organization, so that they remain vital and equipped to do the tasks for which they were designed.

9. The State Should Regularly Determine And Catalog Management Problems

As part of its management improvement program and development of an encouraging climate for personnel management, the State should regularly determine its major basic management problems and develop plans for improvement, as part of the overall functioning of the State government and as a responsibility of each of the department directors. The Governor should use the management improvement program of each department, and the results reported thereon regularly, as his primary means for judging the effectiveness of departmental top management.

The Basic Approach To Recruiting Should Be Changed

As mentioned previously, the State's fundamental approach to recruiting should be altered considerably, by changing the whole concept of recruitment so that it is decentralized largely to the departments, which are better able to recruit the kinds of skills they require. Qualified candidates must be discovered and then persuaded regarding the benefits of State employment and the career and promotional opportunities available to them in State service. The process must be shortened considerably, so that qualified candidates can be examined and appointed at the speed normal to private industry.

This recommendation does not mean that the merit system would be diluted in any way, but only that realistic examinations should be given so that the State can compete effectively in the labor market for its share of the highest caliber personnel available. For positions common to all departments, the central personnel office would examine applicants or candidates and prepare lists of eligibles. However, for all positions requiring professional training or at higher levels, the examining procedure should consist of an oral examination, a rating of experience and training, an evaluation of past employment references, and a long probationary period. The personnel rules should therefore be changed to allow for selective probationary periods which are long enough to be able to judge the qualifications of an incumbent in all phases of his job. The probationary period should also be used far more effectively as a means of measuring the individual's performance, and those who are found lacking in any way should be separated.

The central personnel office should establish the process that should be used in examination, but the process should be decentralized to each of the departments only after they are staffed and equipped to be able to carry it out effectively and have established the proper oral interviewing board for rating

candidates for various position levels. Thereafter, the central personnel office should monitor the operation of the recruitment process by the department to make sure that the merit system is used and that the State is securing qualified employees.

A Major Effort On Training And Personnel Development Should Be Made

As part of its career development program, the State should have a vigorous program on training and personnel development for its employees. The system and procedures used by the State in selecting employees for further training and for developing career-promotional ladders for the majority of its workers should enable it to compete with any employer. As a part of this program, the State should provide considerable training and supervision to its supervisors so that they are able to carry out their role effectively. It should also provide professional development programs for outstanding and superior employees. The central personnel office should work with each department to ensure that it has developed a good training program for its workers and a career development plan.

A Major Effort On Personnel Research Should Be Made

As in any process, there should be a regular system of evaluating results secured and of research into ways to improve the process. As a part of the organization plan previously suggested, the position of Research and Planning Assistant has been established to provide overall direction to the research activity in all State departments and to develop research patterns and research techniques for evaluating Personnel Department practices and making improvements.

The State should treat this research and planning function as one of its major roles in improving its personnel management and should select for the position of Research and Planning Assistant a person who is qualified in personnel research practices. Once this position has been established and filled, it should be one of the sources for developing, Statewide and in each department, the personnel management improvement program, which should be part of each department's total management improvement plan for each year. To be effective, research and planning should receive the close attention of the Personnel Director and the Governor.

A Standard Personnel File Should Be Adopted And Required Of All Departments

As part of its management improvement and development programs, the State should have a standard personnel file which should follow the individual from department to department. The central personnel office should establish

the contents of this file and make sure that each department keeps these files up to date and complete. The central personnel records should be put on a computer, so that the central personnel office can easily retrieve data for research and for use in operating central personnel functions. The major information on each individual, however, should be in his personnel file, which should remain in his department. These changes should considerably lessen the duplication of records which now exists and should facilitate the development of useful information for use, by the State and its departments, in the personnel management program.

A Standardized Personnel Operations Manual Should Be Developed

The Personnel Department, as part of its leadership role, should develop a standardized personnel operations manual, to guide its staff in carrying out their personnel functions. This manual should be comprehensive and should include all approved operating practices in loose-leaf form so that it can be easily kept up to date. The central personnel office should monitor the system to make sure it is effective and is being used as intended.

The State's Personnel Promotion System Should Be Improved

The goal of the State's promotion system should be to develop policies and procedures for selecting those employees whose knowledge and abilities will best serve the public interest for promotion to positions of increased responsibility.

Each department should plan and administer a promotion program under the leadership of the Personnel Department. The diversity of programs and classifications makes it impractical for the Personnel Department to plan and supervise the advancement of employees. However, it should devise various procedures to be used by each department in analyzing its requirements, and in planning the training and promotion of personnel to fill its key jobs.

The Assistant Director - Organization Planning and Management Development should conduct an annual audit of key jobs in each department and should forecast the probable turnover in key positions in the department in order to determine what action to take to fill the position. The Assistant Director would prepare a list of names from other departments within the State service, if the opening could not be filled adequately from within the department.

The individual departments should prepare a list of prospective candidates within the organization to fill key jobs which will become vacant in the future. With this "replacement table," the Assistant Director - Organization Planning and Management Development, with the department head, would plan an orderly training program to prepare those on the list for increased responsibility.

