STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

A PERFORMANCE AUDIT
OF THE

DEPARTMENT OF ADMINISTRATION - PERSONNEL DIVISION

SEPTEMBER 1981

A REPORT TO THE
ARIZONA STATE LEGISLATURE

REPORT 81-9

DOUGLAS R. NORTON, CPA
AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

September 30, 1981

Members of the Arizona Legislature
The Honorable Bruce Babbitt, Governor
Dr. Robert C. Dickeson, Director
Department of Administration

Transmitted herewith is a report of the Auditor General, A Performance Audit of the Department of Administration - Personnel Division. This report is in response to a January 30, 1980, resolution of the Joint Legislative Oversight Committee. This performance audit was conducted as a part of the Sunset review set forth in A.R.S. §§41-2351 through 41-2379.

The blue pages present a summary of the report; a response from the Department of Administration - Personnel Division is found on the yellow pages preceding the appendices.

My staff and I will be pleased to discuss or clarify items in the report.

Respectfully submitted,

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OFFICE OF THE AUDITOR GENERAL

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TABLE OF CONTENTS

	Page
SUMMARY	i
INTRODUCTION AND BACKGROUND	1
SUNSET FACTORS	7
FINDINGS	
FINDING I	17
The Department of Administration - Personnel Division has failed to maintain the Uniform Classification Plan properly.	
CONCLUSION	34
RECOMMENDATIONS	34
FINDING II	37
Improvements are needed in the Personnel Division's recruitment effort for hard-to-fill job classifications.	
CONCLUSION	53
RECOMMENDATIONS	53
FINDING III	55
Reducing requisition cancelations will eliminate unproductive work for the Personnel Division.	
CONCLUSION	59
RECOMMENDATIONS	60
FINDING IV	61
Ill-defined training roles impair the Personnel Division's ability to improve State employees' productivity.	
CONCLUSION	73
RECOMMENDATIONS	73
OTHER PERTINENT INFORMATION	75
WRITTEN RESPONSE TO THE AUDITOR GENERAL'S REPORT	89

APPENDICES

APPENDIX I	-	Governor's Merit System Reform Commission Recommendations
APPENDIX II	-	Auditor General Survey of State-service Employees
APPENDIX III	-	Auditor General Survey of State-service Supervisors and Managers
APPENDIX IV	-	Auditor General Survey of Agency Directors
APPENDIX V	-	Personnel-related Legislative Proposals Supported by Assistant Director, DOA-Personnel
APPENDIX VI	-	Age of Class Specifications, Summarized by Calendar Year
APPENDIX VII	-	Additional Hard-to-fill Classes
APPENDIX VIII	-	Training Policy and Courses, Department of Corrections

LIST OF TABLES

	Page
TABLE 1 DOA-Personnel workload indicators for fiscal years 1977-78 through 1981-82	4
TABLE 2 Personnel Division actual expenditures and full-time equivalent employees for fiscal years 1977-78 through 1979-80, and estimates for fiscal years 1980-81 and 1981-82	5
TABLE 3 Comparison of Division staffing level to several major workload indicators, fiscal years 1977-78 through 1980-81	10
TABLE 4 Age of class specifications in use as of April 9, 1981	22
TABLE 5 High-volume class series which have received little or no review since calendar year 1975	24
TABLE 6 Survey opinions regarding soundness of classification plan	26
TABLE 7 Responses to supervisory survey questions about classification activities	32
TABLE 8 Individual review requests pending and completed at Central Personnel, July 1980 - April 1981	33
TABLE 9 Analysis of three indicators of DOA-Personnel's ability to provide qualified applicants to agencies during the period March through December 1980	39
TABLE 10 Results of an Auditor General survey of supervisors and managers regarding the quality of candidates referred by the Division	40
TABLE 11 Summary of high-volume classes and their associated supplemental hiring list rate for the period March through December 1980	41
TABLE 12 Comparison of recruitment advertising budget available to DOA-Personnel, selected large Arizona cities and Maricopa County	43

Page

TABLE 13 49
Recruitment workload indicators, fiscal years 1977-78 through 1980-81

TABLE 14 57
Cancelation of requisitions received between March 1 and December 31, 1980

TABLE 15 63
DOA-Personnel training and employee development activities, fiscal years 1975-76 through 1980-81

TABLE 16 66
Summary of training programs in the eight largest State-service agencies

