

Little Hoover Commission Bullet Points
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Hiring, Compensation and Promotions

Introduction: Supervisors and managers in general are recruited within State service and, more specifically, from within their own employing agency. There is little recruitment of supervisors or managers from outside of State service. The two most identifiable reasons for this are:

1. Appointments to State service must be made from lists established through competitive examination under the merit system. Open examinations which allow for outside recruitment are often costly and time consuming due to the number of applicants. Accordingly, employing agencies routinely conduct promotional examinations for their own departments where the applicants are typically familiar with the agency programs.
2. Recruiting from outside State service has been difficult. It is suspected that this may be due in part to the compensation – namely, that it is not competitive with compensation paid in some occupations in either other public jurisdictions or the private sector. Experienced employees with requisite managerial and leadership experience and skills are tied to a particular employer, retirement system, benefit package and tend not to make major changes late in their careers.

With the anticipated retirements of the baby boomers in State service, the State should be prepared to look for qualified supervisors and managers from outside of State service.

- The compensation paid to State supervisors and managers must be kept competitive in order to hire and retain these employees. There is no effective system in place either to gather the necessary information or to assess the competitiveness of State salaries in the marketplace. (The AB 2477 Salary-Setting Task Force, a joint labor-management group, will soon be recommending that compensation and benefit surveys be conducted similar to those conducted by the State Personnel Board prior to collective bargaining.)
- The types of compensation (wages and benefits) paid to excluded employees should be explored. It may be possible to develop opportunities for pooled money investment programs for stocks, group discounts for eligible employees (e.g., fleet or “at cost” prices), full cafeteria plans for benefits, employee education, etc. Such programs could provide additional incentives.

- With competitive compensation established, it may be feasible to establish non-merit “at will” type-appointments. Such appointments could be established for specified durations; require the employee to participate in a merit system examination to attain permanent civil service status; not allow for participation in or toward vesting in the retirement system until appointment from a merit exam is possible; etc.
- An assessment of what skill sets successful managers must possess to be successful in State government should be conducted. A curriculum with mandatory components could be developed for necessary skill sets in both program and management practices for employees moving into upper management. Such a program for “administrative” managers might include mandatory rotation through various administrative functions, (budgets, personnel, fiscal, management analysis), or line program. Program assignments could be of specified duration and could be at specified working levels (e.g., journey program work, supervision of the program, program management and planning, etc.) On-the-job training could be integrated with specified academic courses. Both the program experience and academic work could be pre-planned much like college course work curriculum for a specific major.
- Conduct open examinations at higher levels and have costs shared by a number of departments that are testing for the same or similar classes.
- Managerial and supervisory competencies and leadership knowledges, skills and abilities that have been identified should be further evaluated and the selection tools necessary to recruit people with those competencies need to be developed.
- The State needs to continue developing its leadership after recruitment. Employees should be aggressively encouraged to update their skills.
- Today, few entry level analysts have college degrees. The State should develop focused recruitment efforts at colleges and universities.
- A structured objective system should be developed for measuring improvement in managerial and supervisory performance and identifying areas, which require further development.
- Employees who are in safety retirement would like to move into a supervisory or managerial position, but decide not to because they would have to come out of safety retirement. This means they would make less money and placed in a “less favorable” retirement program.