In addition to these steps, each department should establish an effective system for promotion from within the department. Although the department should determine the mechanics of the system to suit the needs of the department, the plan should provide for each employee to be placed on a departmental register and classified under each position for which he is considered outstanding or well qualified. Departmental policy should then require that, when a vacancy occurs which cannot be filled within the department, employees from other departments who are rated as well qualified be considered before the eligibles on the register.

The Assistant Director - Organization Planning and Management Development should assist department heads in planning the annual audit of key jobs and in establishing an effective internal promotion system.

This system of promotion, which provides an opportunity to rise to progressively higher-level positions, should attract better-qualified candidates to State service, serve as an inducement for present employees to undertake additional training that will qualify them for promotion, and, finally, help to retain able employees who are currently in State service.

An Employee Evaluation System Should Be Established

An employee evaluation plan should be instituted. Since differences in employee performance and output are important, some basis should be established for compensating employees for these differences. Employee evaluation, therefore, can become a formal means of making employee performance the determinant of employee pay within a particular classification, as well as a means for improving the level of performance.

It is suggested that the appraisal technique be directly related to levels of performance, as well as to different major families of positions. For example, a beginning-level position would be evaluated on the specific duties to be performed, the effort applied to achieve superior performance, and the incentive for advancing to more responsibility. On the other hand, a person who is at a supervisory level or who is an administrator would be evaluated not only on

the knowledge of his specific duties, but also on his ability to supervise others, the extent to which timetables can be met, and the effectiveness of the operation of the overall functions under his supervision.

Separate rating forms should be established for the professional and technical field positions, and the rating should be made on the basis of the performance of the specialized duties of that position. Each supervisor should make an overall evaluation of the employee's performance during the preceding 12 months and should give the employee one of the following ratings which best describes his overall level of performance:

- Outstanding performance characterizes employees who make repeated contributions to the organization beyond the requirements of their particular position.

These individuals require little or no supervision and can always be relied on. They possess high intelligence and other characteristics that make them almost ideally suited for the position.

Very few individuals will qualify for this rating. However, this rating need not necessarily apply only to those at the upper levels of management; in terms of performance, these individuals should be identifiable at all levels.

- Superior performance is marked by high quality and quantity of work. People rated superior regularly make valuable contributions to the organization.

These are the people who far surpass position requirements and have complete mastery of their jobs. Next to the outstanding performers, these are the organization's high performers who contribute more than their share to the work.

- Satisfactory-plus performance indicates thorough mastery of all job duties and responsibilities. The contribution of the individual is usually beyond what is expected.

This group of performers includes individuals who know what their job duties are and perform them well. They work conscientiously but fall short of the superior classification.

- Satisfactory performance is that which meets the requirements of the position. The job is being done adequately, and job responsibilities are being handled competently.

More than minimum performance is seldom evidenced in this group. Contributions beyond the requirements of the job are seldom, if ever, made by individuals performing at this level.

Satisfactory performance is not a poor rating. Individuals considered marginal performers in any way should not be rated as satisfactory.

- Satisfactory-minus performance indicates that the minimum requirements of the job are not being met. This rating should only be given those people judged capable of performing satisfactorily within a short period of time.

This rating should not be tolerated for a long period of time, since it indicates marginal performance.

It would probably require a number of years to implement a rating procedure such as this. The following steps would constitute the procedure.

- Establish the forms, format and contents.
- Establish the detailed procedures outlining the responsibilities of each level of supervision.
- Program the information to be maintained on the computer.
- Establish and carry out programs in the techniques of training for administrators and supervisors.
- Implement the rating procedure, on a trial basis, for one year.
- Implement the rating procedure as a formal technique for all departments.

This system of performance appraisal also includes a review of all job descriptions and specifications. When the supervisor is required to review an employee's performance, he must, of necessity, review the job description. If there are statements on the job description which no longer apply to the

employee, the supervisor should immediately request a reclassification of the position and an appropriate description and specification. Thus, the Personnel Department would be assured of having each job class reviewed at least once a year.

A Program For Rewarding Outstanding Performance In State Service
Should Be Formalized And Followed

To reward outstanding performance and to provide incentive for State employees, a program for rewarding meritorious service should be established. The supervisor and department head, using standards established by the central personnel office, should recommend those employees who should receive recognition for their outstanding performance.

The Personnel Department should review the employee's previous evaluations, which should be in the personnel record folder. If the employee was consistently above average according to the past evaluations of his supervisor and department head, the employee should be singled out for recognition.

The employee would be granted a two-step increase and a certificate, presented in the name of the Governor, as a reward for outstanding service to the State. This type of a program would be an incentive for State employees to improve their performance in order to qualify for additional increases and public recognition.

The Examination System For Placing Personnel Should Be Revised

In the past, the State has used written examinations to develop lists of eligible candidates for employment. However, exclusive reliance on written examinations should be modified, as explained previously and elaborated on below, and the factors of education, experience and personal qualifications should also be considered.

