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QUALITATIVE REVIEW

OF THE

IOWA MERIT EMPLOYMENT DEPARTMENT

PROPERTY OF
DEPARTMENT OF ENVIRONMENTAL QUALITY

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Foreward

This is a report of a personnel management review of the Iowa Merit Employment Department carried out by an advisory team from the Intergovernmental Personnel Programs Division (IPPD) of the Office of Personnel Management St. Louis Region. The report is problem-oriented and attempts to address their potential solution.

The advisory team wishes to acknowledge the many contributions, helpful insights, cooperative attitude and valuable time provided the team by the member of the Merit Employment Department, state agencies and elected officials. Whatever benefits this report is able to serve for the state, it would never have been possible without their participation.

Structure of Report

Section I Introduction

Section II Executive Summary

This section contains a summary of the more basic findings, recommendations and required actions in each of the functional personnel areas covered by the advisory team. Many items alluded to in the Executive Summary are explained in much greater detail in Section III.

Section III Specific Findings and Recommendations

This section lists specific findings, summaries, recommendations, and required corrective actions and provides information that hopefully will assist the state in taking future action.

Section I

Introduction

Purpose and Perspective

This review of the Iowa Merit Employment Department (MED) was conducted under the authority of Section 208 of the Intergovernmental Personnel Act of 1970 and was designed to accomplish four broad objectives.

- ° Assure compliance of the state merit system's regulations and its actual operations with the Federal Standards for a Merit System of Personnel Administration.
- ° Identify serious deviations from those Standards and, if found, establish required actions to correct those deviations.
- ° Allow the advisory team to serve as a "mirror" to reflect, as accurately as possible, major problems impacting on effective personnel management in the current state merit system.
- ° Assist management in developing potential solutions to these problems and to extend, within IPPD's limited resources, an offer of technical assistance should the state so desire.

The functional areas of personnel management that were encompassed in this review were:

- ° Personnel Management Organization
- ° Recruitment
- ° Equal Employment Opportunity
- ° Selection
- ° Classification/Compensation

The advisory team recognizes that all of these areas impact on one another. For example, compensation levels can affect the degree of recruiting success. Selection and recruiting programs can impact on the degree of success the state has on reaching its EEO objectives. Improper or unclear organizational alignments can hinder or prevent even the best classification/compensation system from achieving its goals.

Just as these personnel functions interrelate with one another, so, too, do the organizations that use those systems. Although the focus of the advisory team's review was on the organizational unit called the Merit Employment Department, to limit input for this report to that department would have ignored the many environments within which the merit system operates. These environments include not only other agencies in the state but also elected officials, Federal grantor agencies and the Federal Office of Personnel Management. They all impact on what the Merit Employment Department does in varying degrees, how it does it, and with what resources. In this broader perspective, they all combine to help define the "systems" addressed in this report.

For these reasons, the report should be read with the understanding that the problems found in one of the five functional areas could have been caused by something occurring in another of the functional areas or as a result of actions taken in one or more of the environments within which MED must operate. Thus, the symptom of the problem may have surfaced in MED, but its cause and cure may more likely be elsewhere. This also explains why the advisory team, within the limited time and staffing resources it could allocate, secured the views of some of the members of the state agencies served, the Governor's office and other elected officials.

Conduct of Review

In order to assist the advisory team and preliminary to the July 24-28 on-site visit, letters were sent to the Director of the Merit Employment Department and the Governor informing them of our visit and asking them to provide the advisory team with their thoughts on the major problems in each of the five covered areas. Pre-visit interviews with twenty-six directors, managers, EEO officers and personnel officers in four of the largest state agencies were held by the Des Moines Area Manager of the Office of Personnel Management. The Merit Employment Department also provided us with such things as a copy of its budget, organization chart, work plans and objectives, class descriptions, EEO-4 report, plus internal evaluation reports covering such areas as affirmative action efforts and public service executive implementation strategies.

The on-site visit started with a joint meeting with the advisory team and MED staff. The purpose of this meeting was to explain the events that were to develop during the week, to reinforce the "open" dialogue that had already been established prior to our visit and to answer any questions regarding our visit. Some thirty-five additional interviews were held between the team members and Merit Employment Department staff, members of other agencies and elected officials.

No formal closing meeting was held with the staff at the end of the week because the team's ideas on solving the complex problems surfaced were not sufficiently crystallized.

Draft copies of this report were provided to the Merit Employment Department. The team sought their comments to assure we had clearly described the facts and to allow them to add additional thoughts to improve on our finished report. These were provided to the team and were considered in preparing this final report.

Team Role

In reading this report, it is important to understand the two complementary frames of reference which influenced the team's efforts.

The Federal Standards For a Merit System of Personnel Administration establish minimum requirements for the personnel systems of federally funded grant-in-aid programs. Organizations are expected to meet these minimum standards through the documented laws, rules and regulations they establish. Thus, the State's laws and rules establish the theoretical framework and guide for the many organizational units comprising the Iowa merit system. The administration of the system addresses how well practice and reality meet the theory of the State's laws and rules and the intent of the Standards which, in the final analysis, serve as the basic foundation upon which those laws, rules and regulations were built.

The Standards thus provided the advisory team with a regulatory "frame of reference" that set minimum levels of personnel administration measures, deviations below which would define a problem.

The team also had an advisory or consultative role. In this context, problems were not defined just by whether the personnel system met the minimal requirements of the Standards. Rather, problems were defined by those system characteristics which management or the team felt hindered organizational effectiveness.

Section II

Executive Summary

The following represents the advisory team's major findings, required action and recommendations. More detailed discussion of these and other findings and recommendations can be found in Section III.

PERSONNEL MANAGEMENT ORGANIZATION

Findings

Chapter 19A of the Iowa statutes provides for the creation of a Merit Employment Department (MED), administered by a full-time director and staff who report to a commission composed of five part-time members. The responsibilities the law assigns MED are broad and provide for the full range of personnel activities, including employee safety, health, counseling, recreation and employee relations. However other laws, policies and organization relationships appear to inhibit the creation of sound cohesive programs in many of the areas assigned to MED. Most glaring is the creation of a labor relations function which is organizationally separate from the Merit Employment Department. Because of this organizational structure, problems are being created. Many see this structure leading to conflict. For example, too frequently, it is alleged, decisions made in the labor relations unit appear to be made without the benefit of understanding their adverse impact at the

agency level or without the benefit of MED's input. Even if these problems are not too severe now, the potential for two separate management philosophies to evolve in the future is apparent given the current structure. Other functions that by law could or should be assigned to MED are assigned elsewhere within the executive branch. As one example, the creation or the evaluation of the State's "total compensation" package, which should include insurance, retirement or incentive pay systems, is now splintered among various agencies and groups.

The development of short and long-range, state-wide personnel systems objectives and goals are not clearly articulated, if at all.

Critical problems which sometimes can be forecasted and which require major planning efforts for their resolution are allowed to smolder until they break out into major issues. Hurried efforts to their solution are then applied. At best, they are likely to be only partial or temporary solutions. With a few exceptions, such problems cannot be properly addressed given the current organizational relationship between MED and the Governor.

This leads to a need to reassess the appropriateness of the commission form of governance for the state's merit system. The current commission sometimes has difficulty in obtaining a quorum. Extended vacancies on the commission also present problems. The ability of part-time commissioners to meet their rule-making, investigatory, adjudicatory and advisory

responsibilities regardless of how well intentioned or knowledgeable they are of the increasingly complex field of modern day personnel management, is one that should be questioned. Such forms of governance may have been appropriate at one time when patronage was a problem and when they were the only system of internal jurisprudence. It is clear that they do not lend themselves to managing organizations in the effective manner expected of today's governments. Other mechanisms, such as the arrival of collective bargaining, are evolving or can be created to meet the major adjudicatory role now carried out by most commissions. The potential adverse impact of patronage systems has likewise been minimized by the Supreme Court's decision in Elrod v Burns.

MED's competent staff has a strong "service" orientation. This is recognized by all. This orientation also serves as their undoing. Too frequently, agencies expect or allow MED to do what the agencies themselves should be doing. As a result, MED finds itself stretching its limited resources to put out agency "brush fires." As a consequence, the solution to the long-range issues, or problems with which MED recognizes it should be dealing, cannot be properly addressed. Nor can it give proper attention to such recognized functional areas as equal employment opportunity, training, manpower planning, etc.

Recommendations

The state should undertake an organizational study of its personnel management functions. The current State personnel management structure is one that has evolved over time. Many of the organizational problems described above and elsewhere in this report are the product of actions taken by both the legislative and executive branches of government. Solutions to these problems reflect a need to address some basic personnel management philosophies. Especially important is the need for top management and appropriate legislative members to determine if and how much the state wants to decentralize decision-making and responsibility within its executive branch.

In carrying out such a study, the state should consider creating one organizational unit under one head that merges the current Merit Employment Department and the State's labor relations functions. This unit would report to the Governor. The advisory, investigatory and rule making authority of the commission should be assigned to this merged unit. The safeguards of the State's Administrative Procedures Act should remain intact. The commissioners' adjudicatory responsibilities would be shifted to an administrative law judge. The Director of this merged organization should be appointed by the Governor with the consent of the Senate. Removal from that office would only be by documented evidence of malfeasance, misfeasance or nonfeasance, subject to the decision of an administrative law judge.

RECRUITMENT

Findings

Given the resources allocated this activity, the Special Services function of MED has produced a high volume of applicants - especially through its efforts in creating ACCESS (Area Centers for Counseling and Examining Applications into the State Service) in conjunction with Job Service of Iowa. Other recruiting efforts include bi-weekly mailings of vacancies to some 1700 locations. In addition to creating attractive recruiting literature, this same organizational unit is also responsible for job counseling and assessing the minimum qualifications for approximately 50,000 applications annually. Because of resource limitations, planned personnel contacts at various colleges and universities have been curtailed. No advertising budget exists. In effect MED is using a "shot gun" approach to its recruiting.

Agencies recognize the limitations placed on MED's recruiting effort. This may help explain why they see MED's recruiting program as "passive" and too frequently not meeting minority recruitment needs. Such limitations also help explain why nonprofessional job registers are sometimes depleted.

Organizational problems also exist. Agencies do not always clearly understand their recruiting responsibilities and how they fit with MED's. MED does not coordinate a system-wide recruiting program. As a result, no system-wide benefit is gained from the sporadic independent efforts of agencies.

Equal Employment Opportunity

Findings

Our assessment in this critical area points to three problems, one of which is a deviation from the Standards. The first problem is organizational. Agencies would like to have technical assistance in this area since they feel their EEO efforts are in need of improvement. Providing such assistance is currently the responsibility of the Iowa Civil Rights Commission, but it lacks the resources. Organizationally, it is really not a part of the personnel system, does not thoroughly understand the system and could not be expected to provide the kind of technical assistance needed to create Affirmative Action Plans (AAPs). MED has provided helpful technical assistance to the agencies in this area, but its limited resources fails to meet their reported needs.

Women are likely to be adversely affected by veteran's preference laws. Other states have found this to be a problem when the issue has been studied and have taken appropriate corrective action. No such analysis has been made by the State.

Recently, the State changed the Merit System Rules to exclude probationary employees from appealing discharges, suspensions or reduction in grades

to the Merit Commission. This is a deviation from the Federal Standards. The Standards require that in cases of alleged discrimination employees, including probationers, have the right to appeal to a body authorized to render binding decisions if such allegation is found true.

Required Actions

MED should take immediate action to change Rule 12.6 by deleting the last sentence of this rule. This would allow probationary employees who allege discrimination to have access to the Merit Commission.

Recommendations

MED should be assigned responsibility for providing EEO/AAP technical assistance and be provided resources and staffing accordingly. Such accountabilities could include providing agencies appropriate demographic data, assisting agencies in developing their Affirmative Action Plans, building minority and female recruiting resources, assessing the impact of relevant court decisions and developing statewide upward mobility and related training programs.

MED should be assigned the leadership role to determine the adverse impact of the State's current Veteran's Preference law on women. If found and of sufficient magnitude, appropriate recommendations to change the law should be developed.

SELECTION

Findings

With the limited resources available to it, MED has made significant progress since the advisory team's last visit. After much needed experimentation and research, it has finally created a content validation process that appears to meet the Federal Selection Guidelines. It is capable of producing, in a comparatively short time span, valid written selection instruments at a minimal cost to the State. Unfortunately, this final product has been applied to only 12 of the approximately 250 written tests used by MED. This represents a severe deviation that is inconsistent with the selection portion of the Federal Merit System Standards.

Of equal concern is the process by which candidate's past education and experience is measured. The scoring process rests on questionable assumptions - the more education the better, and the longer the experience the better. Many of the scoring keys have also been developed without the in-depth job analysis that is required to create valid measuring instruments. This is further compounded by attributing greater accuracy to the scoring method than can be justified. The result of these and other issues discussed in Part III of this report lead us to conclude that the process and its application to some 550 job classes has questionable validity and unknown reliability. This also is a severe deviation from the Standards.

These problems are recognized by the Merit Employment Department. They have established selection goals, but because of a need to respond to agency classification/compensation demands and with limited staff resources, they have not been able to meet their own objectives.

Managers are rightfully concerned with the quality of the process used for selecting supervisors and managers. The partial solution to this was the creation of the Public Service Executive Series. The "achievement" questionnaire MED has created to measure candidates for this series, although the best alternative it could use given the constraints within which it was to operate, has some of the same measurement problems we have associated with the process MED uses for evaluating training and experience. More critical, however, is that this measurement method excluded from consideration anyone who has never supervised. It will not tap managerial potential. Nor does it measure managerial achievement as much as it measures managerial activities. Finally, the creation of the Public Service Executive Series is limited to administrative/managerial jobs. It fails to solve the problems of selecting managers of technical functions. The above-noted questionably valid training and experience process is normally used for selecting candidates for these, the most populous of the management classes.

Required Actions

To correct these serious selection deviations from the Federal Standards, the Merit Employment Department, whose selection processes have failed to maximize their "reliability, objective and validity" as required by the Standards, is to develop in conjunction with appropriate state agency support a general test validation plan for its written tests, minimum qualifications requirements, training and experience rating schedules and other selection processes. This plan shall include, among other things, a listing of validation goals and objectives, the allocation of financial and staff resources, and a specific time table which, when implemented, will correct this serious Standards direction within a six to eight year period. This plan is to be prepared and submitted to the St. Louis regional office of Personnel Management within three to four months for acceptability and subsequent monitoring for compliance. Within the resources available, the Office of Personnel Management will assist the MED in developing this plan if desired by MED.

Recommendations

MED should make as extensive use as possible of the job analysis data that have been collected in the past. Much of this data can still be used, thereby minimizing some of the cost of implementing the above "required actions." The use of time-oriented experience requirements and scoring guides should be minimized and, to the extent possible, eliminated. Unless

there is a clear legal requirement, positive degree requirements should not be used. Rather, course content or similar samples of achievement should be used as evidence for possession of the essential knowledge, skill or ability.

The advisory team strongly urges the reconsideration of the once rejected use of assessment centers as one of the major parts of the managerial selection process. Rejecting this procedure because of its initial cost overlooks the long-range benefits of this process. It can overcome, to a large degree, the adverse consequences of not solving the system-wide managerial selection problem, and it also gives the state another potential mechanism for diagnosing a manager's training and educational needs.

Recommendations are included in Part III of this report that can help to cut down the costs of operating assessment centers.

Finally, the advisory team recommends that the current Examination Research and Development Unit be assigned the responsibility for and be staffed so as to accomplish the necessary research and refinement needed on the current experimental selection process, to develop alternative selection methods and to implement, where technically possible, criterion studies for entry level jobs. To overcome the demands between the classification/compensation responsibilities and test validation responsibilities of each Professional Service team, greater emphasis and staff will have to be assigned the latter responsibilities in order to respond to the above "required actions."

CLASSIFICATION AND COMPENSATION

Findings

There are obvious signs of managerial/professional class salary compression problems in the State. This occurs not only at the top levels of management but also at the first level of supervision. Legislative inaction contributes to the cause of the compression for the former group, while increased union action places pressure at the lowest managerial level.

There is a potential for salary inequities to be "hidden" by the State's current fiscal control system. Jobs are assigned to the appropriate pay grade only to the extent that funds are available. Until funds are available, the job can actually be in the inappropriate pay grade resulting in pay inequities.