TABLE 17 69
Summary of responses to training questions in a survey of State-service supervisors/managers and employees

TABLE 18 75
Division's average turnaround times for providing hiring lists during fiscal years 1977-78 through 1980-81

TABLE 19 79
Appeals filed with Personnel Board, fiscal years 1978-79 through 1980-81

TABLE 20 81
Rule violation complaints filed with the Personnel Board during fiscal years 1978-79 through 1980-81

TABLE 21 85
Auditor General survey of supervisors, managers and employees in State service regarding availability and complexity of grievance procedures

TABLE 22 86
Auditor General survey of supervisors, managers and employees in State service regarding the fairness of grievance procedures and the possibility of retaliation for filing grievances

TABLE 23 87
Summary of Auditor General survey responses from supervisors and managers regarding their preparedness for handling grievances

TABLE 24 88
Summary of Auditor General survey responses from State-service supervisors/managers and employees regarding the value of grievance procedures

SUMMARY

The Office of the Auditor General has conducted a performance audit of the State of Arizona, Department of Administration - Personnel Division in response to a January 30, 1980, resolution of the Joint Legislative Oversight Committee. This performance audit was conducted as a part of the Sunset review set forth in Arizona Revised Statutes (A.R.S.) §§41-2351 through 41-2379.

Most of the State functioned under an appointive personnel system until 1968. During the 1968 legislative session the Legislature enacted laws establishing a State-service merit system,* a Personnel Commission and a staff unit under a personnel director to administer day-to-day activities. In 1973 Personnel Commission staff members were moved to a division within the newly created Department of Administration (DOA-Personnel), and the Personnel Commission was renamed the Personnel Board. The 1973 consolidation did not, however, centralize State-service personnel administration. State agencies continued to operate their own personnel offices. In 1977, in response to legislative concern regarding the cost and effectiveness of this decentralized condition, the Legislature used its appropriative power to centralize personnel administration by abolishing agency-based personnel positions within State service and creating 47 new positions in DOA-Personnel.

The Arizona work force totals 33,000 permanent full-time employees, earning more than $600 million a year. Approximately half this work force is included in the State-service merit system, while the remainder works in agencies covered by other personnel systems.

* The term State service is applied to employees and agencies governed by the merit system of 1968. The three State universities, Department of Public Safety, the Governor's Office, the Legislature, the courts, the School for the Deaf and the Blind, the Board of Regents and Board of Directors for Community Colleges were exempted from this system. All other departments are subject to the merit system laws.

Our review found that the Division has failed to maintain the Uniform Classification Plan properly. An ongoing classification maintenance review (CMR) program was not implemented until fiscal year 1980-81. More than half the classes in the Uniform Classification Plan, representing half the positions in State service, have not been reviewed within the last five years. As a result, the foundation of the personnel system is obsolete and the Division's ability to achieve other personnel objectives is seriously impaired. In addition, surveyed State-service supervisors and managers express a substantial lack of confidence in the classification plan. (page 17)

Our review also found that DOA-Personnel successfully recruits sufficient numbers of qualified applicants for most State-service jobs. However, a number of job classes - particularly those in short-supply occupational groups - are difficult to fill. The Division conducts a largely passive recruitment program as compared to those of nongovernmental employers and other governmental jurisdictions in Arizona. Unless more aggressive recruitment methods are used, the State will continue to compete at a disadvantage in attracting qualified applicants for positions in short-supply occupational groups. As a result, the State may be attracting less-qualified applicants for hard-to-fill classes. (page 37)

In addition, our review found that many personnel requisitions received by the Division are canceled by requesting agencies <u>after</u> the recruitment process has begun. In 1980, the percentage of requisition cancelations was virtually the same as the percentage in 1972, when requisition cancelations were similarly identified as a problem. Canceled requisitions generate: 1) a substantial amount of nonproductive work, and 2) significant public relations problems for the Division. Although the Division has addressed some of the causes for requisition cancelations, a further reduction in the percentage of cancelations is unlikely unless the Division collects and analyzes data regarding the sources of and reasons for cancelations. (page 55)

Finally, our review found that the Division has performed its training responsibilities on a limited and inconsistent basis. As a result, agencies have been without direction for their training activities, and wide disparity exists among agencies in employee development and training opportunities. In addition, there is a potential for duplication of training programs among agencies. The Division's limited and inconsistent training record appears to be due to: 1) a lack of clearly defined roles for the Division and other State agencies and 2) inconsistent funding for Division training programs. (page 61)

Consideration should be given to the following recommendations:

1. Amend State law and Personnel Board rules to require an ongoing classification maintenance review (CMR) program and to express a goal of reviewing all classes within five-year cycles.