Entry examinations for most positions should be based upon a combined total of 100 points, so that individuals can be ranked on eligibility lists. The examinations should include four parts:

	<u>Per Cent</u>
Written and practical application test	30%
Oral interview by examining panel	25
Education and experience	35
Previous work references	10

In this way, the written test, often not a good indicator of qualifications for a position, would play a less important part in the acceptance of employees. In addition, many manual types of positions, not previously included in the competitive class, could be tested for on a practical basis, to ensure that the most knowledgeable workers would be rated highest in the actual work to be performed. As noted previously, the probationary period should be lengthened and considered part of the examination process following employment.

Promotional examinations for lower level positions should include the following:

	<u>Per Cent</u>
Written test	30%
Interview	35
Performance ratings, past experience and education	35

This type of score distribution also would make the written examination less important. The interview represents an opportunity to determine the quality of knowledge of individuals in the specific field or for supervisory capabilities. Finally, a well-developed employee rating system should provide a background of the past quality of work and the attitude of employees who apply for promotions.

Open competitive examinations for higher-level positions should include an investigation of the individual's past experience, training and character, as well as oral interviews and scoring of past ratings of performance if the person has been a State employee. Applicants should be certified as qualified or unqualified by the personnel officer of the department concerned, and the selection should be made by the supervisor of the position to be filled, with final approval by the department head. The State Personnel Department should develop guides to be used to ensure some uniformity in selecting employees by this procedure.

The benefits of this approach are that the persons most familiar with the requirements of the position would be closely involved in the evaluating potential employees. Furthermore, grading of applicants for higher-level positions would be done on a personal basis rather than all of it through impersonal, written examinations.

For positions which require professional licenses, or when there are few numbers of applicants from which to choose, examinations should be waived. The professional license, qualifying degree or certificate from an accredited institution should be considered equivalent to the written examination, and the interview and level of background and experience should be sufficient to put the candidate on an eligibility list.

Merit Increase Decisions Made By Line Supervisors Should Be Exempt From Appeal

If a supervisor does not see fit to provide a merit increase to an employee in his section because of poor performance, the employee should have only an opportunity for review of the decision at the next supervisory level. If a supervisor does not have the authority to carry out a merit rating program and have his authority strengthened by other representatives of line management and the Personnel Department, the program is doomed to failure. The central personnel staff should make periodic analyses of the granting of merit increases in given departments. For individuals who have not been given merit increases over a long period, the reasons should be examined and either the employee should be helped in improving his performance or steps should be taken to separate the employee.

An Effective Procedure For Handling Employees' Grievances Should Be Developed And Utilized

The immediate supervisor is the logical person to handle employee problems and grievances on an informal basis. However, it is desirable to establish a grievance procedure so that fair consideration is given to the grievances which cannot be resolved that way. Employees should have the freedom to refer their grievances to a supervisor higher than their immediate supervisor, if necessary. The following grievance procedure is suggested.

- Step 1. An employee should initiate a grievance procedure by explaining the situation orally to his immediate supervisor. The supervisor should make a decision, alone or with the help of his superiors, and should pass his decision, orally, to the employee within three working days.
- Step 2. If the employee is dissatisfied with the oral decision of his immediate supervisor, he may present the grievance to his supervisor again, this time in written form. The supervisor should also make his decision in writing and present it to the employee within three working days.

- Step 3. If the employee is dissatisfied with the supervisor's written decision, he should then appeal, in writing, to the department head. Within three days, the employee should receive the department head's decision, in writing.
- Step 4. If the grievance is not settled at the third step, the employee's last possible action would be an appeal to the State Personnel Director. The Director should study the records of the case; the decision of the Director should be final. Of course, appeals to the courts are always possible, if an employee feels he has not received proper attention.

The Personnel Director would, in writing, inform the employee of the decision in his case and the reasons for it. A copy of the letter to the employee would be inserted into his personnel record file.

* * * * *

This plan would provide a method whereby the employee can appeal personnel decisions against him if he feels strongly about them. Equally important is the fact that this plan for impartial review of the supervisors' judgments removes employee frustrations, which detract from efficiency; counteracts tendencies toward arbitrariness in, and narrow viewpoints of, supervisors; provides higher management with a check on the kind of personnel administration first-line supervisors are carrying out; and helps determine the adequacy of personnel policies.

A grievance procedure must give the supervisor sufficient authority to fulfill his duties, give him enough support in his decisions so that he can control his organization, and yet have him subject to review. For this reason, it is felt that an effective grievance procedure can be developed only if the State of Maine fits grievances into the normal processes of line administration rather than setting up a special appeals board having quasi-judicial functions outside the administrative line.

An In-service Training Program Should Be Developed Under The Direction Of A Training Officer

An in-service training program should be established to upgrade the skills of present State employees and as an approach to the problem of manpower shortages in certain fields. The program would be coordinated by the Personnel Department, under the supervision of the Assistant Director - In-service Training. The Assistant Director would give direction to the State's overall

training efforts. He would identify training needs in the State service and take steps to meet the needs. The Assistant Director would act in a consulting capacity to help departments establish training programs, and assist smaller agencies that lack training programs. The efforts of the Assistant Director should be supplemented by establishing a Training Council which should be composed of members of the personnel offices from the larger departments. They would bring to his attention the areas in their organization where training is needed. Examples of special in-house, short courses might include stenography, principles of supervision, blueprint reading, highway safety, and other related topics.