We suspect that technical managers will start seeing salary inequities between their salary treatment and those whose administrative jobs were assigned to the Public Service Executive (PSE) Series. The reasons for this is that the jobs allocated to the PSE Series, in many cases, were assigned to higher-job grades. As a result their maximum potential pay level was increased. This treatment was not granted to managers of technical functions. When this is realized by the more numerous technical managers, there is a possibility that both morale and performance may suffer.

Organizationally, MED is responsible for most of the day-to-day classification/compensation work. Only limited responsibility has been delegated to the agencies. Part of this is attributed to the lack of expertise at the agency level. Because of the high degree of centralization, no viable system-wide classification/compensation information control system has been developed to facilitate decentralization. At the same time, some of the control systems that do exist may sometimes be missing the point. For example, because MED is not a part of the approval process, it may discover, after the fact, that agencies have hired consultants who may recommend changes that may adversely impact on classification/compensation issues in other agencies or cannot be implemented by MED as quickly as the consultant or agency would desire. MED thus is placed in reactive rather than a proactive stance.

Other factors contribute to MED's classification/compensation problems. Too frequently, MED must put out a classification "brush fire." Agency generated classification/compensation material arrives in varying degrees of completeness. Rather than delay the action, MED "cleans it up."

The approval process for allocating classes to pay grades is cumbersome. It reflects excessive centralization and over-control - some of which is imbedded in state law. The current organizational arrangement, authority assigned and apparently independent actions taken by the State's labor relations unit only exacerbates the problem. It is therefore not surprising that, within its resources, MED can spend only a minimal part of its time

addressing the more complex and long-range classification/compensation problems it knows should be studied.

Recommendations

The advisory team urges that those who implement the above-recommended organizational study, consider assigning MED the final authority to combine, divide or abolish job classes and to approve class minimum qualification requirements. The study should also consider including MED as part of the approval process in the contracting of any consultant whose services cover the functional area for which the law holds MED answerable.

A joint executive and legislative created blue-ribbon task force of compensation experts should be created to study and make appropriate recommendations regarding the State's total compensation program to include not only salary but other fringe benefits. This task force should work closely with those who are carrying out the organizational study mentioned above since there are, of necessity, common critical organizational concerns in the two efforts.

The forecasted drop in morale among technical managers arising from their exclusion from the Public Service Executive Series should be monitored so that management can take corrective action should the prediction prove accurate.

Where jobs are not properly allocated because of financial limitations, MED should prepare reports calling attention to this deviation from compensation equity so that agencies can correct it in the next budget appropriations.

Finally, MED should take steps to train agency staff so as to overcome current deficiencies in the classification/compensation products generated by the agencies. The temporary assignment of agency staff to MED under the authority of the state's internal mobility program should be considered as one approach to accomplishing this training need.

CONCLUSIONS

The primary purpose of reports such as this is to assist in bringing about changes in organizations so that they can more effectively achieve their purpose. In order for change to occur, organizations, just as in a patient/doctor relationship, must first be willing to recognize and, more importantly, accept as reasonably valid the description of its problems. Until there is problem acceptance, no effort will be expended to seek problem cause, and no meaningful solutions will be created.

The advisory team could likely have addressed superficial procedural issues and made cosmetic and easily implemented recommendations. However, we sensed, rightly or wrongly, that the State really wanted and felt sufficiently confident in itself to address some of the more basic issues raised in this report. There was an increasing sense of urgency and frustration on the part of those

with whom we talked. In our opinion, for the team to have ignored these signals would have been a failure on our part to accept our responsibility. We would have been letting down the dedicated, goal-seeking employees with whom we talked. Until there is problem acceptance by the organization on substantive issues, the prognosis for real change to help achieve organization purpose will be minimal at best. In this case, our mutual efforts in this review would have been a "paper exercise" and a waste of limited state and federal taxpayer resources. It was for these reasons that our review attempted to address substantive problems.

Our report includes many recommendations, some of which are procedural in nature. It also includes two required actions to correct serious deviations from the Standards. If the team has accurately understood the perceptions of many of those in the State, these two Standards deviations would be problems that the State would want solved even if those Federal minimum personnel management requirements did not exist.

Insofar as the recommendations are concerned, the team recognizes they represent but one set of possible alternatives. We believe they are based on a sound professional personnel management foundation.

Solutions to these problems and the implementation of one of the required actions will have obvious financial and manpower staffing resource implications. While MED and the agencies making up the merit system play important roles in allocating resources, their parameters are largely in the hands

of decision makers in other parts of the executive and legislative branches of state government.

In order for executive and legislative leadership to appropriately weigh the resources required for improving the state's personnel management system against the other competing demands for limited state resources, their understanding of the issues raised in this report are critical if significant results are to be achieved.

MED should secure the active and unified support of all of the state agencies it serves in helping present a coordinated request to these decision makers. The need to secure resources to meet the "required actions" included in this report should be of special concern to those agencies whose grant funds hinge on their having a personnel system that meets minimal grant requirements.

To supplement state resources, the State has been using funds under the Intergovernmental Personnel Act (IPA Act) to develop or refine many of its current personnel systems. Presumably the State will continue using that resource. Other resources under this Act should not be overlooked. Mobility assignments from Federal to State agencies should be given consideration. We urge the continued creative and expanded use of the State's own mobility program to supplement MED staff.

The state university system is another rich knowledge and staff resource that would appear worthy of expansion beyond its current level. The talents of university graduate schools of business, management, industrial/labor relations, and applied psychology do not appear to have been fully tapped. Direct use of loaned academic staff could be expanded.

Private and public organizations have found that institutions in these academic areas are frequently very receptive to creating graduate intern programs whereby students earn academic credit while working on meaningful projects. The short-range benefits to be gained at a comparatively minimal cost appears obvious. Such programs also can be used as an ideal way of expanding an organization's recruiting program. It can also prove helpful in strengthening the practical "real world" orientation of the school's academic program. Finally, it is a mechanism whereby the Merit Employment Commission can foster the interest of institutions of learning in the improvement of personnel standards in the state merit system, as stipulated in Chapter 19-A.7 of the Iowa statutes.

The state's private sector is yet another potential resource that appears worthy of investigating. Experienced "loaned" executives can help bring a perspective on problems that other states as well as the Federal government have found mutually beneficial to both sectors of our society. Many of the issues raised in this report have been successfully addressed by large corporations in the past. Assuming there is selective utilization of those experiences, the state could have yet another body of knowledge to help it solve some of these problems.

In our report, we have repeatedly mentioned or implied the strong motivational level we felt existed in MED. They are a strong, goal-directed group with high, self-imposed performance standards. To coin a Marine Corps expression, they are a "lean and mean" group. Such a group has a need to achieve. When its members are not able to achieve and see little likelihood of reaching meaningful goals, either their performance standards are lowered or, worse yet, such goal-directed behavior is extinguished, and the State is the loser. To some extent, symptoms of this may already have started to occur. Two key members with hard-to-find selection backgrounds have left MED since the team's visit. Others are said to be looking outside to organizations that encourage and provide the resources for goal-directed achievement.

This report will not prove effective unless it results in change. The team, if invited, will return to assist the state in starting that process by holding a series of discussions with MED, agency staff and elected officials so as to clarify issues and answer detailed questions. From such discussions, the state will be in a better position to prioritize the problems we have surfaced and eventually develop the work plans which can eventually take the state's personnel management from where it is today to becoming more of what it wants to be in the future.

Section III

SPECIFIC FINDINGS AND RECOMMENDATIONS

PERSONNEL MANAGEMENT ORGANIZATION

Background

Since this portion of the report deals with the most nebulous of the subject areas covered by the Qualitative Review -- that is, organization -- it is critical that the reader understand the review team's frame of reference. Essentially, the review team examined the legal and administrative framework within which the State's central personnel system operates. The review team's objective was to determine how effective the State's legal and administrative framework is in providing a merit-based personnel management system. Accordingly, much of the data gathered and analyzed by the review team deal with organization structure as it relates to the personnel management function. It is within this structure that the MED must operate if it is to discharge such responsibilities as:

- Recruiting, selecting, and advancing employees on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment.
- Providing equitable and adequate compensation.
- Training employees, as needed, to assure high quality performance.

- Measuring employee performance, correcting inadequate performance, and separating employees whose performance cannot be corrected.
- Assuring fair treatment of applicants and employees in all aspects of personnel administration, regardless of political affiliation, race, color, national origin, sex or religious creed while protecting their privacy and constitutional rights; and
- Assuring that employees are protected against coercion for partisan political purposes and are prohibited from using their official authority for the purpose of interfering with or affecting the result of an election or a nomination for office.

However, organization is more than just structural relationships. In a broader sense, these relationships are really reflections of and are shaped by the organization's perceived manpower capabilities, information systems, management philosophy, assessment of the pressures and needs from the organization's internal and external environments and, perhaps most importantly, the organization's perception of the value of its human resource capability in achieving its organizational purpose.

Findings

To a large extent, statutes and regulations define the expectations and

accountabilities the State has of its personnel management system.

Chapter 19A, State Merit System of Personnel Administration, was enacted into law in 1969. The intent of the law is clearly stated as being "to establish for the State of Iowa a system of personnel administration based on the merit principles and scientific methods governing the appointment, promotion, welfare, transfer, lay-off, removal and discipline of its civil employees, and other incidents of State employment."

(19A.1) This section of the law is both a charter and a statement of philosophy for the State's personnel management system. To ensure that the law was implemented and administered in accordance with legislative intent, Chapter 19A provides for a Merit Employment Commission, composed of five part-time members, and a Merit Employment Department. This Department is to be headed by a Director appointed by and serving at the pleasure of the Commission.

The Director is charged with carrying out a wide range of personnel management responsibilities. In addition to such traditional merit-based personnel agency functions as conducting open competitive examinations, maintaining a list of eligible applicants for initial appointment and promotion and establishing, and maintaining a position classification and pay plan, the Director has the responsibility "to foster and develop, in cooperation with appointing authorities and others, programs for the improvement of employee effectiveness including training, safety, health, counseling and welfare." (19A.8.5) Under the law's rule-making provisions (19A.9), the Commission is given authority "for the development and operation of programs to improve the work effectiveness and morale of employees in the merit system, including training, safety, health,

welfare, counseling, recreation, and employee relations."

To ensure that an effective merit employment system is developed and maintained, the Director is given authority "to investigate the operation and effect of this law and of the rules made thereunder and to report semiannually his findings and recommendations to the Commission."

(19A.8.7) To assist him in this effort, "the Director may institute and maintain any action or proceeding at law or in equity that he considers necessary or appropriate to secure compliance with this chapter and the rules and orders thereunder" and "shall have power to administer oaths, subpoena witnesses, and compel the production of books and papers pertinent to any investigation or hearing authorized by this chapter."

An element of perpetuity is lent the law and the powers it delegates by Section 22, which states that "the provisions of this chapter, including, but not limited to its provisions on employees and positions to which the merit system apply, shall prevail over any inconsistent provisions of the Code and all subsequent Acts unless such subsequent Acts provide a specific exemption from the merit system."

By law, the Merit Employment Commission is charged with a broad range of responsibilities. These responsibilities can be generally subsumed under the following generic descriptors: rule making, investigatory, adjudicatory, and advisory. In practice, because the Commission is composed of part-time members, its responsibilities in the main devolve to others, particularly the Merit Employment Department staff.

Theoretically, control of the Merit Employment Department's activities is maintained by the Commission through its authority to appoint and remove the Director. In practice, however, the Commission, not unlike other part-time commissions, finds itself removed, uninvolved and, in the view of some, only tangentially interested in the operations of the Merit Employment Department. This alienation was perhaps best described by a Merit Employment Department professional who said, "They (the Commission) aren't us. They don't know or even care about what we do." A review of the Commission's activities substantiates this characterization. The Commission's time appears to be primarily devoted to its adjudicatory role, and adjudication as an activity requires relatively little Merit Employment Department resource commitment. It should be noted that, as an administrative court, the Commission is tied to its most visible and, with the advent of collective bargaining, perhaps increasingly least significant activity.

With regard to the Commission's rule-making, investigatory, and advisory roles, these appear to be unfulfilled in the case of the last two, or reactive to initiatives from personnel professionals within the merit system in the case of the first role. Whether or not it is reasonable to expect a part-time commission to function effectively in the manner envisioned by the Iowa law-makers is highly problematic.

The Merit Employment Department is the de facto guarantor of the merit system, as well as a central repository of personnel management expertise.

In fiscal year 1970 -- July 1969 to June 1970 -- the Merit Employment Department had 41 full-time permanent employees and a budget of approximately \$580,000. There were approximately 16,000 employees, not including the Board of Regents, then covered by the Iowa merit system. During that year, the Department processed 18,657 applications, administered 7,941 exams, and issued 3,105 certificates. In addition to these essentially clerical activities, there were approximately 3,000 transactions, or work units, of an essentially professional nature; e.g., classification audits, revision of classification specifications, examinations developed.

Seven years later in fiscal year 1977, the Department numbered 59 full-time permanent employees -- 23 managerial and professional and 36 technical and clerical -- and operated with a budget of approximately \$960,000. The Merit Employment Department report for that year indicates that 49,900 applications were processed, 20,879 exams administered, and 6,058 certificates issued. The work units represent for this kind of activity, an increase of about 259% between the fiscal years 1970 and 1977. Figures for professional-level work units for the most recent statistical period are not available. In fiscal year 1975, the most recent year for which figures were available, there was a decrease from 1970 of approximately 76%. It would be inappropriate to conclude from this that professional level productivity had declined between 1970 and 1975. Two factors account for the reduction in these statistics. In 1970, the Department was new, and the initial figures reflect an almost frenetic level of activity to get the merit system "up and running." Likewise, since 1970, the Department has significantly improved the quality of

professional work units produced. There is virtually no way to compare what was produced in terms of quality between the years 1970 and 1975. It should be noted that these qualitative improvements were essential from both a legal and professional standards perspective.

Several departmental reorganizations have occurred since Merit Employment was established in 1969. These changes have been in response to needs of the Iowa merit system as a whole so as to provide more timely, higher quality service to the agencies within the system. Currently, the Department is divided into four functional areas: administrative/managerial, professional services, special services, and technical services.

Within the administrative/managerial function, there are four key positions. The Director's position, in addition to providing executive guidance for the Department, is also by statute the primary locus for dealings with the Merit Employment Commission. The Deputy Director serves in both a "staff" and "line" capacity having significant budgetary and inter-agency liaison responsibilities, as well as programmatic and supervisory accountabilities for the special services unit. Overall program and policy guidance in the area of classification/compensation and in exam research/development reside in two senior personnel professionals.

The professional services unit is responsible for ensuring continuity in the daily operational interface between the Merit Employment Department and the agencies within the merit system. There are three teams of professional and technical employees within the unit, each dealing with an agency or agencies on an ongoing basis, primarily in the areas of classification and selection. Each team's assignment is based on an approximation of the number of merit system positions within the agency or agencies served.

The special services unit is accountable for a multiplicity of administrative, merit system agency and applicant-oriented programs. These include supervision of the technical services unit, planning, budget preparation, inter-agency liaison, information systems, employee training and development, performance evaluation, affirmative action, intergovernmental programs, and the bulk of the merit system's recruiting efforts.

The technical services unit provides the clerical support that underlies and is essential to the delivery of the services provided by the professional and special service units.

Merit Employment Department and the Merit System Agencies

Without exception, agency personnel officers and top-level agency managers speak in highly complimentary terms of the dedication and

expertise of the Merit Employment Department staff. Numerous statements from Department Directors, past and present, attest to Merit Employment's service orientation and its critical need for increased resources.

Interviews with Merit Employment's staff and an analysis of their workload confirm the assessments described above. Unfortunately, there is another and more bleak side to this picture.

When Merit Employment was initially created, there was a need for it to establish its credibility to critics and sympathizers alike. Merit Employment's staff takes pride in being able to respond to the numerous service demands placed on the Department, and in its image as a repository of personnel management expertise. One possibly deleterious result of this service orientation is that the Merit Employment Department appears to have arrogated a significant portion of the serviced agencies' personnel management responsibility. For example, in the area of payroll certification, an activity that by law rests with the Department, but that relies heavily on the submittal of accurate data from the merit system agencies and which has become vastly more complicated with the advent of collective bargaining, Merit Employment finds itself carrying a disproportionate share of the responsibility. Agencies submit payroll change notifications in what appears to be a negligent manner, presumably relying on Merit Employment to catch and correct errors. Because of time constraints, Merit Employment ends up correcting mistakes that should more appropriately be caught and rectified at the agency level. In other areas of personnel management (e.g., classification, selection and recruiting), there is a discernible tendency to "let MED do it". That is to let the Merit Employment Department assume responsibility that by law and regulation may and probably should be shared by the

various elements of the merit system. It should be reiterated that MED is apparently a willing participant in this serviced agency abrogation of responsibility. To date, the Merit Employment Department has been able to meet the demands made of it. It would be conjecture to estimate how much longer the Department can continue to absorb, perfect and correct work that might more appropriately be performed by at least some of the serviced agencies.

