

**REPORT OF THE
GOVERNOR'S MANAGEMENT STUDY
IMPLEMENTATION COMMISSION
TO
THE GOVERNOR
AND
THE GENERAL ASSEMBLY OF VIRGINIA**



COMMONWEALTH OF VIRGINIA
Department of Purchases and Supply
Richmond
1973

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Report of the
Governor's Management Study Implementation Commission
to
The Governor and The General Assembly of Virginia

May 5, 1973
Richmond, Virginia

To: HONORABLE LINWOOD HOLTON, *Governor of Virginia*
and
THE GENERAL ASSEMBLY OF VIRGINIA

I. INTRODUCTION

On November 25, 1970, the Governor's Management Study Commission completed and released its report. Certain recommendations in this report could be effectuated only by legislative action. To resolve this problem the General Assembly in House Joint Resolution No. 20 of the 1971 Session created a Commission to evaluate the recommendations of the Governor's Management Study Commission and to study how those recommendations should be implemented.

HOUSE JOINT RESOLUTION NO. 20

Creating a Commission to assist the implementation of the report of the Governor's Management Study; appropriating funds.

Whereas, on November twenty-five, nineteen hundred seventy, the Governor's Management Study Commission completed and released its report; and

Whereas, certain of the recommendations contained in this report can be effected only by legislative action; now, therefore, be it

Resolved by the House of Delegates, the Senate concurring, That a Commission is hereby created to evaluate the recommendations of the Governor's Management Study Commission and to study whether and how those recommendations contained in its report of November twenty-five, nineteen hundred seventy, which require legislative action should be implemented.

The Commission is empowered to undertake such actions and make such recommendations as would effect the purpose of this resolution, and to this end shall consult and cooperate with the Governor's Management Study Commission.

The Commission shall consist of nine members, who shall include the President of the Senate, the Speaker of the House of Delegates, three members of the Senate to be appointed by the President thereof, and four members of the House of Delegates to be appointed by the Speaker thereof. The Speaker of the House shall be chairman of the Commission. The members of the Commission shall receive the sum of twenty-five dollars per day for each day of actual service, and shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties. The Commission is authorized to employ such secretarial and other personnel to assist it in its work as may be necessary, for which, and for the expenses of the members, there is hereby appropriated from the contingent fund of the General Assembly the sum of five thousand dollars.

The Commission shall report its findings to the General Assembly by January 1, 1972.

The Commission rendered its report and recommendations to the Governor, and the 1972 Session of the General Assembly, which extended the Commission for another year by House Joint Resolution No. 144, as follows:

HOUSE JOINT RESOLUTION NO. 144

Continuing the Commission to assist the implementation of the Report of the Governor's Management Study.

WHEREAS, the Governor's Management Study Commission completed and released a far-reaching report in November, nineteen hundred seventy and the General Assembly of nineteen hundred seventy-one created a Commission to make a study and report upon those recommendations in the Management Study which required legislative action; and

WHEREAS, the Commission created by the General Assembly of nineteen hundred seventy-one was able to complete only a portion of its review of the Management Study legislative proposals and further study is required thereof; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That the Commission created by the General Assembly of nineteen hundred seventy-one to study the report of the Governor's Management Study Commission is hereby continued. The membership of the Commission, in accordance with the directive of the nineteen hundred seventy-one Joint Resolution is continued and vacancies shall be filled in the same manner as in the case of the original appointments with such membership to include the President of the Senate, the Speaker of the House of Delegates, three members of the Senate to be appointed by the President thereof, and four members of the House of Delegates to be appointed by the Speaker thereof. The Speaker of the House shall be chairman of the Commission. The members of the Commission shall receive the sum of twenty-five dollars per day for each day of actual service, and shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties. The Commission is authorized to employ such secretarial and other personnel to assist it in its work as may be necessary, for which, and for the expenses of the members, there is hereby appropriated from the contingent fund of the General Assembly the sum of five thousand dollars.