State employees should also be placed on paid leave to attend special training courses in nursing, programming, social work and other fields. Some states provide a tuition refund program for those employees who successfully complete prescribed courses at local colleges.

The State can tailor its training program to meet the particular needs at a given point in time. These are only examples of some of the programs the State can institute to help in employee development. Each department of the State should determine its training needs in advance and budget funds to be applicable to training employees.

A System For Career Development Should Be Established In The State

It is suggested that a State plan for career development be established, under the direction of the Personnel Department. Major steps of such a plan would be:

- Identification of employees
- Selection of employees
- Management training and development.

a. Identification of employees. A feasible system for identifying employees who have potential supervisory or managerial ability would include an employee rating procedure, in addition to the regular evaluation system used for salary administration. To ensure understudies for supervisory and executive positions in State government, a method must be established for continuing appraisal of management's performance. Exhibit III-A, on the following pages, presents a form for this purpose.

MANAGEMENT GROWTH POTENTIAL

STATEMENT OF POLICY

The future of Maine is largely dependent upon, among other things, the ability of management to identify and develop people capable of taking on increased responsibility. Management members have the responsibility for developing potential managers; this responsibility cannot be delegated.

Therefore, each manager must make a conscientious effort to evaluate objectively the growth potential of the personnel reporting to him. The conclusions reached are important to the State and the individual concerned.

INSTRUCTION TO APPRAISER

Study the employee's background (work history, education, salary progression, etc.) and work performance data to assist in judging the employee.

Complete the form, making a judgment on management potential.

Review the form with the next level (or next two levels, if practical) of management, and make a final appraisal.

Name	LAST	FIRST	MIDDLE	Age
Class title			Time in title	
Department			Location	
Evaluator		Position		Date
Reviewed by		Position		Date
Reviewed by		Position		Date
Personnel Department representative				Date

MANAGERIAL ABILITIES

1. Planning - Control

1 2 3 4 5

Comments

2. Responsibility

1 2 3 4 5

Comments

3. Making decisions

1 2 3 4 5

Comments

4. Leadership

1 2 3 4 5

Comments

5. Breadth of knowledge 1 2 3 4 5

Comments

6. Staffing 1 2 3 4 5

Comments

WORK PERFORMANCE

Present Performance – Evaluation of the employee's performance on his current job.

- | | |
|--|---|
| <input type="checkbox"/> Outstanding | <input type="checkbox"/> Satisfactory |
| <input type="checkbox"/> Excellent | <input type="checkbox"/> Satisfactory minus |
| <input type="checkbox"/> Satisfactory plus | <input type="checkbox"/> Unsatisfactory |

PROMOTABILITY

1. Management Potential – can assume greater responsibility. When Ready

- | | |
|---|--|
| <input type="checkbox"/> To higher position | <input type="checkbox"/> Immediately |
| <input type="checkbox"/> Higher position – another line or field management | <input type="checkbox"/> Within one to two years |
| <input type="checkbox"/> Long-term potential (age 28 – 35) | <input type="checkbox"/> With two to five years |
| <input type="checkbox"/> Not now promotable | <input type="checkbox"/> Not now promotable |

2. Progression

- a. If this employee has capacity for advancement, what, in your opinion, is the next position he can fill? ahead.

- b. If this employee has further potential beyond the next level of management, for what position(s)?

- c. Is there any other position, regardless of location or division and/or department, for which you feel this employee would be qualified?

- d. Even though he has potential, are there any conditions such as health, age or personal reasons which would limit this employee's flexibility for advancement? Explain.

- e. Is this condition temporary or permanent?

PERSONAL TRAITS

The following list of traits is presented to stimulate your thinking regarding the employee's behavior:

- Initiative – self-starting, takes hold promptly.
- Open-mindedness – free from prejudiced conclusions. Able to analyze own performance.
- Ambition – desire and will for advancement and attainment.
- Acuteness – mentally alert. Understands instructions, explanations, unusual conditions quickly.
- Flexibility – adjusts rapidly to changing conditions.
- Dependability – can be counted on, keeps promises.
- Cooperativeness – works well with others, can subordinate his interests to the goals of department and/or division.

- Judgment – breaks problems into components, weighs and relates, arrives at sound conclusions.
- Character – a person of principle; honest, sincere, loyal, ethical.
- Self-confidence – assured bearing, takes new developments in stride, self-reliant. Tries to control situations rather than accept them passively.
- Drive – works with energy, has basic urge to get things done.
- Acceptance – gains confidence of others, earns respect.
- Creativeness – original ideas, an inquiring mind, fresh approach to problems.
- Perseverance – not easily discouraged, follows tasks to logical conclusion. High frustration tolerance.

The personal traits listed above appear to varying extents in all persons. No one employee is strong in all factors. If only one aspect of a trait is applicable, state this aspect rather than the general trait.

Referr to this list of traits, plus any other traits you feel important, and state what you feel are the employee's strong points.

Which traits do you feel are this person's liabilities?