Related to this is the practice on the part of some agency personnel officials to rely on the Merit Employment Department to act as sole apologist for the merit system's rules and regulations to critical or disgruntled state officials, employees or applicants. This "blame Merit Employment" approach to the many difficult personnel management issues facing state managers results in an increased workload and a concomitant loss of stature for the Merit Employment Department because its procedures constitute an "obstacle to effective management." It is difficult not to conclude that, in many cases, merit system agencies may have abdicated much of their personnel management responsibilities and have been abetted in this by Merit Employment's eagerness to prove itself and its service orientation.

It would be difficult to do more than hypothesize about the causes for the alienation that exists between agency top management and the merit system's control mechanisms. That a lack of understanding and acceptance exists among merit system agency managers is apparent. That not enough meaningful interaction takes place between the merit system and

the State's executive staff is also clear. In general, there is a process orientation on the part of merit agency managers. There is no formalized means for addressing provider-client relationships and the immediate and long-range needs of the individual agencies and the system as a whole. That these weaknesses have caused, and will continue to cause, a degree of systemic dysfunction that adversely affects the State's total management system is clear.

Some Issues Impacting On Effective Administration Of

The State Merit System

The breadth of authority conferred on the Merit Employment Department by Chapter 19A notwithstanding, there are a number of other laws, policies, and practices that have an inhibiting effect on Merit Employment's ability to discharge its responsibilities effectively. For example, in the areas of classification and compensation, both the Executive Council and the Comptroller by law, custom and practice have deciding voices in issues relating to the addition, combination, or abolition of classes and for assessing budfetary impact of such actions. Since this and other questions of classification and compensation are treated in greater detail elsewhere in this report (see page 106), they will not be dealt with here.

One recent statutory and executive policy development that has a significant impact on the State's ability to carry out its personnel management responsibilities is collective bargaining. Chapter 19A appears to charge Merit Employment with the responsibility for providing

the guidance and monitoring the effectiveness of the merit system's employee relations program, re: 19A.1, 19A.8 and 19A.0.19. Chapter 20, Public Employment Relations in no way expressly relieves or exempts the Merit Employment Department of its responsibilities in this area, re: Section 22 of Chapter, 19A. Yet, the State has chosen a modus operandi for discharging its collective bargaining responsibilities that appears inconsistent with the letter and intent of Chapter 19A. Specifically, the State has created a labor relations negotiations and contract administration function separate from the Merit Employment Department and with no accountability for ensuring that many of Merit Employment's statutorily mandated responsibilities are not undermined. It is recognized that Chapter 20, Section 17.2 authorizes "the public employer (to) designate any individual as its representative in collective bargaining negotiations."

There is a provision in Chapter 20, Section 9, that preserves Merit Employment's authority and power "to recruit employees, prepare, conduct and grade examinations, rate candidates in order of their relative scores for certification for appointment or promotion or for other matters of classification, reclassification or appeal rights in the classified service." In light of Merit Employment's broad charter, as detailed in Chapter 19A, Chapter 20's reiteration is quite narrow

but not necessarily preclusive. (2)

That the State's organization of its labor relations function has caused problems has been attested to by a number of officials in state government. Typically, managers appear to believe that there is a conflict between the functions of the Merit Employment Department and the Labor Relations Office.

Likewise, some management officials are not sure that there exists a coherent, overall personnel management policy that includes the important element of collective bargaining. Collective bargaining decisions are made, it is alleged, without consideration for the impact these decisions have on employees and management officials alike. There is also a fairly widespread belief, valid or not, that management is indecisive and overly permissive in the area of labor relations. Finally, the charge is made that labor relations decision making takes place in isolation from other competent authority, specifically Merit Employment, and according to some, without regard for the historical body of policies and procedures developed by that Department. In part, these allegations can be explained by a failure on the part of some State officials to accept

(2)

Aside from the possibility of conflict between the statutes in question and the manner in which Iowa has chosen to organize to meet its collective bargaining responsibilities, there is the appearance of internal inconsistency in Section 9 of Chapter 20. Job classification is made a subject of collective bargaining negotiations in the first paragraph of this Section; but in the second paragraph of this same section, the law states that there shall be no diminution of Merit Employment's authority and power in "matters of classification." In the interest of promoting "harmonious and cooperative relationships between government and its employees", contradictions such as this should be eliminated.

and/or understand the nature of the bilateral environment in Iowa.

Nevertheless, sufficient documentation exists to be concerned that either the State may not have developed an organizational structure that will allow the creation of a cohesive labor-management relations program or that it has failed to clearly communicate what that program is to its management officials.

Summary of Findings

Chapter 19A, in terms of the breadth of responsibilities it confers, is a more than adequate charter for the establishment of a full-service central personnel authority for the State's executive branch. There are admittedly some vague provisions in the law, such as those relating to employee welfare, counseling, recreation and "other incidents of state employment". These provisions, however, are largely dead letters as they relate to the Merit Employment Department. Currently, many programs that by law could or should be assigned to the Merit Employment Department are administered elsewhere within the state executive branch. For instance, although the Merit Employment Department has a role in the salary-setting process, it has little, if any, discernible role in analyzing and making recommendations for the executive branch's total compensation package; e.g., health insurance, retirement, and vacation.

Another area of concern for the State should be the efficacy of the Merit Employment Commission. The law charges the Commission with a broad range of responsibilities and, in this, it is not dissimilar from numerous other statutes in countless other jurisdictions. Unfortunately, the Commission form of governance and oversight is premised on the belief that it serves the public interest in an efficient and disinterested manner. Given the difficulty the State has encountered in filling vacancies on the Commission, and the frequent inability of the Commission to assemble a quorum, it is not unreasonable to question the viability of the Commission form of governance as an effective arm of the State's personnel management system.

About the most that can be said concerning the Commission is that it is not a positive hindrance to effective personnel management. However, it is difficult, if not impossible, to point to accomplishments in the executive branch's personnel management system that are in any way attributable to the Commission. Currently, the Commission fails to provide leadership or direction in any area of personnel management. It fails to serve in any meaningful capacity in the investigatory or advisory roles assigned it by law. It does fulfill its adjudicatory function as a hearing body for appeals and grievances, but this function has been reduced since the advent of collective bargaining. As collective bargaining expands and becomes more widespread, it is reasonable to assume that the Commission's adjudicatory role will continue to decline. In short, the Commission form of governance and oversight does not necessarily lend itself to effective management, adequate protection of employee and employer rights nor to protection of the public's interest.

The Merit Employment Department staff is highly competent and dedicated. As the central personnel agency for the State executive branch, the Department is appropriately charged by law with an all encompassing set of personnel management responsibilities. Unfortunately, other laws and executive actions have eaten into its accountabilities, or at least made them vague, and the resources allocated to the Department have not been equal to its responsibilities.

The Merit Employment Department allots a significant portion of its annual budget to providing selection and classification services to the merit system agencies. Despite this relatively high budgetary allocation to selection and classification, some have argued, and with justification, that it is not enough to provide the kind of service needed by the merit system agencies. (For further details in support of the observation noted in the last sentence, please refer to the applicable portions of this report; namely, Selection and Classification.)

For personnel management leadership, guidance, and service in areas other than selection and classification, the Merit Employment Department appears to be resource poor. Many areas critical to a sound personnel management system are left unaddressed or are given inadequate attention; e.g., equal employment opportunity, labor relations. Perhaps, even more basic to the merit system's health than these two above-mentioned areas of personnel management, is the personnel management system evaluation function. System evaluation does take place, but only on an informal or ad hoc basis. The absence of a formalized approach to personnel management

system evaluation in the Merit Employment Department may have a negative impact on the merit system's operations. This is particularly true if, as it appears, the Merit Employment Department is virtually the sole guarantor of the merit system.

The role of the professional personnel staff in the merit system agencies is not clearly defined. There is indication that the merit agencies personnel professionals do not live up to expectations, at least, as described in class specifications. Chapter 19A speaks to a mutuality of responsibility for the merit system between the various components of the system. In practice, responsibility too frequently rests almost solely with the Merit Employment Department. If the Department is expected to be the "merit system," the State should consider allocating it greater resources.

With the advent of collective bargaining, the Governor established a labor relations function in the Comptroller's Office. The Director of this activity reports to the Governor, serves as the State's chief negotiator, and is in no way accountable to the executive branch's central personnel agency. The establishment of a labor relations function separate and distinct from the existing personnel management system has caused some dysfunction. The exact extent of the disruption is unclear - yet it does appear to be one of the more significant organizational issues facing the State's personnel management system,

In conclusion, there is a disquieting suspicion on the part of the review team that much of the organizational environment that has just been described is symptomatic of a more fundamental tension that exists within the State's personnel management system. This tension, not necessarily creative, may be based on a push-pull conflict in management philosophy with regard to the centralization/decentralization issue.

Recommendations

Questions of centralization/decentralization are not answered by "all or none" decisions; that is, management systems are not all centralized, nor are they all decentralized. Rather, it is a matter of the degree of centralization/decentralization. We recognize that an organization's solutions to this basic question evolves over time. Numerous interacting factors impact on how they are resolved. Not the least of these are such things as: the organization's value system; its willingness to trust; the type and openness of its information systems; its management philosophy; the size, type and frequency of the "errors" its various environments will allow the organization to make; the speed with which it must react to problems; as well as its commitment to achieve and be held answerable for reaching objectives.

If our diagnosis of potentially counter-productive organizational tensions has some validity, then it is suggested before considering the

other recommendations below (as well as those organizational suggestions found in other parts of this report), that top management, including appropriate legislative members, consider and decide if, as a basic philosophy, decentralization of management functions is a desired goal for the state.

In testing how far down organizationally decision-making authority should be allowed, we offer the following criteria for guidance: ⁽¹⁾

- o The level of competence that will likely exist, at that organizational level,
- o Whether the accountability is of such vital total system concern that it transcends the benefits of decentralization,
- o Whether sufficient information is available at the lower organizational level to make proper decisions, and whether there is an understandable feedback of this information to that level so that they can be held answerable for the impact of those decisions,
- o Whether the impact of decisions made in one agency hinders or prevents other agencies from the completion of their accountabilities, and

(1) We visualize these criteria to be applicable to any management function -- not just personnel management.

o Whether written policies/laws or objectives exist and, if so, the degree to which they are either

- Narrow or prescriptive, therefore providing fewer degrees of decision-making freedom, or

- Broad guides which provide greater flexibility in decision-making.

Conduct an Organizational Study of the Personnel Management Function

The advisory team suggests that the state conduct an organizational study to include the statutory framework within which its personnel management system operates, with a view toward reassessing the appropriate functions, roles, and authorities of the various components within the merit system.

In carrying out this study and in the light of the advisory team's findings, strong consideration should be given to the following:

1. That the investigatory role which is currently shared by both the Merit Employment Commission and the Director of the Merit Employment Department be vested solely in the Director

- That in order to make the investigatory responsibility meaningful, the Merit Employment Department be staffed and funded to conduct periodic systemic merit system evaluations throughout the entire merit system, including the relevant portions of the Regent's merit system.
2. That the Merit Employment Commission's rule-making authority be vested in the Director of the Merit Employment Department. Safeguards currently provided for in Chapter 17 of the Iowa Code should remain intact.
 3. That the Merit Employment Commission's advisory role be vested in the Director of the Merit Employment Department.
 4. That the adjudicatory role of the Merit Employment Commission be vested in administrative law judges. The decisions of the administrative law judges would be based on applicable Federal and State laws in cases of discrimination and in all such cases would be binding on the parties.
 5. That the Director of the Merit Employment Department be appointed by the Governor, with the consent of the Iowa Senate; that his or her removal be by the Governor, but only in a documented case of malfeasance, misfeasance or nonfeasance; and that such removal be subject to the review and binding decision of an administrative law judge.

6. That the State bring together under one administrative head its labor relations and personnel management systems over that position to be accountable to the Governor.

RECRUITMENT

Background

The current (federal) Standards For a Merit System of Personnel Administration recognize the need for public employers to both obtain their fair share of available talent and provide all members of the public, including minorities, women, older persons, and the handicapped, open and equal opportunity to apply and be considered for public employment. The Standards envision accomplishment of those objectives through conduct of:

- an active recruiting program;
- planned to meet current and projected human resources needs;
- coordinated and jointly implemented by the merit system and program agencies;
- tailored to the various classes of positions to be filled;
- directed in timely fashion to all appropriate sources of applicants, including the special target groups enumerated above; and
- publicized through all appropriate media.

The stringent criteria just related represent the ideal toward which all agencies should strive. Specific operational direction and detail are not proscribed, but left to State and local definition. However, positive emphasis, commitment and efforts are clearly expected and form the minimum yardstick by which any merit recruitment program is measured.

Findings

Within the Iowa merit personnel system centralized recruiting is provided by MED, or, more accurately, by its Special Services Unit. The bulk of this recruiting effort is limited to lower level positions and major job classes. It carries out this service in large part through the highly and justifiably touted ACCESS Program (Area Centers For Counseling & Examining Application into the State Service), a joint MED-Job Service of Iowa venture. ACCESS is housed in sixteen (16) Iowa Job Service Offices conveniently located throughout the State. This program, an MED Special Services "brainchild" into which much staff effort and time were poured to bring it to fruition, provides interested parties with a host of information about State jobs utilizing MED/developed audio-visual displays and attractive, easy-to-read, self-help brochures, examination announcements and related materials covering all essential aspects of state employment, including job specifications, minimum qualification requirements, best job opportunities, the application process, and pay and benefits. Personalized professional counseling on career options and examining of applicants are among other services offered in the ACCESS Centers. Each of three Personnel Technicians from MED's Special Services Unit spends approximately 1/3 of a work year in providing onsite technical assistance and advice to Job Service officers to maintain "ACCESS" at a high level of proficiency. If we consider the year-by-year increase in state agency placements for purposes of comparison (from 773 in 1974 to 2528 in 1977), the ACCESS program is both successful and cost effective. Supporting this observation is the initiation of this or similar programs in other States throughout the country.

Other notable Special Services recruiting activities carried out on a regular and planned basis encompass operation of the central office job information and counseling service, on-going development of employment literature and forms, and preparation of job opportunities notices and the "Hot List" of hard-to-fill vacancies, which biweekly goes to some 1700 recruitment sources in and around Iowa. State agencies, minority and women's groups, vocational training centers, state colleges, business schools and other public buildings and places are numbered among these 1700 sources. Within the resources provided, MED and its Special Services Unit deserve considerable credit for developing a sound, basic recruiting program, particularly the decentralization through ACCESS of MED personnel services which otherwise would have been largely unavailable outside the Des Moines area.

On a less favorable note, planned personal recruitment contacts by MED with viable applicant referral sources have been drastically curtailed in recent years because of lack of staff and resources. Exceptions to this curtailment are exceedingly rare. There is only an occasional recruiting sortie to replenish already depleted non-professional registers. Such efforts are carried out by already over-extended Personnel Technicians assigned to the Special Services Unit who, in addition to efforts previously described, staff the MED central office job information and counseling service and handle minimum qualification determinations on some 50,000 job applications received annually by MED. Also, MED has no specific budget for and therefore places only

infrequent media and newspaper advertisements, a widely used and effective method for securing well qualified job applicants for many public and private employers. And finally, special need recruiting for hard-to-fill, senior-level professional or technical positions, or to attract highly qualified minorities and women to job classes evidencing underrepresentation, has, by default not definition, fallen to the program agencies. Their response has not proven uniformly adequate.

MED officials, though cognizant of both the favorable and less-favorable attributes of MED's current recruitment program, felt it sufficient in an overall sense when one considers that:

- there has been little or no criticism of the program from any source;
- it produces an adequate number of qualified candidates from which to select and meet the needs of program agencies; and
- staffing and funding levels imposed on MED militate against significant quantitative and qualitative improvement of the recruitment program given higher priority needs in classification, compensation, selection, and other areas of personnel administration.