2. Staff the CMR unit continuously at a level which will enable the Division to systematically review all classes by 1985 and take appropriate measures to protect those resources from diversion to special projects.

3. Stabilize the increasing backlog of individual review rquests by:
   a. Increasing the resources devoted to this activity at the Division central office, or
   b. Delegating more authority to agency-based personnel offices to handle such requests, and establishing a strong audit function at the Division to monitor these decentralized activities.

4. Establish a formal, comprehensive training and development program for classification analysts.

5. Conduct classification and salary studies for classification analyst positions to determine if increases are needed so the Division will be competitive with other jurisdictions.

6. The Division include in its budget request the resources needed to accomplish these recommendations, subject to review by the Joint Legislative Budget Committee staff.

We also recommend that:

1. The Division improve its management information system regarding recruitment activities in order to determine periodically:
   a. Which employment classes need special recruitment methods, and
   b. How effective specific recruitment tactics are in attracting qualified applicants.

2. The Division fully utilize opportunities for free public service announcements on radio and television to promote difficult-to-fill job openings.

3. The Division, in conjunction with appropriate State agencies, take the following steps to recruit for openings in short-supply occupational groups:
   a. Increase the recruiting of individuals at technical schools and colleges and develop State agency employees as part-time recruiters.
   b. Publish recruitment brochures describing career/promotional opportunities available in State service.
   c. Establish internship programs which will be attractive to students of short-supply occupations.
   d. Utilize immediate testing and referral procedures more often for hard-to-fill classes.

4. The Division use the expertise of professional advertising agencies more often for hard-to-fill job classes.

5. The Legislature consider:
   a. Increasing DOA-Personnel funding for advertising job openings, and
   b. Revising A.R.S. §35-196.01 to allow the State to pay interview expenses of out-of-State candidates for selected hard-to-fill classes.

In addition, we recommend that:

1. The Division develop an information system which will allow collection and analysis of data on a continuous basis regarding the sources of and reasons for cancelations. An adequate system can be developed by using existing equipment and modifying current forms.

2. Based on such analysis, the Division identify those agencies with excessive cancelation rates, determine the causes for such cancelations and initiate corrective action.

3. The Division monitor the impact of corrective actions by continuing to collect and anaylze cancelation data.

Finally, we recommend that:

1. The Legislature determine and distinguish appropriate training roles for: 1) DOA-Personnel and 2) other State agencies, and clearly express these roles and their responsibilities statutorily.

2. The training roles of the Division and other agencies be specified in Personnel Board rules and/or written policies issued by the Governor's Office.

3. The Division request sufficient funds and staff to enable it to meet its training responsibilities.

INTRODUCTION AND BACKGROUND

The Office of the Auditor General has conducted a performance audit of the State of Arizona, Department of Administration - Personnel Division in response to a January 30, 1980, resolution of the Joint Legislative Oversight Committee. This performance audit was conducted as a part of the Sunset review set forth in Arizona Revised Statutes (A.R.S.) §§41-2351 through 41-2379.

Arizona created its first merit system in 1942, but limited it to those agencies which were required to hire employees under a merit system in order to qualify for Federal funds. In 1948, the Arizona Law Enforcement Merit System Council was established for the Highway Patrol, which later was incorporated into a Department of Public Safety (DPS). Most of the State, however, functioned under an appointive system until 1968. During the 1968 legislative session, the Legislature enacted laws establishing a State service merit system,* a Personnel Commission composed of five appointed members to administer that system and an operating unit under a personnel director to administer Commission-delegated, decision-making powers and day-to-day activities. In September 1969 the Commission adopted personnel rules and regulations, and by July 1970 it had established a Statewide job classification plan and salary schedule.

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* The term State service is applied to employees and agencies governed by the merit system of 1968. The three State universities, DPS, the Governor's Office, the Legislature, the courts, the School for the Deaf and the Blind, the Board of Regents and Board of Directors for Community Colleges were exempted from this system. All other departments are subject to the merit system laws.