PERSONNEL SKILLS INVENTORY

- | | |
|--|---|
| <input type="checkbox"/> Accounting | <input type="checkbox"/> Purchasing |
| <input type="checkbox"/> Data processing | <input type="checkbox"/> Construction |
| <input type="checkbox"/> Maintenance and custodial service | <input type="checkbox"/> Social work |
| <input type="checkbox"/> Police and security | <input type="checkbox"/> Medicine |
| <input type="checkbox"/> Law | <input type="checkbox"/> Dentistry |
| <input type="checkbox"/> Personnel | <input type="checkbox"/> Nursing |
| <input type="checkbox"/> Library | <input type="checkbox"/> Public health |
| <input type="checkbox"/> Engineering | <input type="checkbox"/> Recreation |
| <input type="checkbox"/> Planning | <input type="checkbox"/> Food service |
| <input type="checkbox"/> Material handling | <input type="checkbox"/> Administration |
| <input type="checkbox"/> Civil defense | <input type="checkbox"/> Education |
| <input type="checkbox"/> Taxation | <input type="checkbox"/> Architecture |
| <input type="checkbox"/> Traffic control | <input type="checkbox"/> Landscaping |
| <input type="checkbox"/> Real estate management | <input type="checkbox"/> Public relations |
| <input type="checkbox"/> Agriculture | <input type="checkbox"/> Communications |
| | <input type="checkbox"/> Fire prevention |

The form includes name, present class title, and functional department position for the employee being evaluated, and the name of the supervisor and other persons who are performing the evaluation and reviewing it. It provides for evaluation of each individual on the basis of his managerial abilities (to include planning and control, responsibility, decision-making, leadership, breadth of knowledge, and staffing). The individual's work performance on his current assignment is then evaluated, and finally, his promotability is assessed, together with an idea of how quickly he might be able to progress and to what kind of position.

In establishing an evaluation system of this type, the Personnel Department would provide the forms to be used and a training program for key supervisory personnel from all departments of the State government. This training program should be used to teach supervisory and managerial personnel how to recognize potential managerial ability, regardless of the employee's present level of employment.

As noted, the objective of this entire system would be to bring to the attention of the Personnel Department and of top management of the State those employees who should be developed in order to provide the future managers of State government.

To give top management sufficient information about State employees, the results of the evaluation suggested above should be entered in a data bank, using data processing equipment. This data bank would provide access to individual names of employees with potential management ability, as well as a method for ranking these individuals. The bank should include the major fields of competence of the individual, in terms of his past experience and education. Finally, the information in the data bank should be retrievable by the major groups of careers to be evaluated by special Career Boards, as described below.

b. Selection of employees. To select employees for advanced positions, as well as for special management training and development programs, a series of Career Boards should be established. These Career Boards should be made up of qualified persons from both within and outside of State employment. It is suggested that eight major Career Boards be established, as follows:

- Clerical, Administrative and Fiscal
- Engineering and Applied Science
- Library, Education and Recreation

- Medical and Public Health
- Social Welfare and Correction
- Agriculture and Forestry
- Public Safety and Law Enforcement
- Labor, Labor Supervision and Trades (to include custodial, food service and laundry fields).

Each of these Career Boards would include two department heads of the State government, a representative of the Personnel Department, and two or three knowledgeable private citizens from the State. These Career Boards would meet annually to review the records of employees of the State who have been identified as potential managers. The Boards would evaluate these persons' past experience and review the future needs of the State for management positions on the basis of planned organization changes in the various departments and the possible retirement or movement of present existing positions. With this in mind, the Career Board would recommend position changes and management training and development programs for each individual under consideration.

c. Management training and development. Once an individual has been selected as having possible management potential, planning for the individual's development should be undertaken. As part of this development, he should be exposed to various problems and types of situations to broaden his experience. There are various ways to accomplish this exposure as follows:

- On-the-job training. Most commonly, executive training is done on the job. The employee learns how to solve problems while actually solving them.
- Understudy plans. Under this plan, each supervisor or employee is assigned an understudy, who, in addition to his regular duties, is expected to acquire some familiarity with the functions and problems of his superior.
- Position rotation. Under this plan, key and promising employees are rotated in different assignments in order to broaden the individual's understanding of the various functions within a department, as well as those of different departments. This procedure would

also ensure that employees with managerial potential have an opportunity to move to higher levels and better paying positions than a small department might provide.

- Management conferences. A series of management conferences or seminars should be established, under the auspices of the Personnel Department, to provide training in advanced methods of operation for persons currently in managerial positions.
- University extension courses. Promising employees should be encouraged to attend university extension courses in the State and to take courses that would help them to develop managerial competence. If these courses are taken at the State's suggestion, as already noted, the State should pay tuition, provided the courses are satisfactorily completed.
- Full-time education program. As part of the long-range training plan for supervisory and managerial personnel of the State, a well-developed system of special training should be established, to include attendance at vocational and technical schools, undergraduate college programs, and graduate programs. The State should provide full or partial tuition and, for some employees, cost of living, provided the advanced training would be directly to the State's benefit. Some of this type of training is already being sponsored by the State, especially where federal funds are made available, but these programs should be expanded.

The system of career development described above would enable State government to identify employees with potential capacity for growth to fill positions of importance, and would give capable persons the opportunity to advance to important positions in the State government on the basis of ability, potential for career growth, and work performance.