These perceptions of program adequacy were not fully shared by program agency officials interviewed. Summarizing their expressed views, we found confusion about the respective roles and responsibilities of MED and program agencies regarding the conduct of the recruiting effort. Even more suprisingly, there was very limited knowledge of the current recruiting program structured and implemented by MED, including the innovative "ACCESS" program. Agency officials generally viewed the MED

recruiting effort as passive, though most conjectured this was due to inadequate resources, not lack of commitment on the part of MED. They also gave MED poor marks for minority recruitment. Such past efforts by MED as the Minority Recruiting Council have apparently been forgotten by or have not come to the attention of current program agency officials, and the void created by dissolution of the Council has not been filled with something of like value or impact. In a few words then, agency officials contended, perhaps unfairly, that MED's present broadly structured recruiting effort has not effectively identified or reached productive sources of qualified applicants for certain of their high level or underrepresented job classes. Generally, these officials called for focused and aggressive outreach recruitment by MED. On the other hand, MED views such specialized recruiting as clearly the responsibility of the program agencies. However, this expectation has not been formerly defined or communicated, nor does MED provide direction or coordination over agency recruiting efforts. Thus, agency efforts range from doing nothing to the recent, exceptional and, from initial indications, successful Social Services recruiting sortie to California to hire experienced prison guards and counselors. Due to the previously mentioned lack of MED coordination and control, no systemwide benefit is garnered from such sporadic, widely differentiated, sometimes even duplicative, recruiting efforts.

Other or related factors which influenced the team's overall assessment were:

- the lack of coordinated, systematic human resources planning and forecasting to provide sufficient lead time for effective recruiting;
- the lack of analysis and evaluation of current recruiting techniques and sources to determine which are most effective in meeting particular manpower and EEO needs;
- the absence of monitoring of program agencies' recruiting efforts to assure coordinated and systemwide benefit wherever possible, or at least lessen systemwide liabilities. For instance, agencies have on occasion placed blind newspaper ads without MED's knowledge of either the vacancy or ad and with minimum qualification requirements misstated or omitted. This caused a flood of unanticipated applications to MED, many of which had to be rejected. Such activity places an unnecessary burden on MED's already overextended staff and contributes to adverse public reaction against the entire State employment system.
- the almost total reliance by MED on special mailings and "ACCESS" to inform the public about available job opportunities. This approach very likely misses a sizeable number of qualified, available and interested persons in the labor market who do not use Iowa Job Service and have no or very limited access to the various mailings;

- inability on the part of MED to secure adequate funding for the development and conduct of a coordinated and comprehensive recruiting program designed to reach all segments of the qualified labor market.

In summary, we observed a basically sound, perhaps remarkable recruitment program if looked at in light of available resources, but also one of somewhat limited scope which, although it meets current Standards' requirements, may not fully serve the recruiting needs/expectations of Iowa management officials. This, of course, is a matter which must and can only be determined by these same Iowa officials.

Recommendations

Following are several recommendations which attempt to address the more serious of the problems and needs alluded to above:

1) Clarify Accountabilities for Recruitment

MED should clarify the respective roles and responsibilities for the conduct of MED and program agency recruitment operations; further MED should secure and monitor compliance with standards governing the manner in which recruitment activities should be carried out by program agencies.

2) Establish a Full-time Recruiting Unit Within MED

MED should secure additional fiscal resources to staff a

full-time recruiting unit so that recruitment operations might be conducted more aggressively, consistently, and with more pointed coverage. Accountabilities for this new unit might include:

- developing a system for and forecasting immediate and long-range human resources needs of merit system agencies, including periodic analyses of the adequacy of current registers and the number, location and justification of emergency, intermittent and provisional appointments;
- developing and continually evaluating the effectiveness of recruiting plans, policies, budgets, procedures, literature, etc. in meeting identified needs;
- coordinating the recruiting activities of program agencies' staffs to optimize utilization of human and fiscal resources allocated to recruiting;
- developing and maintaining recruiting sources capable of meeting the specialized human resources needs of program agencies, including equal opportunity/affirmative action goals and responsibilities;
- planning and coordinating recruiting efforts for high-level administrative, technical, managerial and other hard to fill positions including funding for out-of-state recruiting sorties

and reimbursement of travel, food and lodging expenses for certified and interested candidates.

3) Create a More Positive Internal and External Recruiting Image

MED should structure and enhance a positive and effective recruiting program and image through a variety of measures, such as:

- devising and implementing a simple, sure means of keeping high-level management officials, as well as agency personnelists, fully apprised of current MED recruiting methods and contributions. In addition to improving systemwide coordination and cooperation, this will assure that MED receives credit for the various positive and innovative efforts it initiates;
- more extensive use of media advertising (print, broadcast, audio visual, etc.), particularly display type want ads in newspapers, local, regional and professional magazines;
- use of a toll-free central office "Jobs Hot Line" to provide recorded job information repeatedly and automatically, 24 hours per day;

- recurring planned visits by joint MED and program agency recruiting teams to community centers, job fairs, career days at high schools, colleges, universities, technical and vocational institutes, and other places or functions where numbers of potential, and qualified job applicants are likely to be assembled. Lease, rental, or perhaps even purchase of a mobile van to carry equipment, displays and supplies on these recruiting trips (in effect, a temporary job information and employment center) might be considered;

As a result of the above and/or similar efforts, job information pertaining to Iowa merit employment will be made even more available to all segments of the state population and beyond where indicated.

Assuming proper planning to build on the present sound base, such additional and focused recruiting efforts should increase the quantity and quality of candidates to meet specialized employment needs in the program agencies.

EQUAL EMPLOYMENT OPPORTUNITY

Background

The Equal Employment Opportunity provision of the federal Merit System Standards requires a jurisdiction to assure through laws, rules procedures and administration that:

- discrimination against any applicant or employee is prohibited in all aspects of personnel administration where based on race, sex, age, religion, national origin, physical disability, political affiliation and other non-merit factors;
- all persons alleging the occurrence of prohibited employment discrimination are provided recourse to a formal and binding appeals process;
- affirmative action to accomplish equal employment opportunity is provided in administration of the personnel system evidenced by development and implementation of an affirmative action plan.

This evaluation assesses the efforts and accomplishments of the Iowa Merit Employment Department (MED), the administering agency for the Iowa Merit Employment System, against these requirements, allowing reasonable leeway

for State discretion on specific manner and means of compliance. For reasons of expediency and emphasis, we have focused on three significant areas of concern surfaced and discussed during the on-site portion of the evaluation, namely

- the role of MED in the State's EEO affirmative action effort;
- the effect of Veterans Preference on womens' employment opportunities within the Iowa Merit System; and
- the 1976 modification of Merit System Rule 12.6 Appeal from discrimination which excludes probationers from the discrimination appeals process.

Keep in mind, however, that virtually all of the findings and recommendations included throughout this report have EEO implications, and should be viewed from that perspective.

Findings

The Iowa merit employment system and its administering agency, MED, operate under laws, rules and procedures governing prohibited discrimination and discrimination appeal processes which generally conform to federal merit system requirements. Administration of these mechanisms appears even handed and in substantial compliance with both Iowa and federal standards. Our attention will therefore be directed to those previously identified concerns which constitute possible exceptions to this norm, beginning with assessment of MED's role and participation in the State EEO-affirmative action

effort. In this regard, the essential facts as we found them are these:

- Iowa Civil Rights Commission (ICRC) was officially designated by Governor Ray in April 1973 and has since that date acted as the sole responsible agency to assist and direct the State EEO-affirmative action program. In recent years, this responsibility has been met by requiring agencies to submit annual hiring goals and results, and preparing periodic progress reports for the Governor. EEO-AA technical assistance from ICRC has been extremely limited, and has not merged affirmative action planning and implementation methods with merit employment and other organizational policies, practices and procedures.
- A majority of the Iowa officials interviewed felt that both the conduct and accomplishments of the EEO-AA program needed substantial improvement. They attributed its shortcomings in part to administrative and resource problems within ICRC and in part to MED's "failure" to provide needed EEO leadership and guidance to merit system agencies and to recruit minorities for professional registers.
- MED has had no actual role, formal or otherwise, in the administration of Iowa's EEO-AA program. The agency has been supportive of the program, however, through such actions as supplying annual EEO-4 statistics to assist affirmative action planning

efforts, furnishing advice upon request to effect EEO consistent with merit employment policies and procedures, and generally providing the highest possible level of personnel services within available resources.

The above described situation is not tenable from an EEO prespective. It should be apparent because of its organizational setting outside the mainstream of the state's personnel system, that ICRC cannot administer and agencies effectively comply with an EEO-AA program which fails to take into account the realities of the personnel system within which all operate. It seems equally apparent that MED cannot meet its own obligations to effect the equal opportunity/nondiscrimination requirements of the federal "Standards and Chapter 19A of the Code of Iowa (establishing the State Merit System) if it has no active role in implementing the State EEO-AA program. To correct this disfunction, we see a definite need, without altering the EEO compliance responsibilities set forth in the Governor's Code of Fair Practices (Executive Order No. 15), for increased cooperation and coordination between ICRC and MED whenever state personnel management and EEO initiatives overlap, and perhaps more importantly and to the point here, a strengthened, highly visible role for MED in directly assisting state operating management in meeting their organizationally determined EEO objectives.

A second area of identified concern was Iowa's allowance of preference points for veterans status in both entry and promotional examinations. Studies

in other jurisdictions with like practices have disclosed significant and limiting impact on employment opportunities for women. Several of the states identifying such results have modified veteran's preference rights to lessen its adverse effects. To date, similar studies and/or modifications have not been effected in the Iowa system.

The final concern treated here is a 1976 modification of Iowa Merit System Rule 12.6 appeal from discrimination which states that "a probationary employee may not appeal discharge, suspension or reduction in rank or grade." Whatever problems, rationale or intent underlie this modification (it was attributed to an Iowa Supreme Court ruling by the MED Director), it can be construed to limit discrimination appeal rights of probationaries where discharge, suspension or demotion is at issue, and, thereby, conflicts with the Standards' requirement for unrestricted access of applicants and employees to a comprehensive discrimination appeals system. Recourse to the State Civil Rights Commission by probationary employees dissuaded by this modification from exercising discrimination appeal rights does not provide an acceptable alternative in this instance due to the fact that the specified bases of discrimination under the Iowa Civil Rights Act of 1965 do not include political opinion or affiliation and other non merit factors (i.e. those unrelated to competence for job performance) as called for by the Standards.

Required Action

- 1) Revise Rule 12.6

That the Iowa Merit Employment Commission and Department remove the restrictive language from Rule 12.6 Appeal from discrimination by deleting the last sentence, thereby assuring conformity with the federal Standards.

Recommendations

1) Create An MED EEO/AAP Technical Assistance Accountability

MED should create, staff with at least one full-time professional, and publicize the existence of an affirmative action consultation and assistance function within its Special Services unit. Responsibilities of this staff person would, among other things, be to:

- Counsel, educate and provide assistance to agencies on personnel strategies required for sound affirmative action planning;
- Provide agencies with expanded EEO statistical information covering current and historic workforce composition and data on the relevant labor market necessary to determine "under-utilization" and set appropriate hiring goals;
- Maintain, in cooperation with MED's full-time recruiting unit, active liaison with viable sources of handicapped, minority and women applicants, and provide necessary guidance and assistance to agencies in carrying out their EEO recruiting efforts;

- Analyze and communicate the personnel management implications of current and significant EEO court decisions and regulatory agency guidance;
- Identify and secure central personnel services and changes in merit system rules, regulations, policies and procedures where needed to assist agencies in complying with State and organizational EEO-AA objectives and requirements.
- Develop and/or encourage training and other initiatives, which would facilitate accomplishment of EEO objectives (e.g. upward mobility systems, EEO counseling procedures, courses on EEO law and related personnel management issues, "how-to" EEO-affirmative action handbooks for supervisors, EEO Officers and personnelists, etc.).

2) Assess the EEO Impact of the State's Veteran's Preference Law

MED, possibly in cooperation with the Iowa Civil Rights Commission and the Governor's Commission on the Status of Women, should take steps to assess the effect of veterans' preference points on employment opportunities for women within the State merit employment system, and, if found significantly adverse, formulate, propose and otherwise seek to secure legislative and/or rules changes designed to ameliorate the particular situation identified. Possible changes might include

- limiting veterans' preference to one time successful use by other than disabled veterans;
- limiting its use to a stipulated time period following discharge; and
- eliminating veteran's preference entirely from promotional considerations.

Action on the requirements/recommendations contained in this section of the report in combination with other initiatives proposed or underway in Iowa should assist MED, and thereby all State agencies, in meeting their EEO obligations whether of Federal or State origin.

SELECTION

Background

In order to more clearly understand the review team's findings, it is important that we place MED's current selection status in proper historical perspective.

Prior to the creation of the current Merit Employment Department in 1969, a national consulting firm had been hired to carry out a classification and pay study for the state. The format of the class specifications provided by the consultant were soon seen by MED to be seriously deficient. For example, task statements were broadly written and, as a result, not too clear in many cases. The class specifications contained no descriptions of the knowledges, skills and abilities used in performing these tasks, a basic formulation for developing valid selection instruments. Qualification requirements were frequently vague and were expressed as "desirables", as opposed to minimums. Many classification and pay problems were found in the study. As a result, early efforts of this newly created department, with its limited resources, were directed primarily at correcting these consultant-caused classification issues.

No test validation program existed. Tests developed prior to 1973 were not based on detailed job analyses. Tests were "reviewed" by a supervisor (and sometimes job incumbents) who decided which items were "job related." No "rules of the game" were in existence upon which defense of these decisions could be based, and only a minute amount of documentation was collected.

In 1972, the Equal Employment Opportunity Act was amended to bring state and local jurisdictions under its coverage. At about this same time many of the more severe problems inherited from the consultant had been solved by the MED staff.

An Examination Unit was created in late 1973, when four analysts were assigned to the Chief Examiner.⁽¹⁾ It was decided that content validation would be the major strategy that would be used to validate the selection processes used by the state.⁽²⁾

(1) The purpose of this unit was to create a validation process that could produce tests quickly and cheaply. The unit was breaking "new ground" and doing so in an ever changing field. They recognized that they would encounter many obstacles. Developing such a process probably took longer than was originally planned. Creating such a unit indicates MED's foresight and recognition that investment of limited resources in research efforts can have true long-range benefits. As we note later in this report, it resulted in a process that now allows the state to meet the major thrust of the Federal Selection Guidelines on content validation. MED and its Director are certainly to be commended for such leadership in the field!

(2) Content Validity - sometimes called "rational" validity - rests on the demonstration that the behaviors demonstrated in testing (whether by written test, interview, work simulation, or the evaluation of training and experience) constitute a representative sample of behaviors exhibited in a job performance domain. Where the domain or domains measured are critical to the job or constitute a substantial proportion of the job, the selection procedure can be said to be "content valid" for the job. Generally, the closer the content of the selection procedure is to the actual work samples or behaviors, the stronger is the basis for showing content validity. Thus, a probationary period might be considered a test with high content validity when the employee is required to perform and be measured on all or most of the tasks that will be required after the probationary period. Validity is not measured. Rather it is inferred from the results of the test - in this illustration, the evaluation of the employee's performance by his or her supervisor during the probationary period. If the supervisor's evaluation of the employee is objective, unbiased and based on task performance and if the employee had been allowed to perform all of the essential tasks of the job during probation, then we may make the valid inference from the supervisor's performance rating that the employee can at least perform those same tasks after the probationary period.

Appropriately, the immediate objective of that newly created unit was to determine which of the 250+ written tests "were substantially content valid." (3) A preliminary form of a systematized job analytic tool was developed and applied to all the written tests during 1974. This was accomplished by bringing together some 3400 subject-matter experts to make multiple judgments regarding each job's knowledges, skills, and abilities (KSAs), and then indicating those test items which purportedly measured them. The results were computerized. A four-step decision rule was applied to these results, such that the Examination Unit could classify the tests into "acceptable," "conditionally acceptable," and "unacceptable" categories. Of the 254 tests, 212 were judged "acceptable," 24 were considered "conditionally acceptable," and 18 were classified as "unacceptable." Tests were revised as a result of this study. That all of this was accomplished in a little over a year speaks to the dedication and hard work of this Unit and the willingness of agencies to provide the job knowledge experts.

Meanwhile, the Federal Equal Employment Opportunity Coordinating Council was in the process of modifying and creating a new set of Federal selection guidelines. These would hopefully supplant the then existing 1970 EEOC Selection Guidelines. Multiple drafts of these guidelines were shared with state and local jurisdictions over a period of years.

(3) MED Memorandum of 12/31/74, subject: Written Content Validity Program December 1, 1973 through December 31, 1974.