Prior to 1969, each State agency was responsible for its own personnel matters and each operated according to its own procedures. As such, no uniformity or criteria Statewide regarding salaries, benefits, qualifications for positions, hiring, firing, promoting and demoting existed. Consequently, there were wide disparities among agencies in salaries and qualifications for comparable positions.

In 1972, the Legislature established by statute the Department of Administration (DOA), an umbrella agency consolidating several State functions. Effective July 1, 1973, Personnel Commission staff members were moved to a division within DOA (DOA-Personnel), the personnel director became the DOA assistant director for personnel administration and the Personnel Commission was renamed the Personnel Board.

Initially the terms of the incumbent members were retained. Board members since then have been appointed by the Governor to five-year terms. Currently, no more than three Board members can be affiliated with the same political party. The Board must include two persons interested in personnel administration, one professional personnel administrator, one State employee and one person active in business management. (A.R.S. §41-781.A)

The Personnel Board is required to "promulgate rules and regulations relating to personnel matters", to "hear and review appeals" and to "conduct investigations when necessary regarding personnel matters...." (A.R.S. §41-782), and the DOA-Personnel assistant director is authorized to develop and administer a program of personnel administration for the State service in conformance with rules and regulations of the Personnel Board (A.R.S. §41-763).

The 1973 consolidation of the Personnel Division into DOA did not, however, centralize State service personnel administration. State agencies continued to operate their own personnel offices. In 1977, in response to legislative concern regarding the cost and effectiveness of this decentralized condition, the Legislature used its appropriative power to centralize personnel administration. The 1977 appropriations bill abolished agency-based personnel positions within State service and created 47 new positions in DOA-Personnel to staff Division branch personnel offices in the larger agencies (Agency Personnel Management Services Section).

In 1978, the Board hired a staff responsible directly to it and separated its office physically from the Division. In fiscal year 1979-80 the Board was appropriated funds separate from those of the Division. According to the Board's special assistant, these changes were designed to maintain the Board as an independent body, a desirable status for the execution of the Board's responsibility to adjudicate Division decisions.

In 1979 the Governor appointed a Merit System Reform Commission to define philosophy and purpose of the system, review statutes, rules and regulations, and review the administration of personnel functions. In July 1980 the Commission reported its findings and recommendations to the Governor.*

Table 1 presents several major workload indicators for the Personnel Division for fiscal years 1977-78 through 1981-82.

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* According to its report, the Commission reviewed several major areas of concern: utilization of personnel resources; compensation and benefits; problem-solving procedures; compliance with Federal laws; flexibility; organization; and administration. Appendix I contains a summary of 42 Commission recommendations.

TABLE 1

DOA-PERSONNEL WORKLOAD INDICATORS
FOR FISCAL YEARS 1977-78 THROUGH 1981-82

Workload Indicator	Fiscal Year 1977-78	1978-79	1979-80	1980-81	1981-82 (Estimate)
Requisitions received	6,937	7,500	8,151	7,345	6,800
Applications processed	60,659	61,000	80,636	77,642	78,000
Positions filled	8,018	8,047	8,456	7,538	7,000
Employees participating in State health insurance plans	26,586	27,659	28,394	30,750	31,850
Employees participating in State dental insurance plan	0*	0*	27,643	31,607	33,000
Permanent full-time employees in State service agencies	16,575	16,504	17,040	17,328	17,500

The Arizona work force totals 33,000 permanent full-time employees, earning more than $600 million a year. Approximately half this work force is included in the State service merit system, while the remainder works in agencies covered by other personnel systems.** As of July 1981 DOA-Personnel provided services to approximately 85 agencies, 17,500 full-time employees and an additional 3,000 part-time, temporary or seasonal employees. The Division also is responsible for: 1) administering insurance programs for all permanent full-time employees, and 2) providing personnel assistance to health and emergency services agencies in eleven counties.

Expenditures and full-time equivalent employees of DOA-Personnel for fiscal years 1977-78 through 1981-82 are summarized in Table 2.

* State dental insurance plan was not available.
** See footnote on page 1 for a list of these agencies.