An Exit Interview Procedure Should Be Developed By The Personnel Department

An exit interview procedure should be developed to help provide answers on "why" employees leave State service. Tabulations of principal reasons for quitting may indicate needed changes in personnel policies and procedures, changes in working or other conditions that employees regard as unsatisfactory.

Since many terminating employees are reluctant to reveal the true reason for their quitting until after they have actually separated, it has been found to be a more valid tool for securing information on employee turnover if a questionnaire is filled out by the resigned employee perhaps 30 to 60 days after resignation. It is probable that the former employee would at that time give the real reason for his decision for leaving State service.

The Personnel Department should make careful analysis of turnover statistics to discover what classifications are most subject to dissatisfaction and to find out where turnover occurs. Analysis should indicate such major variables as sex, age, department, marital status and salary. Many organizations have cut turnover significantly as a result of such analyses. The turnover analysis should be on a continuing basis, so that trend comparisons can be made. Once causes and types of turnover have been identified, specific corrective action can be taken.

The Probationary Period Should Be Regarded By Department Heads As Part Of The Testing Program

The probationary period should be looked upon by department heads as a part of the testing program for entrance into permanent State employment. The period should afford department heads, as well as the placement people of the personnel staff, an opportunity to evaluate those intangible factors and personal characteristics which cannot be predicted by formal testing procedures.

The length of the probationary period should vary somewhat from one group or position to another. The length of the probationary period should be dependent upon the length of time which would be required for an individual in a given classification to demonstrate his competency in his field of endeavor.

Supervisors and department heads should be reoriented to the fact that the probationary period is of critical importance, since testing devices used in the original screening process are not infallible. The probationary period has been specifically designed to permit supervisors to dismiss those employees who do not meet minimum standards for permanent employment with the State. Supervisors should make maximum use of the probationary period as the last hurdle of the selection process.

The Personnel Director Should Devise Methods To Determine The Organizational Health Of State Operations

One of the broad functions of the Personnel Director is to determine the organizational soundness of State operations, by means of various indexes of teamwork such as absenteeism, accidents, turnover and internal mobility, and complaints and grievances, and managers should be informed of actual or potential difficulties that need their attention.

Exhibits III-B, III-C and III-D, on the following pages, are examples of reports that can reflect organizational problem areas. Analyses of such reports will be useful to the top management of the State in that they would help to:

- Measure and evaluate present conditions
- Predict future conditions and events
- Evaluate effects and results of current policies, programs and activities
- Provide an objective basis for revising current policies, programs and activities
- Appraise proposed policies, programs and activities.

For example, an analysis of turnover in the State could show management and the Legislature the costs involved. These costs might include:

- Cost of hiring and training each new employee
- Costs incurred by the recruitment and examination process
- Time and facilities used to interview and test the applicant, prepare records, etc.

Such an analysis could indicate why employees are leaving State service, e. g. , whether they are dissatisfied with working conditions, supervisors or fellow employees, and whether they feel they are not getting anywhere.

Answers to why employees are voluntarily leaving State service, where voluntary separation is occurring and what kind of employee is leaving voluntarily will help the Personnel Director and the line officer he advises to determine if there is any condition in the State service that could be improved, either by management or by the cooperation of management and employees, in order to reduce excessive turnover.

STATE OF MAINE

EXAMPLE OF AN ACCESSIONS-SEPARATIONS SUMMARY

Department	Current Month						Year To Date							
	Accessions			Separations			Accessions			Average Salary	Separations			
	Number	Rate(a)	Average Salary	Number	Rate(a)	Average Salary	Number	Cumu-lative(b)	Rate Annual		Number	Cumu-lative(b)	Rate Annual	Average Salary
Highway	7	1.9	542	5	1.4	818	66	17.6	23.5	593	52	13.9	18.5	681
Mental Health And Correction	6	1.4	310	22	5.2	415	131	26.6	35.5	338	276	56.0	74.7	373
State Police	86	3.0	434	61	2.1	525	587	22.8	30.4	483	576	22.4	29.9	470
Personnel	4	0.7	491	3	0.5	592	71	10.5	14.0	584	187	27.5	36.7	567
Fish And Game	22	0.8	650	69	2.6	587	284	10.2	13.6	621	582	20.9	27.9	644
Sea And Shore Fisheries	37	1.6	622	61	2.6	525	450	19.2	25.6	571	711	30.3	40.4	606
Labor And Industry	50	2.0	687	80	3.2	594	609	25.0	33.3	716	385	15.8	21.1	667
Attorney General	109	3.7	597	62	2.1	566	1,024	37.4	49.9	555	800	29.2	38.9	577
Forestry	7	2.0	1,015	19	5.6	646	79	23.7	31.6	795	53	15.9	21.2	783
Total Or Average	328	2.2	603	382	2.5	561	3,301	21.9	29.2	582	3,622	24.0	32.0	575

(a) Current month rate = $\frac{\text{Number of accessions (separations)} \times 100}{\text{Month-end population}}$

(b) Annual rate = $\frac{\text{Cumulative number of accessions (separations)} \times 100}{\text{Cumulative average population}}$