In late 1974 and early 1975 the Examination Unit recognized that the job analytic procedures it had created had some serious deficiencies. Preliminary drafts of the Federal selection guidelines, plus professional standards ⁽⁴⁾, brought some of these deficiencies to light. Most critical was the lack of any tie-in between the job tasks and the KSAs needed to perform them. In order to strengthen the job analysis process, a booklet entitled "Job Analysis Guidelines" was prepared by MED. Task rating scales were created.

Modifications were made to the original (1973) drafts of the KSA rating scales. Through multiple revisions of the original job analytic process, there finally evolved in 1975 what became the Job Analysis Questionnaire I (JQI). This document was designed for use on written tests. A second parallel job analytic document, based on the JQI, was also created to be used in developing structured scoring mechanisms for evaluating training and experience. This JQI training and experience scoring variant has been applied to some 100 of the estimated 550 classes which might use an evaluation of the applicant's background as the primary test. Most of the 550 classes are one- or two-position classes.

Consistent with MED's cooperative philosophy of sharing information with others, it disseminated these documents widely throughout both the public and, to some extent, private sectors.

(4) See APA Standards for Educational & Psychological Tests, 1974, p. 46, E12.4.

Coupled with the creation of these tools and working in close conjunction with Iowa State University's Test and Evaluation Center, MED secured a Intergovernmental Personnel Act grant in 1975 to place its test items on a computer. Some 25,000+ test items were loaded into the computer. The primary thought in mind was to provide the Examination Unit with the capability of using the output of the JQI as descriptors for "searching" the item bank. With this capability, MED would have the potential to develop a well-documented, content valid written test in a relatively short period of time with minimal expense.

The evaluation of the JQI and the creation of the item data bank represented a major advance in creating a highly systematized and operationally effective approach to establishing the content validity of MED's written exams. During the period of time the JQI was used, some 29 tests were "validated."

Yet the JQI carried with it some critical and serious defects. One of the key ingredients in a content validation strategy is the tight logical process that is used in developing the measuring instrument. "Content validity is determined by a set of operations, and one evaluates content validity by the thoroughness and care with which these operations have been conducted." (5)

(5) American Psychological Association, Standards for Educational and Psychological Tests, 1974, p. 29.

A key ingredient in the JQI job analytic process was the scale continuum used by the judges in reflecting their conclusions regarding the importance of knowledges, skills and abilities. The four points on the scale were labeled:

KASPC RATING SCALE

1. UNNECESSARY: not required to perform any aspects of this job.
2. DESIRABLE: not required, but if present is likely to contribute to superior performance and/or advancement potential.
3. NECESSARY AT FULL PERFORMANCE: required in order to adequately perform basic job tasks, including occasional tasks that are critical, but can be and/or usually is gained through some form of training after entry.
4. NECESSARY AT ENTRY: required at the time of entry into this job in order to adequately perform basic job tasks, including occasional tasks that are critical.

This scale was treated as though it were a ratio scale (when, in fact, it was a nominal scale) when it was computer analyzed. This led to conclusions by the analyst that were likely inappropriate. To paraphrase a psychologist in the Office of Federal Contract Compliance who is familiar with the JQI, "The user really had no idea of what defensible conclusions he could reach given this improper scale treatment."

More telling was the scale "anchor" used to describe "necessary at full performance" KSAs. It indicated, among other things, that the subject-matter expert could have concluded that the particular knowledge, skill or ability, although critical, was or "usually is gained through some form of training after entry." Both the Principles for the Validation and Use of Personnel Selection Procedures ⁽⁶⁾ and the November 23, 1976

(6) Division of Industrial-Organizational Psychology, American Psychological Association, 1975, p. 10.

Federal Executive Agency Guidelines on Employee Selection Procedures (7) (Part II, P. 12, c (1)) make it clear that the content strategy is not appropriate "when the selection procedure involves knowledges, skills or abilities which an employee will be expected to learn on the job."

In mid-1976, those concerns were pointed out to the Examination Unit by both the St. Louis Region of the U.S. Civil Service Commission and some of the examining staffs in the adjoining states in Region VII. The MED Examining Unit took immediate steps to correct this problem. New scales were developed, and computer programs re-written to improve the operational usefulness of the computer output. The net result of these modifications led to the creation of what is now the JQ II, a sound job analytic process which greatly facilitate the construction of content-oriented selection instruments, whose "scores" will hopefully allow the user to make valid and accurate inferences. (JQII has recently been used by the St. Louis Region Civil Service Commission.) Since the creation of the JQ II, MED has applied it to 12 examinations.

While these selection problems were being addressed in the Examination Unit, the MED Classification Unit was also concerned with a very critical selection issue, namely the creation of a process to validate the minimum education and experience requirements (considered a "test" by both the EEOC, as well as Federal Executive Agency Selection Guideline) for each class.

(7) Guidelines the USCSC applied in meetings its responsibilities under Section 208(b)(1) of the Intergovernmental Personnel Act.

The establishment of such minimum requirements for each class is an essential requirement mandated by the Federal Standards for a Merit System of Personnel Administration.(8)

Many of the minimum qualification requirements (MQ's) "inherited" from the consultant's 1969 classification study, referenced earlier, were expressed as "desirables." This was seen by MED as a major contributor to the "MQ problem." MED saw other issues related to the MQ issue, including absolute but possibly questionable educational requirements, possible excessive experience requirements; the use of educational requirements as indirect measures of psychological constructs (such as "ability to learn") and, probably most important, lack of documentation of the process that led to that particular class minimum qualification requirement.

Work on developing this MQ validation procedure started in 1976 and continued through 1977. Much of the methodology appropriately built upon the process developed from the JQ II. The first "trial run" of this methodology took place in February of this year on two classes. It is still seen by MED as being in the experimental stages.

In June of 1977, the Iowa Civil Rights Commission issued a complaint alleging that MED's entire selection process discriminated illegally.

(8) "The classification plan will include an appropriate title for each class of position a description of the duties and responsibilities of positions in the class, and minimum requirements of training, experience,....."

Since then, at least one of the Commission's staff has been collecting data to determine the adverse impact of MED's selection instruments, with findings to be made available approximately 14 months after the lodging of the complaint.

On August 25, 1978, the Equal Employment Opportunity Coordinating Council finally published the Uniform Guidelines on Employee Selection Procedures (1978). (9) These guidelines were also adopted and will be applied by the Treasury Department's Office of Revenue Sharing under the State and Local Fiscal Assistance Act of 1972.

In the latter half of 1977, the Iowa Governor's Policy Committee on Employee Training and Development (10) suggested the creation of a Career Executive job series, all incumbents of which would be covered by the state's merit system. The purpose of the program was to provide a flexible mechanism for the state to seek and hire "the best management potential to fill key management positions." (11) A key problem (we would suggest it is the key problem) to be solved if the program was to achieve its goal was to decide on the nature of the selection process that would be used. MED made a review of what other states had done. There was much discussion on the subject. (This included securing

(9) 5 CFR 300.103 (c)

(10) The existence of such a committee with a state-wide perspective that will address the State's long-range management development concerns is a very positive sign and is unique in this four-state region.

(11) Iowa Merit Employment Department; Iowa Career Executive Report to the Governor's Policy Committee on Employee Training and Development; January 13, 1978; p. 1.

the opinion of the U.S. Civil Service Commission regarding the effectiveness of performance appraisals as a selection tool.) It was finally decided that the primary tool for selecting managers for these positions would be a structured achievement questionnaire. In May of this year, the Governor approved the "public service executive" concept. It is to become operational by the end of this calendar year. The cost of developing the selection tools for this most important class of jobs is to be kept as close to zero as possible.

In January of 1978, both the Examination and Classification Units were reorganized and the operational responsibilities of validating selection devices, classifying jobs, administering salaries, dealing with agencies on day-to-day personnel matters, etc., were shifted to three teams of personnel generalists, each headed by a team leader. Under this organizational structure, the head of the Examination Unit retained functional accountability for selection procedures with primary responsibility for controlling the quality and cost effectiveness of the end product; i.e., valid selection instruments. A review of his current responsibilities, as outlined on the Confidential Performance Review/Evaluation Form, and those of the team leaders indicates that no one has the responsibility, hence the resources and staff, for developing new selection methods or researching possible alternative approaches to old or emerging selection issues.

To highlight its accomplishments, for the four years preceding the advisory team's visit, the MED staff has:

- 1) Evolved a sound content-oriented computerized job analytic process (the JQ II) that can be used for validating its written exams consistent with Federal Selection Guidelines. It has applied this to 12 written exams and an earlier version to 29 other tests.
- 2) Started work on an experimental process for validating minimum qualification requirements.
- 3) Collected some level of job analytic data on nearly 1000 job classes.
- 4) Has initiated action to develop a computerized system capable of scoring tests, monitoring applicant flow (so as to assess potential adverse impact of its selection system), and generating certificates of eligible job candidates.
- 5) Developed an experimental questionnaire to be used for selecting candidates to fill vacancies in the Career Executive Series.
- 6) Eliminated MQ's expressed at the "desirable" levels.

- 7) Created well-written internal procedures and guides covering numerous subjects, such as written test development and training-and-experience scoring guides.
- 8) Created a computerized test item scoring file to facilitate the economic preparation of written examinations.

Many of these impressive and significant achievements were accomplished with a professional examination staff of five plus related clerical assistance.

Findings

Notwithstanding the outstanding accomplishments that MED has made in the last four years, there appears to be a recognition by many (OPM review team, MED staff and/or staff in the agencies served by MED) that there remain a number of serious selection problems which, from the review team's viewpoint, must be addressed to meet not only Federal merit system standards but, equally important, to help achieve a work force capable of meeting the challenges faced by the state's executive branch. Valid selection methods are one of the many tools needed for helping reach these mutually compatible objectives.

Only 12 Written Tests Have Been Validated Consistent With Federal Merit
System Standards

The early test "validation" efforts of MED 277 written examinations was recognized by them as a "quickie" approach. It was designed to prioritize problems, through an admittedly rough analysis, so that MED's limited staff resources could start on the worst of the written tests. The MED staff saw it as an appropriate first step but not one that they would necessarily characterize as assuring the content validity of the test. The 1974 CSC team that reviewed those MED selection efforts concurred in this observation when it said, "....the project is designed to diagnose those tests that are in most urgent need of revisions so priorities can be established for the more "in-depth" analysis that will follow." (12)

The creation of the JQ I served as the first model of what was hoped to be the operational "break through" for this "in-depth analysis." It added a critical dimension to the job analytic process that helped meet Federal selection guidelines - that is, the inclusion of task statements. Task rating, ranking, and the association by job experts of the knowledges, skills and abilities needed to perform them was a big step forward.

(12) U.S. Civil Service Commission, A Qualitative Evaluation of the
Iowa Merit Employment System, Oct. 1974, p. 15.

The JQ I was applied to 29 written tests before the current JQ II was created in late 1976. The JQ II analytic process meets the full job analysis information needs necessary to help establish the content validity of Iowa's written examinations consistent with Federal requirements. Since its creation, this procedure has been applied to the written examinations for 12 classes. The JQ II has not been applied to the other 250+ classes for which written exams are used.

A considerable amount of useable job analytic data is available on those 250 classes/exams which should prove to be helpful in the future.

Nevertheless, we must conclude that, as of now, this deficiency represents a serious deviation not contemplated by the Federal Standards for a Merit System of Personnel Administration.

The Scoring of Training & Experience (T&E's) and Minimum Qualification (MQ's) (13) Requirements Rests on Questionable Assumptions Leading to Potential Invalidity

We have indicated that of the 550 or so active classes for which T&E scoring guides exist, approximately 100 used the JQ I's job analytic process. The JQ I's KSA rating scale had a serious defect which had the potential for leading to improper conclusions, hence potentially invalid

(13) We have combined T&E's and MQ's under one category because minimum education and experience requirements (MQ's) deal with the same issue - the evaluation of a person's education and experience. Conceptually, an MQ represents the description of a particular point, "cut-off" or "critical score" along an imaginary continuum of possible levels of education or experience. Others might liken them to the first "hurdle" in the selection process over which the potential candidate must "jump". Operationally, those job candidates lacking the knowledges, skills and abilities measured by the minimum education or experience requirements would very likely not even be marginally competent job performers.

selection instruments.

The T&E scoring system used by Iowa can be characterized as "traditional" in approach; that is, the vast majority of the scoring guides used to evaluate an applicant's or employee's training and experience consistently operate under two questionable assumptions; namely 1) the longer the person's length of experience, the better and 2) the more education a person has, the better.⁽¹⁾

The first assumption is obviously positively correlated with age. Only older employees and applicants can have many years of experience. Thus, younger employees or applicants who may have shorter or possibly more diverse backgrounds are less likely to score high. This can also create a potential adverse impact for minorities and women who may have minimal experience in occupations outside their more "traditional" occupational categories.

The second assumption reflects the assertion by many of the heavy societal emphasis on "credentialism" and the potential "artificial barriers" they can represent. Admittedly, higher educational requirements may give greater advantage to younger applicants or employees over their older counterparts because the former are more likely to be better educated. Applying this assumption to the T&E scoring process is likely to have an adverse impact on minorities because their educational attainment, on the average, is not yet that of the majority population.

⁽¹⁾ One exception to this generalization is the T&E guide used for selecting candidates in the EDP series. This evaluation process uses a tailored supplemental application blank.

MED is concerned with these issues and has taken some steps to minimize them. For example, in scoring education and experience, MED recognizes relevant volunteer and unpaid experience, not just paid experience. MED has also taken the lead in working with agencies to eliminate what it feels are the more restrictive minimum education and experience requirements -- sometimes over the objections of agency personnel. MED has also taken staff from its limited resources and attempted to create a procedure, admittedly experimental in nature, to validate MQ's.

Yet the basic methodology for scoring education and experience and the experimental MQ validation strategy incorporate those two questionable assumptions (1--the longer a person's length of experience, the better. 2--the more education a person has, the better.) in their application.

This leads to problems in both test validity and raises questions of test fairness. One issue arises partially from the job analytic process (JQ I) used in developing the education and experience guide, and the second issue derives from the assumptions implied in the scoring methodology. The solution to these two problems go hand in hand. As the validity of the selection process increases, the more "error" will have been eliminated in measuring whatever the process purports to measure. Measurement error (or "contamination") contributes to what many would consider to be "unfairness" in the selection process and, more important, the inappropriateness of the inferences one can draw from that selection process.

MED's T&E scoring process leads to other problems. The T&E approach used by MED assigns points for education and experience to the nearest hundredth of a point. (For example, one semester hours of "A" level education is worth .85 points, while two semester hours is worth 1.65 points. Twelve months of A level experience is worth 25.00 points, and 11 months is worth 22.90 points.) This implies a level of measurement precision which is more specious than real. Whatever valid and meaningful differences that do exist among candidates cannot be measured to that fine a degree given the "error" that already exists in the T&E process, (i.e., "error" here refers to such things as the reliability of the person making the T&E judgments, and the adequacy of the information on the application blank which provides the necessary data for making those judgments. For example, a study (14) found that one of the most frequent errors (57% of the cases) candidates make on the application blank was an inaccurate reporting of the duration of employment with previous employers. Yet, MED measures it to the nearest hundredth!)

More disturbing evidence regarding "T&E" validity is suggested by the empirical research that has been done on such "traditional" T&E rating systems. At least three researchers (15) have used a criterion validation strategy to determine the validity of such T&E scoring systems.

(14) Goldstein, Irwin L., "The Application Blank; How Honest the Responses?," Jrnl. of Applied Psychology, 1971; Vol 55, P 491-492.

(15) Bean, K.L., "When Should an unassembled examination be used?" Public Personnel Review, 1958, 9 (2) 52.

Mosel, J.N., "The Validity of Rational Ratings on Experience & Training," Personnel Psychology, 1, 1952, 1, 1-10

Molyneaux, J.W., An Evaluation of Unassembled Examinations, Unpublished thesis, George Washington Univ., Feb 1953.

In general, their conclusions were similar. They found "traditional" T&E scoring systems, such as Iowa's, do not do a better job than would be expected if pure chance were operating. (CAVEAT: We have no evidence that this is true in Iowa. The other studies were done elsewhere and may not apply to Iowa. It is suggestive only.)