TABLE 2

PERSONNEL DIVISION ACTUAL EXPENDITURES AND FULL-TIME EQUIVALENT EMPLOYEES FOR FISCAL YEARS 1977-78 THROUGH 1979-80, AND ESTIMATES FOR FISCAL YEARS 1980-81 AND 1981-82

	1977-78 Actual	1978-79 Actual	1979-80 Actual	1980-81 Estimate	1981-82 Estimate
GENERAL FUND*					
Full-time equivalent positions	120.5	124.5	125.5	126.5	128.5
Expenditures					
Personal services	$1,583,287	$1,788,891	$1,936,281	$2,347,300	$2,610,700
Employee-related expenses	267,601	328,607	353,678	477,400	526,300
Professional and outside services	100,451	122,875	127,203	122,200	198,700
Travel -					
In-State	10,927	11,595	14,398	13,400	19,000
Out-of-State	3,538	3,532	3,429	3,700	4,100
Other operating expenses	273,565	269,832	331,064	395,400	460,100
Equipment	19,498	4,945	3,698	18,100	39,200
Executive recruitment	0	0	0	17,500	19,300
	$2,258,867	$2,530,277	$2,769,751	$3,395,000	$3,877,400
FEDERAL FUNDS					
Full-time equivalent positions**	34	32	33.5	37.5	3
Expenditures - Projects***					
Intergovernmental personnel grants	$ 215,500	$ 145,400	$ 171,300	$ 169,800	$ 169,800
Public Service Employment CETA****	6,174,300	4,528,500	3,171,400	4,860,900	*****
Public Works Antirecession	0	0	17,500	41,900	5,700
	$6,389,800	$4,673,900	$3,360,200	$5,072,600	$ 175,500

* Source: Appropriations Report (pertinent years), published by the Joint Legislative Budget Committee.

** Source: Division estimates.

*** Source: Federal Programs (pertinent years), published by the Executive Budget Office.

**** Most of the CETA (Comprehensive Employment and Training Act) funds were used to pay salaries of CETA participants working in State agencies. The remainder supported Division administration of the CETA program.

***** No CETA funds available in fiscal year 1981-82.

The Auditor General expresses gratitude to the employees of the Personnel Board and Department of Administration - Personnel Division for their cooperation, assistance and consideration during the course of the audit.

SUNSET FACTORS

Nine factors were reviewed to aid in the process of determining whether the Department of Administration - Personnel Division (DOA-Personnel) should be continued or terminated, in accordance with A.R.S. §§41-2351 through A.R.S. 41-2379.

SUNSET FACTOR: OBJECTIVE AND PURPOSE IN ESTABLISHING THE DIVISION

There is no explicit statement of legislative intent in the statutes establishing DOA-Personnel. However, A.R.S. §41-763 does prescribe that the assistant director for personnel shall perform certain duties:

> "2. Have authority for developing and administering a program of personnel administration for the state service in conformance with the rules and regulations of the personnel board.
>
> "3. Have authority to establish such offices as may be necessary to maintain an effective and economical program of personnel administration.
>
> "4. Have the power to deputize employees in various state agencies where certain of the functions of the personnel administration division can be performed by such deputies.
>
> "5. Subject to approval of the personnel board, make an annual recommendation to the legislature and the joint legislative budget committee of a salary plan and adjustments to the plan for employees in the state service and executive service...." (Emphasis added)

Further, Personnel Board Rule R2-5-02 explains the intent of a personnel system based on merit:

> "A. Purpose: The purpose of these Rules is to implement and give effect to the intent and requirements of the Act which establishes for the State a system of personnel administration based on merit principles and scientific methods governing the recruitment, examination, appointment, promotion, transfer, layoff, removal, discipline, development and welfare of its civil employees and other incidents of State employment." (Emphasis added)

For fiscal year 1980-81 the Division adopted the following goals:

> "1. Hiring or promoting individuals with the qualifications to satisfy or exceed performance standards, and who have the desire for continuing careers.
>
> "2. Retaining employees who have demonstrated the required knowledge, abilities and skills to meet or exceed performance standards for their positions, thereby minimizing unwanted turnover.
>
> "3. Improving employee performance, conduct and productivity levels.
>
> "4. Delivering personnel services in such a manner as to facilitate agencies achieving their goals and objectives."

SUNSET FACTOR: THE DEGREE TO WHICH THE DIVISION HAS BEEN ABLE TO RESPOND TO THE NEEDS OF THE PUBLIC AND THE EFFICIENCY WITH WHICH IT HAS OPERATED

The Division was not created to serve directly the needs of the general public, except that a State government personnel system based on merit principles and which promotes productivity is in the public interest.