The Commission shall report its findings to the General Assembly by January one, nineteen hundred seventy-three.

II. ORGANIZATION AND WORK OF THE COMMISSION

A. Pursuant to House Joint Resolution No. 20, John Warren Cooke, Jr., Speaker of the House of Delegates, served as chairman of the Commission and appointed the following delegates as members of the Commission:

Honorable W. Roy Smith	Petersburg
Honorable M. Caldwell Butler	Roanoke
Honorable Edward E. Lane	Richmond
Honorable Lewis A. McMurrin, Jr.	Newport News

The late Lieutenant Governor J. Sargeant Reynolds, as President of the Senate appointed the following Senators as members of the Commission:

Senator Hunter B. Andrews	Hampton
Senator H. Dunlop Dawbarn	Waynesboro
Senator William B. Hopkins	Roanoke

After his election as Lieutenant Governor, Henry E. Howell, Jr., as President of the Senate, become the ninth member of the Commission.

After M. Caldwell Butler resigned his seat in the House of Delegates, he resigned as a member of this Commission and Arthur R. Geisen, Jr., of Staunton was appointed to fill the vacancy.

The Virginia Advisory Legislative Council and the Division of Statutory Research and Drafting made staff and facilities available to carry out this study, Robert B. Cousins, Jr., and Esson M. Miller, Jr., being assigned as counsel to assist the members and the study commission.

B. The Commission met and heard from the following representatives of the following organizations: John W. Garber of the Division of Personnel; Dr. Richard Powers, coordinator of the Governor's Management Implementation Commission; William L. Lukhard of the Department of Welfare and Institutions; and Merrill Collett from Executive Management Service, Inc.

As a result of these meetings, after due deliberation and research, the Commission makes its report to the General Assembly of Virginia.

III. BACKGROUND

In its general report to The Honorable Linwood Holton, Governor of Virginia, of November, 1970, the Governor's Management Study recommended a comprehensive review of job classification and salary administration.

Because of the obvious present importance of salary and fringe benefit considerations, and the very heavy cost and length of time of such an approach, the Governor's Management Study Implementation Commission determined to evaluate at this time:

- (a) salaries and fringe benefit programs of other employers in the competitive labor market with the Commonwealth Government vis-a-vis comparable duties and responsibilities of positions in the Commonwealth Government, and
- (b) the extent to which the classification plan is kept up to date.

Following this decision the Commonwealth retained Executive Management Service, Inc., to:

- Determine, in conjunction with the Governor's Management Study Implementation Coordinator, the bench mark classes for which comparability is established to be used in the gathering of pay and fringe benefit data from private industry and public jurisdictions.
- Determine, in conjunction with the Implementation Coordinator, the private industries and municipalities in the Commonwealth from whom pay and fringe benefit data will be collected.
- Obtain, by personal visit of Executive Management Service, Inc., staff members, pay and fringe data from private industries and within the Commonwealth, and from Federal installations in Northern Virginia, Norfolk, and Richmond.
- Collect pay and fringe benefit data from states which present a valid sample for salary purposes, considering a combination of factors such as cultural similarities, natural inter-state comparisons, regional characteristics, and an economic mix similar to that of the Commonwealth.
- Tabulate, with the assistance of the Data Processing Division, and analyze data collected.
- Prepare recommendations, based upon existing assignments of classes to pay grades, for pay grade changes for classified positions in the service of the Commonwealth.
- Discuss the proposed pay and fringe benefit changes with the Implementation Coordinator.

Prepare and submit budget effects that would result from the adoption of the revised pay grades of positions and recommended fringe benefits.

Review the methodology used by the Personnel Division to classify positions and to maintain the position classification plan of the Commonwealth in order to evaluate the extent to which the classification plan and allocations of individual positions to the plan are kept up to date.