STATE OF MAINE
EXAMPLE OF MERIT INCREASE ANALYSIS

Department	Current Month				Year To Date					
	Number	Merit Increase			Number	Merit Increase				
		Average	Per Cent Of Payroll	Per Cent Per 100 Employees		Average	Per Cent Of Payroll		Per Cent Per 100 Employees	
						Cumulative	Annual	Cumulative	Annual	
Highway	20	8.7%	0.54%	5.4%	150	8.2%	3.28%	4.37%	40.1%	53.5%
Mental Health And Correction	23	6.7	0.38	5.5	334	7.1	5.13	6.84	67.7	90.3
State Police	51	7.2	0.13	1.8	824	7.5	2.05	2.73	28.8	38.4
Personnel	17	7.3	0.23	2.8	275	7.0	2.96	3.95	40.6	54.1
Fish And Game	100	7.7	0.25	3.8	1,242	7.3	3.25	4.33	44.5	59.3
Sea And Shore Fisheries	2	2.7	0.002	0.1	877	6.6	2.53	3.37	37.3	49.7
Labor And Industry	127	6.9	0.31	5.1	1,375	6.4	3.28	4.37	55.9	74.5
Attorney General	90	9.5	0.32	3.0	933	7.0	2.43	3.24	33.8	45.1
Forestry	<u>18</u>	7.0	0.31	5.3	<u>202</u>	6.6	3.42	4.56	60.7	80.9
Total Or Average	448	7.7	0.22	3.0	6,212	6.9	2.83	3.77	41.2	54.9

STATE OF MAINE

EXAMPLE OF TURNOVER ANALYSIS BY CLASSIFICATION GROUPING

DEPARTMENT

<u>Description</u>	<u>Per Cent Turnover</u>		
	<u>Resignations</u>	<u>Others</u>	<u>Total</u>
Labor			
Clerical			
Administrative			
Technical Support			
Engineering/Scientific			
Management			

Electronic Data Processing Should Be Employed To Improve Operations Of The Personnel Function

A standard Statewide system, utilizing the State's present EDP equipment, should be developed, to:

- Maintain basic personnel information on each employee.
- Record and analyze merit increases, their frequency, percentage, the number of employees receiving them, the departments granting them, and other related facts.
- Record and analyze terminations, their number, type of classification and reason for termination.
- Record time worked by employees.
- Record absences, departments where it occurs, type of employee, etc.

Such a system would permit the personnel staff to analyze rapidly any problems in the employee force and to take corrective action quickly.

A "Suggestion Program" Should Be Established

To encourage greater employee participation in seeking better methods and procedures in State government, it is suggested that a suggestion program be established for State employees.

The program would provide an incentive award equal to 10 per cent of the first year's savings as the result of an employee's suggestion; it should not exceed \$300. The award would be in cash to the employee who contributes to the efficiency, economy or other improvements of State government operations.

The program would be administered by a board of high-level State officials appointed by the Personnel Director.

It is thought that a program of this type would motivate State employees to "find a better way."

An Overtime Payment Policy Should Be Formulated

It is suggested that an overtime payment policy be developed for State employees. The following is suggested as a guideline:

- Casual overtime would be that time spent on a job that is necessary for performing the duties of the job in the normal course of events.
- Authorized and scheduled overtime would be that time after the normal working day that the department head and supervisor have authorized and scheduled the employee to work.

Overtime would be paid on the basis of base salary, for example:

- Under \$150 a week, time and one half
- Over \$150 but less than \$225, straight time
- Over \$225 base salary, no overtime payments would be authorized.

The overtime policy would compensate those employees who now work scheduled overtime occasionally but are not compensated in cash payment.

The Use Of Provisional Employees Should Be Restricted

Although provisional appointments are necessary at times, their number should be kept to a minimum. With the assistance of department management, the department personnel staff should forecast and anticipate the probable requirements of the various departments of the State on the basis of past experience. The department personnel staff could then determine whether the type of person needed was currently on the eligible register. If not, a recruitment program could be planned to supply candidates.

If it does become necessary to appoint provisional employees, a definite limitation on the period of service should be established. Logically, the period should cover the length of time necessary for the Personnel Department to recruit and test candidates to be placed on the eligible list.

This would ensure that, after completion of the prescribed probationary period, all State employees would have equal status regarding promotion, transfer and fringe benefits.

Policies For Employee Perquisites Should Be Modified

Consideration should be given to formalizing perquisites within the various departments and institutions of the State. It is suggested that a gross salary be paid to employees who receive perquisites in addition to salary and a house, if one of the administrative, professional or maintenance personnel is required to have a residence on the grounds of a particular institution.

A value should then be placed on other perquisites that the employee might receive - e. g. , meals and laundry - and the amount of this valuation deducted from the employee's gross pay.

The central Personnel Department should prepare a maintenance cost list and distribute it to all departments affected. This method of handling perquisites would provide a uniform system for all departments, rather than having each department formulate its own method for handling employee perquisites and the consequent wide variance in policies.