Other problems might likely appear using such scoring logic. Although we have no hard evidence to substantiate this, we feel reasonably confident that such scoring methods will tend toward placing candidates who are "over-qualified" at the top of the registers. If such over-qualified candidates are hired and are not quickly promoted or reclassified to a "higher" job, at the worst there would be a high probability such employees would leave. At the best, they would stay on but would remain dissatisfied with his or her job. With the top of the certificate filled with such candidates, there is at least a reasonable chance that the "best" candidates would be "out of reach" on the certificate. Admittedly, this may not occur as readily in Iowa as it might in other jurisdictions because of Iowa's current "rule of five" or "10% of those if the register contains over 50 candidates." On the other hand, to the extent this assertion is true, it might partially explain why there has been some pressure to expand Iowa's current certification rule. Nor are we unmindful in making this observation that, in times of a "loose" labor market, many such "over-qualified" candidates, especially those with impressive academic credentials (the over supply of applicants with advanced degrees in Education or the Humanities, for example), will sometimes resent not being at the top of the list. We believe that such conditions reflect a temporary dysfunction between labor market "supply" and "demand". In such cases, appropriate placement consistent with the applicant's

background, we feel, is the more effective long-run strategy to follow for both the state and the individual.

At any rate, extra educational credit should not automatically be given to candidates for all classes beyond that which is necessary for that class.

These two questionable assumptions apply equally to the development of minimum qualifications requirements (MQs). With MQ's, however, there are other factors that MED and/or the review team recognizes inhibit solution to the appropriateness of MQ's. These "other factors" include such things as:

- Until recently, insufficient job analytic data to create defensible MQ's.
- A desire on the part of agencies to use educational requirements, such as a high school diploma or unspecified college degrees, which cannot be defended on a content validity basis. It has been asserted by MED that MQs might be required by agencies as measures of psychological "constructs," such as the "ability to learn" or "stick-to-it-iveness." MED recognizes that the content validity strategy is not necessarily appropriate for validly inferring constructs such as these from such credentials. Perhaps a more appropriate description of MED's MQ concern is that efforts to measure "ability to learn" using a high school diploma or unspecified college degrees would require their validation via a criterion rather than a content validity strategy. Unfortunately, showing the criterion

validity of such educational measures is, in our opinion, likely not to be technically feasible.

- The occasional use of MQ's to justify class salary grade levels.
- The traditional MED organizational structure that found classification and pay staff developing MQ's (a test) without always considering what other parts of the multi-part selection process (written tests, T&E's, performance tests, etc.) were measuring. (16)
- In the case of some classes, MQ's created in response to federal or professional standards.
- A lack of resources to solve what MED recognizes as a serious measurement problem.

In summary, the current problems with the T&E rating systems and MQ development process are of sufficient magnitude as to be considered serious deviations from the selection portion of the Merit System Standards of Personnel Administration.

Methods for Selecting Supervisors/Managers Are Perceived as "Inadequate" (17)

Problems in selecting managers were expressed by those interviewed in

(16) The reverse can also be true; that is, the selection unit might have developed tests to measure the essential KSA's already measured by the MQ's.

(17) This generalization is based on the subjective perception of some of those interviewed. We found no empirical evidence to either corroborate or refute this perception. For example, no one had evidence that showed that an inordinate number of current managers and supervisors were performing marginally as a result of the current selection system. Neither was there evidence to the contrary. Rather, it was a healthy feeling that "we should do better."

a number of both direct and indirect ways. The most direct expression being, "I don't feel that we have an adequate way of assessing managerial skills." The more indirect expression was, "We need a way of letting the cream rise to the top." Others have expressed the managerial selection problem as too frequently applying the erroneous assumption that "a good technician will likely make a good manager."

The proper selection of managerial talent is a highly complex, demanding, and costly process. For years, many successful organizations in the private sector have recognized that the appropriate selection of managers result in a good "return on investment." Considerable money, time, talent and energy have been expended by some in the private sector to carry out the necessary research so top managerial talent can be identified, nurtured, and motivated. (18) The creation of the Public Service Executive Series and the efforts of the Policy Committee on Employee Training and Development have similar long-range objectives.

In order to create the Public Service Executive Series, which has as one of its objectives the desire to provide managers with a broader range of talent from which to choose, MED has taken the Administrative Officer Series and is attempting to allocate an estimated 115 managerial classes into the five broad classes contemplated for the Career Executive Series.

(18)

See, for instance: Campbell, John P., Dunnette, Marvin D., Lawler, Edward E. and Weick, Karl E., Managerial Behavior, Performance and Effectiveness, McGraw-Hill, 1970; or Korman, Abraham K., The Prediction of Managerial Performance: A Review, Personnel Psychology, 1968, Vol 21; or Bray, Douglas W., Campbell, Richard J., Grant, Donald L., Formative Years in Business; A Long-term AT&T Study of Managerial Lives, Wiley and Sons, 1974.

Initially, a structured job analysis questionnaire was developed and sent to the current incumbents to determine which of the state jobs would be classified into the Career Executive Series. The questionnaire listed some 25 broad tasks or activity statements; e.g., "identify training needs of subordinates," "evaluate overall program impact/effectiveness," etc. Incumbents were to indicate whether each statement was or was not a part of their current job, how frequently it was performed, etc. An elaborate scoring method was then developed to assign jobs either into or out of the Career Executive Series.

Generally speaking, the Career Executive Series can be characterized as those supervisory jobs whose incumbents require but limited technical or professional knowledge. For example, Iowa's typical Career Executive might be expected to develop training programs, evaluate subordinate performance, develop long-range policies and objectives, or resolve precedent-setting managerial/administrative program problems. However, these duties are done outside a technical/professional setting. Jobs that require an understanding of a technical/professional field are not in the Career Executive Series. By implication, jobs in the Career Executive Series are those unique set of jobs for which the incumbent is spending almost all their time carrying out only managerial functions or solving administrative problems.

Implied in this series is the generalization that "a manager is a

manager is a manager." (19) Theoretically at least, this means that individuals within each of these classes are interchangeable. Further, it means that the knowledges, skills, and abilities within a class are common. It assumes that what leads to successful managerial performance in one position within the class will lead to success for other positions in that class. It is also asserted that none of the positions in this series require technical or professional knowledge.

The team was concerned about both the assertion of no technical/professional requirements, as well as the supposed interchangeability of candidates within any Career Executive grade level.

The review team's source of data for studying these concerns comes primarily from reading the January 13, 1978, MED Career Executive Report to the Governor's Policy Committee on Employer Training and Development. Specifically, we noted, in the three options presented in that report, the tentative list of job titles assigned to each of the five Executive series grade levels (classes). We then asked ourselves the following kinds of questions:

- Are the knowledges required of a successful State Waters Superintendant essentially the same as those for a successful Purchasing Agent?

(19) The validity of this generalization is open to some doubt. It may be true at the higher executive levels. But even this assertion must be questioned if experience in the private sector is any indication. Shetty & Peery found that company executives promoted from within performed much more effectively than those recruited from outside. See Shetty, Y.K. and Peery, Newman S., "Are Top Executive's Transferrable Across Companies?", Business Horizons, Vol. 19, No. 3, p. 23.

- Are there no critical technical knowledge requirements for a successful Civil Rights Specialist IV or a Health Planner III?
- Could you reasonably expect to exchange the Deputy Director of Property Tax with the Director of Alcoholism and vice versa?
- Is it likely true that what leads to success as the Deputy Director of Conservation will lead to success as a Data Processing Administrator III?

We feel that, except in rare and unique circumstances, the answers to these questions would most likely be "no". Credence to this conclusion is reflected by the reported request, made after the review team's on-site visit, that "selective certification" be used when filling vacancies in the Career Executive Series. (20) Thus, some of the flaws in the selection logic implied by the overly broad classes suggested for the Executive Series appear to be showing up already.

Given the constraints of time (six months) and financial resources (as close to zero as possible) to develop a valid instrument for selecting candidates (either through promotion or outside recruiting) for this key occupational series of jobs, MED decided to develop, as the most defensible procedure, a structured personal questionnaire built around a content

(20) "Selective certification" means that a position is so different from others in the class that candidates must first meet some unique requirements. Thus jobs in a class are not that uniform. Candidates are not necessarily interchangeable. There is a need for some critical technical or specialized knowledges or skills other than managerial or administrative.

validity paradigm. (21)

MED's novel approach to a structured achievement questionnaire includes providing each job candidate with a set list of possible management tasks or activities. Potential candidates are to indicate if, in their previous experience, they have performed such activities or tasks. For each task, the candidate is to indicate, on a series of eight factors, the conditions under which each task had been performed; e.g., the size and diversity of the work group supervised, the degree to which the person had shared responsibility with others in carrying out the tasks, the clarity of guidance provided in carrying out the task, etc.

The proposed scoring methodology would give greatest credit to those candidates whose past activities would have included such things as having primary responsibility for solving managerial/administrative problems, allocating resources among various organizational projects, preparing reports documenting the organization's managerial processes, etc. Greater credit would also be given to those who had operated with

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In comparison to the recently installed state personnel appraisal system as one of the alternative selection devices and not withstanding the problems with the achievement questionnaire that are included in this report, given the constraints within which MED was to operate, the review team concurs with MED's decision to develop the achievement questionnaire. It is of interest to note that over \$200,000 in IPA grant funds have been invested by the state in management development activities in the period 1972 - 1976. This would appear to be a modicum amount to invest in such a critical state asset. MED is now asked to develop a valid process for selecting managers in six months and at no cost! In our opinion, it is difficult to reconcile the following. On the one hand, the introduction to the January 13, 1978 report prepared by MED on the career executive series indicates the major problem is a selection problem. "We have rewarded technicians by putting them into management positions on the assumption that competent technicians make competent managers." On the other hand the State chooses to invest little in its selection. Either selection is not the major problem (in which case what is it?) or the State has not realistically assessed the complexity of the problem and the resources needed for its solution.

little or no policy guidance in a large organization, whose decisions had had a broad rather than a narrow impact, and who more frequently developed rather than implemented policies. (22) In other words, the more "valuable" the candidate's previous jobs had been, the more likely such candidates would be placed higher on the register. It is to this extent that the questionnaire reflects "achievement."

The proposed "achievement" questionnaire has a number of strengths. For example, it provides a structured systematic way of collecting information about each candidate's work history. A content validity-oriented scoring methodology has been developed. Its logic rests on the assumption that the more the candidate's past managerial activities both resemble and sample the managerial activities derived from the job analysis data, the stronger the evidence that the candidate meets the job requirements. Further, the proposed questionnaire's scoring approach does not assume that length of time on the job is necessarily related to success on the job, as does Iowa's "traditional" T&E scoring method used in other classes.

MED recognizes the questionnaire as experimental in nature. We concur with this description.

One of the major deficiencies of the proposed selection process recognized by the MED staff is that it will almost always exclude from consideration all those potential candidates who have never been supervisors or managers. It would be of almost no value in surfacing candidates who

(22) It would be reasonable to assume that given the above type of criteria, the somewhat less than competitive salaries for middle and upper level management, and the current Veteran's preference law, that in five to ten years the Public Service Executive Series should have a disproportionate number of retired military officers occupying those positions.

have never supervised but who have moved up the non-supervisory ranks in the organization and who may now be ready for the first level of supervision. It won't provide a mechanism for identifying managerial potential. Nor will the proposed questionnaire solicit information about the effectiveness of the candidate's managerial behaviors. For a candidate to indicate on the questionnaire that he or she "solved managerial/administrative problems" in a large organization tells us nothing about the conditions that complicated their solution, the manner in which it was done, how effective it was or, for that matter, whether the candidate really understood what was meant by the phrase on the questionnaire "solving managerial/administrative problems."

As a result, the selection system will very likely broaden the scope of those who might become eligible -- indeed so much so that the number of names on the certificate would be quite large. Agencies will then have to rely on their interviewing skills to select the candidates. Given the empirical evidence (23) that shows that the interview method has both low reliability and validity, plus the fact that agencies continue to report a need to greatly increase their interviewing skills, does not portend great success in necessarily improving managerial selection!

Adding information from a "results-" or "standards-"oriented performance appraisal would not necessarily prove to be very useful either. Indeed it could easily lead to erroneous conclusions. For example, the true results or effectiveness of the past actions of higher level managers frequently take years to surface. If the incumbent had held such a

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See, for example: Wright, O.R., Summary of Research on the Selection Interview Since 1964, Personnel Psychology, 1969, 22, 391-413.

position for a relatively short period, say two or three years, short-term performance might look good. But the long-term results may prove to be disastrous, when the organization finally realizes that the manager had sacrificed the preservation of vital assets, including human assets, for impressive short-term results.

Nor is there a valid way of incorporating current performance results into the selection process when candidates come from three different organizations including candidates not currently employed by the State, each with its own method of measuring performance.

Another major problem, closely related to the above performance issue, is that the proposed questionnaire will apparently collect information only on managerial activities, tasks, or "exposures" -- not on achievements or behavior. Odiorne ⁽²⁴⁾ illustrates this critical distinction. He cites the example of the firm which was seeking a college graduate trainee for a marketing position.

"One of the prime candidates was labeled as having 'leadership' because he was president of the student council in college. At the urging of the writers, the firm probed a little deeper along these lines:

During your year as president what did the council do? What condition was the treasury in when you took over? When you left? Did you finish any projects which would make a lasting effect on student life? Who could we talk to that would know best what the achievements of the council were under your leadership?

This intensive line of questioning elicited from the young man himself the fact that the year had been marked with constant trouble growing out of his inability to handle the officers and get programs going. He had been selected 'on my good looks, I guess, and the coeds make up a big part of the vote.' The very kingpin

(24) Odiorne, G.S., Personnel Administration by Objectives, Homewood, Ill., Richard D. Irwin, 1971, pp 273-275.

criterion of the selection decision proved to be the weakest link." Our discussion to this point has centered around the selection tools MED has suggested for Iowa's Public Service Executive Series. The majority of all other managerial positions in the state are filled by using either written tests or "traditional" T&E rating procedures. The problems with the written tests and the "traditional" T&E rating systems, already discussed, apply equally to non-Public Service Executive classes.

In summary, the problems that characterize the "inadequacy" of the selection process for supervisory/managerial classes are:

- 1) Selection procedures which rely on written tests, and training and experience guidelines which have either unknown or questionable validity.
- 2) A selection procedure for the newly created Career Executive Series, which essentially excludes from consideration all those who have had no supervisory/managerial experience.
- 3) A selection procedure for that same CES series which is basically task- or activities-oriented. It fails to measure those past behaviors which can lead to effective managerial performance.
- 4) A Career Executive Series which is based upon a classification series that is so broad that it is not reasonable to assume that incumbents would be transferrable within a class and be effective in that new position, or that candidates would not require a significant amount of technical/professional knowledge to be successful.

- 5) No provision for the early identification of managerial potential in a systematic and valid manner.
- 6) Lack of sufficient concern for and/or recognition of the complexity of the managerial selection problems, such that sufficient state resources and staff time are available to deal realistically with their solution.

Classification/Compensation is Taking Precedence Over Test Validation
Resulting in Failure to Meet MED's Test Validation Goals

The creation of the three professional services teams in January of 1978 merged the day-to-day classification/compensation responsibilities with test validation responsibilities. Admittedly such a merger would appear to solve some major problems. Now those who would be making classification kinds of decisions would also have to consider their impact on selection issues and vice versa. It enlarged and made more challenging the jobs of those who until then might not have been exposed to the test validation process. Theoretically, at least, each team would be capable of producing a new class description and an appropriate test, whether written or otherwise, so that the recruitment and selection process could be initiated and the job eventually filled.

Unfortunately the theory and reality of the environment in which the teams must operate are not meshing. As predicted, the pressure is on the teams to get jobs classified, allocated, or re-allocated. Putting out "brush-fires" is too frequently the norm rather than the exception. (Our report elaborates on this in classification/compensation portion that follows.) There is a high volume of these requests, each of which

will likely have an immediate and probably positive impact on one or more of the job's incumbents at the agency level.

We must keep in mind that these teams are strongly committed to providing a service to meet agency requests. With some notable exceptions, for example the "management selection problem," by and large agencies have not been demanding that MED's selection instruments be validated. Far from it. Rather classification and compensation problems are the issues high on the agency agendas.

It is true that agencies see test validation as MED's problem. Even if agencies could be convinced that valid selection instruments are likely to produce better candidates for them and, eventually, raise the overall performance level of their organization, it is reasonable to assume that they would want something that had a more immediate pay-off like justifying an increase now for an employee. Just as the benefits from managerial development might be seen by agencies as more problematic in solving their problems, so too are dollars invested in selection validation. On the other hand, there is a greater degree of certainty in getting a job reclassified or reallocated. Such actions have likely solved an immediate agency problem.

It should therefore not be surprising that the teams have had to put test validation on the "back burner" and, as a result, the level of completed test validation projects originally contemplated by MED has fallen drastically behind schedule.