Prepare and submit a report presenting recommendations for changes in pay grades for positions in the Commonwealth's service, changes in fringe benefits and professional conclusions concerning the maintenance of the classification system.

Subsequently Executive Management Service, Inc., also agreed to ascertain:

Whether there existed any substantial regional differences within the Commonwealth which would justify the establishment of regional or area pay differentials for different parts of the Commonwealth.

IV. RECOMMENDATIONS

1. As a result of this study the Commission agreed to endorse the findings of and recommends that the General Assembly follow the recommendations of the report of Executive Management Service, Inc., which follows:

Recommendation A

The Commonwealth of Virginia should make no basic change in its identified practice of maintaining fringe benefits in line with private employers and other public employers in its competitive employment market.

Recommendation B

The Commission should approve the salary rates for titles in the classified service recommended in Table 1 of the Executive Management Service, Inc., Report.

Recommendation C

The Commonwealth of Virginia should recognize the necessity for salary differentials for classes of positions in Northern Virginia, adjacent to the District of Columbia, for which recruitment is local.

Recommendation D

The Commission should approve the recommendations for an Executive Salary Plan submitted to Governor Linwood Holton in October, 1971.

The full text of the report of Executive Management Service, Inc., is House Document Number 11.

A further statement by Delegate Edward E. Lane is contained in Appendix A.

2. The Commission recommends the following actions, proposed by Executive Management Service, Inc., within the Commonwealth of Virginia's Division of Personnel:

A. The addition of six journeymen classification analysts.

B. Assignment of three of the enlarged classification staff of twelve to day-to-day reviews of new positions only, vacancy filling, and specifications for new classes as are determined to be needed following these reviews. Such a

minimum maintenance policy for a year, or as much as eighteen months, will require full support of the Governor and his Cabinet if it is to succeed. Should it break down, the remainder of the recommendation has little value.

C. Assignment of the remaining nine Division analysts to a service-wide review of the classification plan itself, with the objective of combining or revising the class structure as found necessary by across-the-board consideration of classes of positions and allocations to them on an occupational comparison. Organizational problems noted during this intensive review should, unless they create undesirable determinations regarding the basic classification plan structure, be deferred until the classification review is completed.

Such a review will require supplementing Division staff, even on the enlarged basis, with analysts from the departments.

D. Reduction of the Division's classification staff of nine upon completion of the service-wide review and preparation or revision of written class specifications for the entire plan. This number assumes that six will be assigned to day-to-day maintenance and surveys on an organizational basis and three will be assigned to across-the-board surveys, special reviews, and refinements of the classification plan.

3. The Commission recommends that the work of implementing the balance of the Governor's Management Study recommendations be transferred to the Commission for Economy in Governmental Expenditures and that the Governor's Management Study Implementation Commission be dissolved.

V. REASONS FOR RECOMMENDATIONS

1. The members of the Commission feel that in order for the Commonwealth to maintain the morale of and the level of competence of its employees, the salary scales of such employees must be competitive in the labor market.

Rather than recommend an equal percentage raise for all State personnel, the members decided that a more equitable solution would be to recommend raises in salary for State employees competitive with salaries for the same employment in private businesses or other governing jurisdictions. The executive Management Service, Inc., was employed to determine these figures and their full report is contained in House Document Number 11.

2. The report of Executive Management Service, Inc., states:

"The quality of the review process within the Division of Personnel is excellent. The Director and Deputy Director as well as the Chief of Classification review the findings and recommendations of the classification analysts, and it is apparent that the decisions ultimately reached represent employee strength (filled positions) of the Commonwealth classified service was fifty thousand seven on September one, nineteen hundred seventy-two. This represents a two hundred forty-seven percent increase in employment from the January three, nineteen hundred forty-three total of fourteen thousand four hundred filled positions. Over the same period (almost thirty years) the number of classes of positions increased by four hundred three percent, and the average number of employees per class of positions decreased from thirty-one and two tenths to twenty-one and six tenths. The increase in number of classes may be partially, at least, due to the new technologies and professions which have developed in the last thirty years and the new services performed by states during the same period.