Employee Benefit Programs Should Be Administered Through The Personnel Department

The employee benefit programs should be administered through the Personnel Department. The Personnel Director, as a member of management, has the task of assisting all line managers to motivate people in their departments to contribute their best efforts toward achieving the organization's goals at the same time they are realizing some of their own personal and group goals. The benefits program of the State is part of the overall personnel program and should be administered accordingly.

When State employees are convinced that, on the whole, management actually cares what happens to them, "benefits" are taken as further evidence of this concern. However, when employees must join an employees association to become eligible for major medical benefits, there is a tendency on the part of employees to feel that the State is not providing the type of program it should. To heighten morale, it is suggested that the major medical program be sponsored by the State and administered by the Personnel Department.

Procedures Should Be Developed For Auditing The Salary Program

To ensure that the salary program is attaining the objectives which have been established for it, some means of auditing and controlling the salary actions of managers in departments throughout the State government must be established.

The responsibility for this function should be assigned to the Assistant Director - Classification and Pay. His position in the organization should enable him to make judgments concerning the quality of policy interpretations and their application throughout the State.

The audits should be performed on a continuing basis. A schedule should be prepared at the beginning of each year, indicating the date on which various departments of the State service would be audited. By adhering to a definite schedule, all departments would be audited at least once a year. This procedure would provide a means for making certain that all employees were properly classified and, consequently, being paid according to their grade in the salary schedule.

A Personnel Administration Manual Should Be Developed And Distributed To All Supervisory Employees

The Personnel Administration Manual should contain written statements of the State's policies covering the entire field of employee relations. The following are guidelines for establishing sound policies.

1. The Policy Should Affirm Or Reflect A Principle

A policy is a plan based on a principle. When a department head has a positive policy, he projects purpose into action. He implements his principles by stating them, along with the method by which they are to be actualized. Such statements of principle not only invite understanding and acceptance, but enable subordinates to make day-to-day decisions in line with the general principle.

2. Policy Statements Commit Management Representatives At All Levels, From The Top Down, To Certain Predictable Action

Policy statements commit management representatives to reexamine, reenforce, and reaffirm general purposes or objectives in daily decisions and actions. In doing so, administrators follow the spirit, rather than the letter, of the law.

3. Policy Statements Indicate The Framework Within Which Supervisors Must Work

The scope of discretion and the exercise of practical judgment should also be indicated so that the long-term purpose can be interpreted in a variety of specific situations over a long period of time. The statements of policy should be clearly written so that they cannot be misinterpreted.

Since personnel policies and procedures affect all employees to some extent, this manual should be widely distributed. Every supervisor should have a copy so that he can answer the questions of his employees and can apply policies properly.

A suggested outline for a Personnel Manual is shown in Exhibit III-E, on the following page.

SUGGESTED OUTLINE FOR A PERSONNEL MANUAL

I Introduction

- A - Purpose Of The Manual
- B - Scope Of The Manual
- C - Assignment Of Responsibility For The Manual
- D - Revision Procedures

II Code Of Personnel Relations

- A - Professional Training And Development
- B - Opportunities For Advancement
- C - Communications
- D - Salary Administration
- E - Working Conditions
- F - Improvement In Methods And Processes
- G - Safety And Health

III Employment

- A - Minimum Selection Standards
- B - Responsibility For Recruitment
- C - Responsibility For Selection
- D - Physical Examination
- E - Certificates, Transcripts And Records
- F - Procedure For Payroll Entry

IV Orientation And Development

- A - Responsibility For Orientation
- B - Responsibility For In-service Training
- C - Opportunities For Professional Growth
- D - Recognition Of Professional Development
- E - Procedures, Records And Reports

V Performance Evaluation

- A - Objectives Of Performance Evaluation
- B - Evaluation Criteria
- C - Responsibility For Evaluation
- D - Review Of Evaluations
- E - Frequency Of Evaluation
- F - Application Of Evaluation
- G - Procedures, Records And Reports

VI Salary Administration

- A - Delegation Of Authority For Personnel Action
- B - Responsibility For Salary Review
- C - Salary Structure
- D - Maintenance And Adjustment Of Salary Structure
- E - Frequency Of Salary Review
- F - Salary Review Process
- G - Effect Of Performance Evaluation On Salary
- H - Factors In Determination Of Salary Increases
- I - Pay Advances, Loans And Allowances
- J - Deductions
- K - Salary Budget Procedures
- L - Forms, Records And Reports
- M - Overtime Policy
- N - Perquisites

VII Leave Of Absence

- A - Personal Time Off
- B - Religious Observances
- C - Voting
- D - Jury Duty And Attendance In Court
- E - Maternity Leave
- F - Sick Leave
- G - Military Leave
- H - Holidays
- I - Unauthorized Absences
- J - Leave Without Pay
- K - Procedures For Requesting Leave
- L - Records And Reports

VIII Employee Benefits

- A - Retirement Plan
- B - Life Insurance
- C - Hospitalization, Medical And Surgical Insurance
- D - Accident Insurance
- E - Workmen's Compensation

IX Separation

- A - Retirement Age And Retirement
- B - Resignation
- C - Suspension And Discharge
- D - Grievances
- E - Reduction In Force
- F - Procedures And Reports