Admittedly some of this short fall can be attributed to the need to train team members in the mechanics and procedures of the JQ II content validation process. (25) But even if team size were increased and the staff were well-trained on the JQ II process, until grantor agency and MED priorities and objectives regarding test validation are jointly agreed upon, the solution to the problem is not likely to be resolved.

Here too it is important that all agencies realize that should certain of the recommendations included in the Personnel Management Organization portion of this report be implemented, certain objectives may have to take precedence over agency objectives because they have been established as executive management objectives. (The establishment of such executive level objectives has been hindered by the current commission form of governance. Neither past or current Merit Employment Commissioners have ever established objectives of this nature. In the opinion of the advisory team, even under the best of conditions it would be unrealistic to expect commissions to establish meaningful objectives responsive to total system needs.)

Aside from the reality that tests are not being validated as originally envisioned because of other priorities, we wonder if it is realistic to expect such teams to do more in validation other than use the "in-place" systems that have or will have been created to validate the written tests or education and experience rating guides. Is it realistic to

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It is ironic that after investing considerable staff years and thousands of dollars in resources to create a sound, defensible and cost-effective content validation process, its benefits can not now be fully realized.

expect the teams to carry out the planning and research necessary to develop and refine the experimental training and experience validation process? Is it realistic to expect the teams to refine the retrieval capabilities of the item bank or create new test items? Could we expect such teams to carry out their other duties while developing or administering assessment centers? Could we expect such teams to carry out the much more involved and complex criterion validation studies that may be technically feasible for some of the entry job classes? We raise these questions not because of any evaluation of the team capabilities. On the contrary, The current teams include members who were a part of the now disbanded research unit that created the JQ II - test item file - content validation process. Rather we raise these questions because accomplishment of these kinds of responsibilities, require different work time frames than do those that involve operational kinds of classification/compensation activities. More critical is the need to recognize that those carrying out such selection responsibilities need to be free from the too frequent interruptions of putting out "brush-fires". As MED found out in creating the JQ II content validation process, the development of such systems could not have been accomplished had that unit been heavily involved in day-to-day operational activities.

Required Actions

1. Develop A Selection Validation Program

There is a serious deviation from the Federal Merit System Standards regarding the current status of MED's selection efforts. The Standards

state, in part:

"The selection process will maximize reliability, objectivity, and validity through a practical and normally multi-part assessment of applicant attributes necessary for successful job performance and career development."

In order to correct this serious deviation, the Iowa Merit Employment Department, in conjunction with but not necessarily limited to the state's grant-aided agencies, shall submit to the Civil Service Commission's St. Louis Region, within four months, a written plan to validate its selection systems. Such a plan is to address such systems as written tests, training and experience guides, minimum qualification requirements and, where applicable, performance tests.

The Office of Personnel Management is available to assist MED in developing this plan if they desire.

The written plan is to address the following:

- 1) A listing of overall goals and specific measureable objectives to reach them.
- 2) The establishment of priorities of tests and/or classes whose selection process will be validated.
- 3) The allocation of sufficient resources to achieve these goals and objectives. These resources are to include staff, equipment and necessary funding levels.
- 4) The assignment of those staff members responsible for carrying out these objectives.
- 5) If necessary, based upon assessment of staff competency, the training of current staff and the recruiting of additional qualified staff.

The plan should be designed so as to correct this serious deviation within an eight-year period. It should also include a simple mechanism for reporting to the Office of Personnel Management, on a quarterly basis, progress and problems encountered in implementing the validation plan.

Recommendations

The advisory team believes the following recommendations will help in addressing some of the other more critical selection issues.

1) Make Full Use of the Already Available JQ I Job Analysis Data

One of the major problems with the JQ I was the potential for the job analysis data to allow the selection process to include those KSAs that were normally to be learned after the incumbent was on the job. Since JQ I data exist on at least 29 jobs, a simple hand rescoring of the KSA data for each class can determine which of those are "learned on the job" KSA's. If they had been included in the written test, they can then be removed. For those 100 or so "T&E" selection guides based on the JQ I process, the same rescoring process can be applied.

2) Minimize The Use of "Time-Oriented" Experience Requirements & Scoring Guides

The "objectivity" of measuring any person's experience by "length of time" does not necessarily lend validity to the inferences one can draw from their measurement.

A far more meaningful approach is to request that candidates show the possession of knowledges, skills and abilities by providing examples of

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specific past achievement or behavior. Such an approach would greatly increase the likelihood of making valid inferences from the candidate's record regarding his or her future job performance.

This concept should be built into the experimental achievement questionnaire that is being considered for the Public Service Executive series.

It is also critical that both experience and educational requirements clearly differentiate between those that measure "essential KSA's (i.e., these would be expressed as MQ's) and those that purport to measure the "performance differentiating KSA's" (i.e., those for which T&E scoring guides are developed.)

3. Minimize Positive Educational Degree Requirements

Just as the use of time-oriented experience requirements lend an apparent air of "objectivity" to selection tools, so too do most educational degree requirements.

Unless there is a clear legal requirement, minimum educational requirements should normally be expressed, not in terms of educational degrees, but rather in terms of course content or areas of specialization.

Course content, in turn, should have been related back to the essential tasks or KSA's required for performance in that class.

(26) The mechanics of this procedure have been spelled out in detail in the "BRE Exam Preparation Manual" already provided MED.

4. Re-evaluate the Use of Assessment Centers for Managerial Selection

The January 13, 1978, MED report to the Governor's Policy Committee on Employee Training and Development concerning the Public Service Executive series had considered and rejected the use of assessment centers as the major selection tool for this key job series. Although MED gave assessment centers high marks (e.g., it "stands out above all other forms for measuring management skills"), it was rejected as not feasible apparently because of costs -- estimated at \$200 to \$500 per candidate - and the difficulty of obtaining enough available assessors.

We believe a number of approaches can be used to minimize these cost problems, including

- The use of "mini" or "one-day" assessment centers.
- Where there are likely to be an inordinate number of candidates, the use of valid, easily administered, structured, paper-and-pencil assessment exercises to serve as a "screen" for the more thorough full-blown assessment center process that would follow.
- As a supplement to the organizations internal staff of assessors, the creation of a cadre of recruited, selected and trained assessors from the state's college and university staffs and from the large body of retired private sector executives.

There are a number of key benefits which assessment centers can provide. First and foremost is their straight forward validity. Investing even minimum funds in other selection tools with minimal validities may be a poor "return on investment."

The current system does not lend itself to the early (in the careers of individuals) identification of those with managerial talent. The assessment center concept is ideally suited for such an objective.

An additional side benefit which the Governor's training and development committee should find most helpful is the use of the assessment center as a tool for diagnosing training needs. Feedback to each individual of the results from the assessment center exercises can provide an essential foundation for the creation of individualized developmental plans.

For these reasons, plus those suggested in MED's January 1978 report, we strongly urge the reconsideration of the assessment center as the major selection tool for all managerial jobs, not just those in the Public Service Executive Series.

5. Realign The Selection Function Responsibilities

The current generalist organizational concept should meet the majority of MED's most pressing selection needs. That is, it is reasonable to assume that the knowledges, skills and abilities necessary to carry out standardized content validation studies and sound classification and pay studies can be found or developed in the same individual or team. Given sufficient staffing, but currently lacking, MED's generalist teams can meet these joint responsibilities.

On the other hand, it is unreasonable to assume that such teams can also be answerable for: refining current experimental methods, (such

as the MQ validation process); developing new selection methods (such as new performance tests); increasing the number of items in Iowa's data bank; or carrying out the far more complex criterion validation studies for those entry-level job classes where the content strategy may not be appropriate, defensible and do so at the professional level required in today's increasingly complex personnel management environment.

These responsibilities and necessary staffing levels, should be assigned to the Examination Research & Development Unit.

CLASSIFICATION AND COMPENSATION

Background

While there are substantial differences in the classification and compensation areas of personnel management, they are intertwined in purpose. In terms of modern personnel programs, one cannot exist without the other. Therefore, this segment of the USCSC report will jointly review both areas.

When an on-site comparison is made of the policies and practices of the Iowa merit system with the minimum requirements of the Federal Standards for a Merit System of Personnel Administration, one concludes that there is compliance and/or actions are under way to comply with these pertinent provisions of the Standards:

Classification -- A position classification plan based upon analysis of the duties and responsibilities of each position will be established and maintained on a current basis. The classification plan will include an appropriate title for each class of position, a description of the duties and responsibilities of positions in the class and minimum requirements of training, experience, skills, knowledges, abilities, and other qualifications necessary for entry into the class.

Compensation -- A plan of compensation for all classes of positions will be established and maintained on a current basis. The plan will include salary rates adjusted to the responsibility and

difficulty of the work and will take into account the prevailing compensation for comparable positions in the recruiting areas and in other agencies of the government and other relevant factors. It will provide for salary advancement for full-time permanent employees based upon quality and length of service and for other salary adjustments.

There have been a number of notable accomplishments in recent years, particularly in the classification program. For example, all but a handful of specifications produced by a private consultant in 1969 have been re-written to conform with current Standards requirements. None of the specifications now contains any reference to gender. There is an ongoing effort to revise minimum qualification requirements in order to remove artificial barriers impeding equal opportunity. Career ladders have been established. The adoption of the Administrative Officer series has permitted more women to assume higher level management positions. These accomplishments evidence the commitment, professionalism, and industriousness of the limited merit system staff assigned to handle a high volume of work.

The State has also recently installed a management-by-objectives oriented performance evaluation/compensation system. Predictably, it is going through the aches and pains that experience from the private sector tells us takes at least five years to truly perfect. This effort in Iowa is unique among the other States comprising this OPM four-State Region.

Findings

However, this is not to say that Iowa is without classification and compensation problems, most of which have long been identified by State officials, including those administering the State merit system, and frankly discussed with members of the OPM advisory team. The following is a discussion of the major problems and the advisory team's recommendations as to their solution. Many of the problems are organizational ones as much as they are classification or compensation problems. The two problems... organizational and classification/compensation...frequently go hand in hand.

Growing Pay Compression and Salary Inequities

The Iowa compensation program is caught between the economy drives and decisions of the State's legislative body and the demand of employee unions. A compensation study conducted over two years ago by a private consultant showed more than traces of compression of wages because salaries being paid some Iowa managers and supervisors were not keeping up with those of their subordinates. Despite recommendations, which started with the merit system agency through prescribed channels, to correct the compression, the Iowa Legislature in recent years has chosen to grant only cost-of-living increases with a greater percentage going to the State's lower-paid employees, thereby increasing the compression problem. And with the exception of three agency heads, none of the others in this top-management category received any salary increase this fiscal year -- despite the advice and justification to the Legislature by the Governor and his 15-member Salary Review Board.

Adding to the problem, since their June 1977 effective dates, are the contract negotiations with the employee unions which, in some cases, have resulted in a compensation package (including overtime and call-back pay) whereby covered subordinate employees can and do receive more "take home" pay than their excluded first-line supervisors.

There are a number of examples of the seriousness of wage compression at the top, but an immediate one which comes to mind is that of the Director of the Iowa Merit Employment Department (MED). He is one of the previously mentioned agency heads to whom the State Legislature did not choose to grant a Governor-recommended salary increase this fiscal year. Although the Director has total merit system program accountability, two of his immediate subordinates currently earn only \$104.00 a year less than he. In other words, the Director is being paid only \$2.00 a week more! In the opinion of the advisory team, few qualified department staff would accept a promotion or aspire to leadership in an organization where the rewards for the significant increase in responsibility and risks involved in the superior position are, in comparison, so poorly rewarded. It would not be surprising if there were increased turn-over among key staff employees.

We leave the reader to conjecture on the severe adverse consequences such a miniscule pay difference can have on the motivational health and commitment to achieve objectives of any manager when such inequities exist.

While on the subject of the Director's salary, attention is invited to the annual salary survey conducted by the U.S. Civil Service Commission among the 50 States, the District of Columbia, Puerto Rico, and the Virgin Islands on 104 classes commonly used by these jurisdictions. The survey data, as of August 1, 1978, indicated the following for the class title "State Director of Personnel":

Of the 52 jurisdictions reporting minimum salaries, Iowa with its \$23,400 ranked 47th ... and \$7,554 less than the survey-determined mean minimum salary of \$30,954. Only the States of Nevada, Nebraska, Vermont, and Arkansas and the Virgin Islands (in that order) pay a lesser minimum salary than Iowa.

Of the 30 jurisdictions also reporting a maximum in their salary ranges for this class, Iowa with its \$27,300 ranked 3rd from the bottom ... and \$8,711 less than the survey-determined mean maximum salary of \$36,011. Here, only Arkansas and the Virgin Islands pay a lesser maximum salary to their State Directors of Personnel than does Iowa.

As mentioned earlier, there are other problems caused by wage compression and salary inequities. Interviews with several agency officials indicate their concern that supervisory positions, especially at the first-line level, are becoming more difficult to fill by promoting from among the best qualified in organizations whose employees are part of bargaining units with whom

the State has negotiated contracts. A road repair crew working in a disaster emergency situation could be used as an illustration. With negotiated overtime and call-back pay, it is not unlikely that covered bargaining unit employees will receive a higher salary than their supervisor. It does not take but several such incidents for a supervisor whose salary was not adjusted accordingly following the conclusion of negotiations with the union to realize that the wages being paid to him or her do not adequately compensate one for performing the added duties and for accepting the consequences of the crew's performance accountability which accompany supervision.⁽¹⁾ It obviously minimizes the opportunities for managers to reward employee performance via the promotion route.

Thus, the compression problem is not just at the top levels; it is at the first level as well. Were it not for the State law, it would not be unreasonable to assume that first-line supervisors would see many advantages in organizing their own union. This is one factor which precipitated the creation of the Minnesota Management Program ... the counterpart of Iowa's Public Service Executive (PSE) Program.⁽²⁾

(1) It should be noted here that, although the MED still determines the pay grade to which all classes are assigned, the determination of the salary ranges within the pay grade of affected classes are subject to contract negotiations for which the Director of State Employment Relations has management responsibility.

(2) See "Incentives and Performance: Minnesota's Management Program" published by the Council of State Governments in Innovations. In brief: in an effort to establish a strong executive managerial team, Minnesota officials initiated a new management plan in 1976 for approximately 400 senior state government managers. The plan defines management positions and responsibilities, bases pay adjustments exclusively on performance, allows managers to select from an array of fringe benefit options, and encourages management development. No manager is permitted to be a member of a collective bargaining unit.

Internal salary inequity problems (not to be confused with external competitiveness issues) were expressed in ways other than salary compression. Agencies' solutions to such inequities are reflected by their frequent requests to upgrade jobs from a lower to a higher job classification. MED expressed the inequity problems more directly in its January 1978 report on the proposed PSE series. One of the specific benefits mentioned in the report that would be gained by creating the PSE series was "to rectify some current pay grade inequities." The magnitude of this inequity problem is reflected by the dollar impact needed to correct them. The report suggested three classification options for the 322 positions thought might fall into the PSE series. The estimated annualized costs to correct the salary inequities under current merit system rules³ varied from \$147,000 to a high of \$256,000.

Built into the current system is a potential mechanism for inadvertently keeping known salary inequities at least partially concealed. It operates as follows.

Written into Iowa's current merit system law (19A.9,1) is a provision that no allocation or reallocation of a position to a class shall become effective if it will result "in the expenditure of funds in excess of the total amount budgeted for the department of the appointing authority until approval has been obtained from the state comptroller." This is a perfectly sound fiscal policy. If the job evaluation system suggests that

(3) We understand the rules were later changed to minimize the impact of these options.

a position should actually be assigned to a class in a higher pay grade but, because of fiscal limitations, must be assigned to a lower grade, the fiscal control system has "distorted" the job evaluation system by "assigning" the position to the lower grade -- at least until there are sufficient funds available. This is more likely to be a problem in the smaller agencies, or in agencies with little or no turnover, or where funds cannot be easily shifted. In the mean time, there is no management information system that is calling attention to this inequity so that it can be corrected in the next budgeting session.