Classification Review Methodology

In reviewing the methodology followed by the Personnel Division in attempting to maintain the currency of the classification plan a number of key officials were interviewed. However, the conclusions eventually reached were based not so much on the information obtained during the interviews as on a careful examination of the records of the Division.

Among other records researched were a representative number of the one hundred seventy-four major classification studies conducted in the eighteen months immediately preceding this survey. These were comprehensive studies of whole departments or major units of the largest departments, and they involved major organizational revisions as well as a review of a substantial number of existing or new job classifications. The particular cases studied were randomly selected by Executive Management Service, Inc. — the Division made no attempt to direct attention to a particular case or cases as being “typical” of its work. The consultant is satisfied that the cases selected were representative in character and that the conclusions reached were valid insofar as they attest to the quality of work performed by personnel of the Division.

The quality of work by classification analysts is uniformly and consistently good. Job audits made by the analysts are exhaustive and painstaking and indicate that, in each case, an effort was made to secure an indepth understanding of each class or position studied. None shows the regrettably common attitude prevalent in many jurisdictions of superficial review intended only to comply with bureaucratic requirements. They involve personal analysis of work performed, not the review of written position descriptions so prevalent in many federal classification reviews. Executive Management Service, Inc., noted no instances of rubber stamping decisions previously reached by the operating departments. Where agreement was reached and the position of the operating officials was fully accepted, the documentation provided by the classification analysts was sufficient to justify the decision. In a substantial number of instances the results of audits made by the Division's analysts could not support the recommendations of operating officials, and the requests were denied.

In addition to major classification studies, involving a number of positions, the Division must also cope with day-to-day requests for classification review of individual cases. A review of the records for the first six months of nineteen hundred seventy-two indicates that a total of two thousand one hundred six requests for personnel action were received. These included one thousand four hundred fifty-six requests for new positions and six hundred fifty requests for reallocations. The average monthly load during this period was two hundred forty-three new positions and one hundred five reallocation requests. (As a workload statistic this may be on the low side since many requests were obviously held until the beginning of the new fiscal year in July of nineteen hundred seventy-two, when a total of one thousand six hundred twenty-three action requests were received.) These figures indicate a Commonwealth service which is anything but static.

While many of the requests for new positions or reallocations can be considered and disposed of relatively easily, normally twenty-five percent will require a more thorough study involving a field audit. A review of a number of recent audits made in connection with individual requests indicate that the quality of work done is as high as that devoted to comprehensive audits although the amount of work devoted to each case is understandably less.

While Executive Management Service, Inc., is fully satisfied that the professional quality of the work performed is superior, there remain two questions. Is the classification plan up-to-date? Is the size of the professional

classification staff sufficiently large to maintain the classification plan as an effective tool of management?

During the eighteen month period during which the one hundred seventy-four major surveys were completed, there were five classification analysts on the staff of the Division. This means that, on the average, each analyst was completing approximately two major surveys a month. During each month, also, each analyst averaged fourteen and one-half job audits, required in connection with individual action requests. This is an extremely creditable performance, especially in view of the exacting standards of quality which are maintained. To answer the first question, at least in part, the classification plan is maintained currently, with respect to individual actions and comprehensive surveys affecting individual organization units, to an extent matched by few jurisdictions. Backlogs on individual classification actions are minimal in terms of any comparative standard.

However, there is some work backlog. Recently the Division of Personnel added another analyst to the classification staff, which should enable the Division to make some progress in meeting its backlog, largely in the area of preparing specifications. At the present time approximately one-third (seven hundred) of the classes in the classification plan are not described by a written class specification. Information on allocation factors, experience and education factors, and similar matters vital to basic personnel determinations exists in the file, but pressures of work have made it impossible to prepare written class specifications. This reduces the utilization of the classification plan as a management tool in the budget formulation, review, and execution processes, and in effective position design and requisitioning within operating units. Also, since classification reviews are of necessity conducted within organization units rather than of occupations throughout the service, the creation of new classes resulting from such reviews has a tendency to superimpose new and narrow classes which might not be needed if there were resources to ensure service-wide review of occupational groups.