Another salary inequity forecasted by the USCSC advisory team is that of managers who will be excluded from the fledgling PSE Program. More specifically, the advisory team feels that the inequity problem will be further compounded by the job analytic tool which was used to dichotomize jobs into the PSE Program and non-PSE Program groups. Our concern arises from the failure of the Job Analysis Questionnaire to define clearly two very critical terms -- "administrative" and "technical." The questionnaire was sent out by MED to incumbents whose jobs it was felt would most likely fall in the PSE Program series. Nothing in the questionnaire defined these two terms. Yet, responses to the questionnaire would unknowingly have a major impact on the incumbents. For example, if an incumbent (with supervisory verification) judged his or her job tasks to be "administrative" in nature and completed the questionnaire accordingly, the position would probably be assigned to the PSE series. As a result, there is the possibility that, once the PSE Program becomes operational, the incumbent's maximum salary potential possibly would increase. For those incumbents whose jobs are

truly "technical" in nature, no such possibility will exist. The pay grades of the latter group will not be changed since they will be excluded from the PSE Program. Once this becomes generally understood by employees, the USCSC advisory team feels there will be considerable pressure on MED to classify formerly "technical" managerial jobs as "administrative." Where this cannot be done (because the job truly is "technical"), there is likely to be a very marked drop in morale among the State's far more numerous technical managers.

The impact of plummeting morale caused by internal salary inequities, such as are being or are forecasted to be experienced by some employees in Iowa, can be a costly one. As an employer, the State stands to lose experienced employees who will move on to a more equitable work environment. And not to be overlooked in judging the impact of lowered morale is the known fact that a frequent way for employees to relieve their unhappiness over wages that seem or are, in fact, inappropriate to the work to be done is consciously or unconsciously to reduce the quality or quantity of work while on the job. Paid absenteeism, too, is another way of "getting back at the system" perceived to be unfair to an employee.

Work on Solutions to More Far-Reaching Problems
Postponed by Pressing Day-to-day Workload

Overall accountability for maintaining the classification and the compensation programs in Iowa is retained by MED. The preclusion of decentralization of certain classification responsibilities to the agencies is

generally attributable to the lack and/or varying levels of classification expertise at the agency level.

Broad problem areas and decisions having a long-range impact which need the attention of and/or the recommendatory resolution by MED have been identified by the staff, such as:

Issues resulting from collective bargaining: significant salary differences between jobs which, two years ago, were compensated at the same rate; fringe benefits (holidays, vacations, and overtime eligibility) which are no longer uniform; adjusting class and pay structures for managers and supervisors; and the administrative web of now having to work with six salary schedules and possibly more should contracts be negotiated with other bargaining units. Work remaining to be done on the PSE series and installation of the PSE Program.

In-depth study of the trainee-journeyman concept. This MED/agency effort has been under way for some time. It required the identification of series with trainee and journeyman classes. Data are being gathered, and questionnaires completed to confirm the need ... or the lack thereof in some cases such as the Attendant series (mental health, child development, and geriatric workers) ... for the now required, time specified, on-the-job training before moving to journeyman status, as opposed to only requiring a general orientation

upon hire and quickly attaining class-prescribed performance adequacy. There is a possibility that some trainee classes can be abolished.

Refinement of a systematic cyclic classification audit program.

Measures to be taken to reverse the growing trend of advanced appointment rates being granted by appointment authorities and/or requested by them (approximately 23% of 4,187 permanent appointments made during the period June 1977 to May 1978 were at advanced rates).

An analysis of several methodological approaches to job evaluation (the process a jurisdiction uses to assist in maintaining internal equity) in order to determine:

- 1) whether or not there will be a continuation of the current approach (that is, the traditional classification method whereby similar positions are grouped into classes, and all positions in a class are treated alike for pay and other purposes), or
- 2) whether or not there should be a change in job evaluation methodology by following the emerging trend by public jurisdictions to use quantified methods, such as the Hay factor-point comparison system for which the State has already

invested \$30,00 (cost of the previously mentioned compensation study conducted over two years ago).

This identified workload notwithstanding, and because certain classification accountabilities are not decentralized to the agency level, the energies and the highly developed talents of most of the 19 Personnel Analysts assigned to MED are preponderantly expended on unplanned day-to-day agency classification problems/crises which arise. This can be illustrated by the 2,760 agency requests to establish, reallocate, delete, or transfer positions which were received and processed during Calendar Year 1977, not to mention the time-consuming efforts by the Personnel Analyst in the 59 Classification Review Board hearings during the same period.

Agency/individual employee requests for classification actions are received by the Merit Employment Department from agency personnel officers in varying degrees of completeness and supporting justification. There is an explanation for this. The Personnel Officers of most agencies and/or their field activities are "generalists" and are expected to provide a wide range of services. This means that they must have a working knowledge of but not necessarily be expert in such personnel areas as recruitment, certification and appointment, employee welfare, grievances, record keeping, classification, discipline, awards, etc. Some have acquired more extensive expertise in one of these areas than in others. Expertise in classification, however, is rarely one of their fortes, as evidenced by the "varying degrees of completeness and supporting justification" of classification requests received by MED.

There appears to be a weak system-wide compensation/classification information system available at the agency level. This would also inhibit decentralization. If so, there would be little opportunity for an agency personnel officer to know what the potential adverse impact of the solution to the agency's classification problem might be on other agencies. If within the agency, there is a questionably accurate communications/control system and if classification/organization is not a personnel officer's area of expertise or is not recognized by agency management as a personnel accountability, other problems are created. As a potential illustration, it is reported that a manager in one agency hired a management consultant to carry out an organizational study without contacting the agency personnel officer. After three or four months of consultant effort, a report was prepared and given to the agency personnel officer to implement in four weeks. There were numerous classification issues that needed to be resolved. Had the agency personnel officer and MED been brought in at the beginning, many of the problems could have been resolved and the implementation target date met.

Whether by default or by accepted established practice or even by chauvinistic insistence on retention of complete control, MED must frequently step in and extinguish agency classification "brush fires." This could require effort ranging from a relatively rapid approval of the agency submittal to the more often time-consuming required research of historical data on the affected class or classes, desk audits on site, and subsequent preparation of accompanying documentation to support a position for or against that recommended by the agency. If the 1977 experience is any indication of

the workload, an average of 11 new agency requests occur each work day of the year. And not to be overlooked are other time-consuming activities, such as: preparation for and participating in Classification Review Board hearings which occur on the average of one a week; and appearances before the Merit Employment Commission, the State Comptroller, and the Iowa Executive Council to defend classification and compensation recommendations; etc.

This, then, permits only limited and sporadic time for the Personnel Analysts of MED to devote to the far-reaching major problems which have been identified. Goals and objectives have been articulated, of course, but continuing slippages in their accomplishment, which are not the result of deliberate inaction on the part of individual or teams of Personnel Analysts, are the cause of deep concern to them. They fully understand what needs to be done: the current staff, when one considers the established procedures under which its members must operate, just simply provides too thin a ground cover to be as effective as they would like.

Interviews with agency officials disclosed several instances where they felt uninformed about the results or status of their efforts/input in projects undertaken by MED. For example, a number of agency representatives participated in a job evaluation study conducted by a private consultant several years ago and thereafter received very little, if any, feedback from MED on the results of the study. Other agency officials are aware of

classes (such as the one on Engineers) which have been under way for years, but there have been only a few, brief status reports issued by MED to explain the reasons for delaying the completion of the studies.

Recommendations ⁴

Through the years, Iowa has always taken great pride and, in turn, has been admired for its being a fiscally sound State government. The Iowa merit system, as it approaches the end of its first decade, has reached a stage of maturity where basic managerial, organizational, and classification/compensation philosophies should be reassessed so that the merit system can more effectively cope with the problems of the coming decades.

1) Consider the Following Organizational Suggestions in Reviewing Current Laws/Rules ⁵

There is a need to balance the State's centralized compensation control

⁴ We have suggested that problems surfaced in the classification/compensation portion of this report are sometimes symptoms of and closely related to the solution of organizational problems. Thus, solutions to some of the organizational problems will facilitate the potential solution of the classification/compensation problems. For example, merging the Office of State Employment Relations and MED would facilitate the potential solution of the first-line supervisory salary compression problem since a unified compensation philosophy is more likely to result from such a reorganized unit. Likewise, the elimination of some of the Merit Employment Commission's responsibilities can help speed the entire classification process.

⁵ This recommendation is an elaboration of issues that should be considered in implementing our recommendation that the State review the statutory framework for its personnel management system. (See recommendation ... Conduct an Organizational Study of the Personnel Management Function ... in the "Personnel Management Organization" segment of this report.)

system with the apparent emerging recognition of the need to decentralize more authority to lower levels of the State's organization.

At least some of the problems we have surfaced took root in 1970 when the merit system started. The compensation system was installed by an earlier MED Director with a strong centralized management control philosophy. The system was primarily adopted from the practices and philosophies of other governmental jurisdictions, and these systems, in turn, have remained essentially unchanged since the early 1940's. This was a time when organizations were smaller and when control systems could be highly centralized and still be effective. For example, top management could make individualized assessments of the few class and pay issues that arose and still operate effectively. Sophisticated management information systems did not exist and were not needed. New Federal and State programs that might require organizational realignment were less frequent. Management by objectives as a potential organizational planning and control system was non-existent. However, those conditions are relics of the work world past. Change is now the rule rather than the rarity it was years ago. To paraphrase one agency head, "The merit system is running fast. It's just that we agencies are running faster." We see this as one expression of line management's recognition that it thinks it can and must do more but cannot because of perceived over-control by the personnel system under which line managers must operate. Unfortunately, the advisory team's assessment of the State's classification/compensation control system was not of sufficient depth to warrant accurately assessing just how much more could be done by managers but for the control system.

Applying the five organizational criteria listed on Page 45 and assuming that over-centralization is a partial contributor to some of the compensation/classification problems, those who carry out the recommended organizational study should consider the following:

- 1) Assign to MED the responsibility for approving actions that combine, divide, or abolish job classes and for changing specifications of current classes. Written parameters within which these decisions can be made could be established by the Executive Council if needed. To illustrate, parameters for combining, changing, or abolishing classes might include such things as consistency with the budget, grade level of the class, organizational level of the job, number of agencies on which the action impacts, or the dollar magnitude of the change. MED should, in turn, be given the freedom to delegate approval authority to agencies subject to the five organizational criteria mentioned above. Insofar as approving a changed class specification is concerned (i.e., changing minimum qualification requirements), Federal legal guides for developing these requirements already exist in the form of the 1978 Uniform Selection Guidelines. Since the State is required to meet these Guidelines, it would be unrealistic for the Executive Council to establish even more restrictive parameters.

2) MED should be given authority for approving outside personnel management consultants whose activities are likely to have an organizational, classification, or compensation impact.⁶ (This could apply equally to other functional areas in personnel; e.g., selection, training, etc.) By so doing, MED will be aware of potential problems that might arise in the future, hence be able to facilitate the implementation of the consultant's recommendations. With the broader statewide perspective that MED has, consultant recommendations that appear to impact on only one agency but which, in fact, affect others can be recognized before they are a fait accompli and another set of "brush fires" must be "put out" by MED. Records should also be maintained by MED of the cost of such consultant fees, and these data should be included in reports to the Chief Executive. This will allow a more accurate picture of the true cost of the State's personnel function which heretofore may not be too clearly understood. Analysis of consultant activities can also reveal these functions or levels of activity that are not now being done by MED. Where the volume of these activities reflects sufficient demand and if it can be done at a savings to the State, MED would be in a position to justify additional resources to meet what agencies will already have recognized as one of their unmet needs. Presumably, these unmet needs might include more of what MED is already doing, or it could be a managerial perception that MED lacks the expertise and skills levels needed by agencies.

(6) Although we suggest "approve," the control mechanism for the purposes of this recommendation could just as easily be expressed as "first inform MED" or "obtain comments of MED before." If the State is finding agencies too frequently using less than competent personnel management consultants, and if MED is expected to "know the field," including knowing who the competent consultants are, then prior approval by MED might be needed.

3) Certification by the agency head that funds are available to implement class re-evaluations or position reallocations should not require the Comptroller's pre-certification in cases where it will not affect other agencies. A post-audit should suffice. This will require a change in the law

2) Joint Executive and Legislative Effort
to Solve Compensation Problem

The above and following recommendations, when implemented, will address only the "tip of the inequity problem iceberg," of course. To tackle the whole compensation problem requires a more dramatic and innovative game plan. The advisory team recommends that the Governor and the Legislature jointly appoint a blue-ribbon task force consisting of recognized compensation experts to look into the entire area of compensation for State employees and then to report its findings and conclusions to the chief executive. There should be a close working relationship between this task force and the group carrying out the organizational study recommended in the Personnel Management Organization portion of this report. Overlapping membership of some members in both groups might be one possibility. The conclusions should lead to the generation of a compensation philosophy and appropriate legislative recommendations designed to meet the needs of Iowa's work world of today and the immediate future.

The in-depth study by the task force should include, among other undertakings, a review of the relevant laws, including the Employee Awards Program described in Chapter 19 of the Iowa Code (more specifically, 19.33). Little in the way of activity has been taken by the Executive Council under this authority,

perhaps because the legislation which, at least on the surface, appears to be completely unworkable. This may explain why there is no publicized mechanism for bringing the Employee Awards Program out into the open. The task force should consider the design of a model program or programs, with accompanying recommended legislation, to revitalize the "pay for performance" concept which the advisory team believes may have been (or at least a major segment) underlying the historical basis for 19.33.

The State's early efforts at management-by-objectives -- that is, the output of its fledgling performance appraisal program -- should not be overlooked by the task force in the model program(s) design. Also, an executive/managerial bonus system/fringe benefit package should be part of the deliberations by the task force. It should be stressed that any recommended legislation submitted for consideration should include the identification of manpower and monetary resources needed for accomplishment.

The compensation study should also consider what direction the state should take regarding the so-called "fringe" benefit package, including insurance, retirement, workmen's compensation, etc.

3) Test the Validity of the Forecasted
Negative Reaction among "Technical" Managers
to the Public Service Executive Series Option

Our concern about the possible drop in morale among technical managers arising from the selected approach for installing the PSE series is not a fact: it is an hypothesis. As such, it should be tested against the reality of the situation. Are technical (non "administrative") managers who clearly understand the

implications of the PSE Program reacting negatively? Has it had an impact on organizational effectiveness, or is it likely to in the near future? Has it been the "straw that broke the camel's back" and led to turnover -- especially among technical managers whose talents the State may find hard to replace? These and similar questions and issues should be created and incorporated into a mini-research effort by MED. A questionnaire could be sent to current technical managers, or MED could prepare a structured interview and carry out individual interviews with key managers of technical managers. Appropriate questions should be incorporated into agency exit interview programs. Since the PSE Program is so new, it is possible that the forecasted attitudes will not have had a chance to form or, if formed, will not have had an impact on affected employee's behavior. The important thing is that management establish a system now so that it can be monitored. Should the results later prove the hypothesis true, management will then be in a position to decide if its adverse effects outweigh the benefits of the particular PSE option selected.

4) Report Salary Equity Deviations

MED should prepare quarterly reports for the Governor's Office and agency heads indicating those classes who but for financial limitations would have been assigned to higher salary ranges than actually assigned. The report should list, by agency, the class title, the number of positions involved,

the current salary range, and the salary range that should have been assigned but for the budget limitation. The resultant dollar figures should then be used by the agency to determine the amount to be budgeted in the next period to correct the inequity.

5) Train Agency Personnel Staff
on Classification

MED should more clearly diagnose immediate agency classification deficiencies. Then they should carry out a training program for agency personnel staff so that more classification activities can take place at agency level. Of course, it may be better if the training were delayed until the organization study was completed. Obviously MED and the agencies will need to assess the seriousness of the current deficiency and determine if and when the training is to be carried out.

Such training might be accomplished either by classroom or other suitable training modes. Not to be overlooked is the use of the state's mobility provisions. Temporary assignment of agency personnel staff or management trainees to MED would not only improve their job analytic and classification skills, it would also provide MED with a much needed temporary staffing resource even though the performance of these temporary assignees in MED might be marginal at first. Such a temporary assignment would also give MED an opportunity to assess the trainee's performance and give MED greater confidence in the agency staff to carry out their responsibilities once the

trainees return to their agency. Motivation for the trainee to build those skills and knowledges can be provided by the agency head who would hold the trainee answerable for meeting the MED-established job analytic/classification performance standards. Salary for such trainees should be paid for by the agencies. Presumably, it would be the agency that is answerable for properly carrying out the classification actions that currently exist or that will have been determined from the organization study. (See recommendation in PERSONNEL MANAGEMENT ORGANIZATION segment of this report.) The temporary assignment of the trainee to MED would be the vehicle for meeting the training deficiency that presumably exists. Such MED exposure would also give trainees, who may only have served in one agency, the broader perspective that will prove more helpful to them and their agency head when they return to their regular jobs.