At the present time new class specifications are being produced at the rate of approximately twenty a month. With the present staff, then, the existing backlog might be expected to be eliminated within approximately three years. But during this time a new backlog will be generated of new class specifications to be written or existing class specifications to be revised. In this connection, a genuine need exists for revision of class specifications which, many of them, are ten or fifteen years old. Finally, numerous examples indicate the need for reviewing the internal cohesiveness and consistency of the plan. These are frequently lost as new classes are added to an existing plan over a period of years to reflect a topsy-like growth of supervisory levels or of occupations compartmentalized by specialties which restrict rather than enhance selection and utilization of workers who can best meet flexible management needs. If there is one characteristic of public service today it is flexibility — of organizational structure, processes, and technology.

All of these factors point to the need for making available additional classification resources to the Division, which, as we have noted, is doing an excellent job of upkeep of allocations and audits on a day-to-day basis. The quality of work performed is high. The adequacy of the specifications is incomparably better than that of thirty years ago. But maintenance of an internally sound classification plan which is also an effective tool of management requires additional attention to the plan itself.”

3. The Commission feels that the remaining work of implementing the recommendations of the Governor's Management Study can best be done by the Commission for Economy in Governmental Expenditures and that the work of the Governor's Management Study Implementation Commission

should be ended. The Commission for Economy in Governmental Expenditures “established to study State governmental operations to determine those services and personnel which might be eliminated, combined, or changed to effect economical and efficient administration,” should be able to evaluate most efficiently the balance of the proposals of the Governor’s Management Study because of the background and experience of its members in related areas.

VI. CONCLUSION

The Commission feels it has given consideration to the items of priority recommended in the Governor’s Management Study and wishes to express its appreciation to Dr. Richard Powers for his assistance as coordinator of this study.

Respectfully submitted,

John Warren Cooke, *Chairman*

W. Roy Smith, *Vice Chairman*

Hunter B. Andrews

H. Dunlop Dawbarn

Arthur R. Giesen, Jr.

William B. Hopkins

Henry E. Howell, Jr.

Edward E. Lane

Lewis McMurrin, Jr.

APPENDIX A

I am voting to adopt the report of the Executive Management Service, Inc., relative to personnel salaries in order to make it public and provide a base for further consideration. The Governor's Management Study Implementation did not attempt to look into each position on a position by position basis and there may very well be inequities existing. I do not, by this vote, adopt the findings relative to regional differences as I feel that this needs further exploration with regard to areas other than Northern Virginia.

Edward E. Lane

APPENDIX B

I concur and adopt the comment of Delegate Edward E. Lane and wish to particularize my desire to have the study and survey of state employees' wages and working conditions, including retirement, to continue, for there are oversights that perhaps, by necessity, have occurred in the broad study that is the subject of this report.

Specifically, we have already heard from Mr. Charles P. Chew, Director of Probation and Parole. The position of probation and parole officer is a very important position, for it is on the basis of the reports, interviews and investigations of these professionals that a Judge sends a convicted person to jail, or offers probation and, likewise, that a prisoner is paroled or retained within the confines of an institution.

The pay adjustment recommended by the consultant's report will provide a starting salary of \$8,040.00, which may be considered adequate; but the probation officer with a college degree and after six and one-half years of working in this important field, will reach the top salary of \$10,992.00. In other words, they will enter employment knowing that they will never be able to earn as much as \$1,000.00 a month gross pay.

In addition, I feel there should be a continuing study of retirement benefits.

Henry E. Howell, Jr.