Our audit revealed that some improvements are needed to enhance the Division's ability to operate efficiently:

1. The State service position classification plan is seriously outdated, impairing the ability of agency managers to conduct State programs efficiently and effectively, and jeopardizing the merit principles underlying the personnel system. (page 17)

2. The Division generally provides sufficient numbers of qualified applicants for State service positions. However, it has difficulty filling some positions, thus impairing some agency programs. (page 27)

3. A consistently high proportion of requests for hiring lists are canceled, causing recruitment work which is never used. (page 55)

4. The potential for costly duplication of agency training programs exists due to a lack of coordination by DOA-Personnel. (page 61)

Overall efficiency of the Division for the period 1977-78 through 1980-81 appears to have improved. Table 3 reveals that increases in major workload indicators have outstripped a 6.1 percent increase in Division staff, suggesting an improvement in overall efficiency.

TABLE 3

COMPARISON OF DIVISION STAFFING LEVEL TO SEVERAL MAJOR WORKLOAD INDICATORS, FISCAL YEARS 1977-78 THROUGH 1980-81

	1977-78	1978-79	1979-80	1980-81	Percentage Increase 1980-81 over 1977-78
Full-time equivalent employees	154.5	156.5	159.0	164.0	6.1%
Applications processed	60,659	61,000	80,636	77,642	28.0
Requisitions received	6,937	7,500	8,151	7,345	5.9
Employees participating in State health insurance plans	26,586	27,659	28,394	30,750	15.7
Employees participating in State dental insurance plan	*	*	27,643	31,607	N/A

SUNSET FACTOR: THE EXTENT TO WHICH THE DIVISION HAS OPERATED WITHIN THE PUBLIC INTEREST

In April 1981 Auditor General staff surveyed directors, supervisors/managers and employees of State service agencies regarding several major activity areas of the Division. Sample sizes and response rates for each group were as follows:

	Number Receiving Questionnaire	Number Completing Questionnaire	Response Rate
Agency directors with more than three FTEs	57	38	67%
Supervisors/managers	936	293	31%
Full-time permanent employees	1,357	574	42%

Appendices II, III and IV contain the questionnaires and summary of responses for these surveys. Highlights are presented in the following text according to function: training, recruitment and selection, classification and compensation and employee grievance procedures.

* No plan offered.

Training

DOA-Personnel promotes its supervisory training programs fairly effectively in that 72 percent of the supervisors and managers responding were aware of the programs. Survey respondents cited Division publicity most often as the source of their information.

Most supervisors/managers (64 percent) and employees (61 percent) have not discussed their career or promotional opportunities or training needs with their supervisors or an agency official.

Recruitment and Selection

Most agency directors (61 percent) and supervisors/managers (64 percent) indicated that job candidates referred to them from the Division usually or always meet minimum qualifications. Of the directors and supervisors/managers responding, 64 percent and 53 percent, respectively, indicated that hiring lists usually or always are current.

Of the directors and supervisors/managers responding, 44 percent and 31 percent, respectively, indicated that hiring lists usually or always ranked candidates generally in the order in which they would have ranked them. Twenty-five percent of the directors and 32 percent of supervisors/managers indicated the need for substantial improvements in the Division's recruitment and selection activities.

Classification and Compensation

The Division's classification activities generally received poor marks from respondents. Only 31 percent of supervisors/managers and 43 percent of directors indicated that the State position classification plan is basically sound and helps them run effective, efficient and economical organizations.

Approximately half the supervisors/managers responding answered three questions* negatively regarding the quality of classification analysts' activities in their organizations. Directors responded more positively to these same questions, however.

All three groups - employees, supervisors/managers and agency directors - indicated that compensation for State positions generally is not competitive with similar jobs outside Arizona government. Agency directors expressed the strongest sentiment of the three groups with 68 percent indicating that compensation is not competitive.

Employee Grievance Procedures

Written procedures for submitting grievances or complaints appear to be readily available to most employees. Most employees (64 percent), supervisors/managers (79 percent) and directors (92 percent), responded favorably when questioned about availability of written procedures.

Most employees (55 percent), however, are undecided as to the fairness of grievance procedures to all parties, while only 19 percent of supervisors/managers and none of the directors criticized procedures as unfair.

Most supervisors/managers (68 percent) and directors (89 percent) feel adequately prepared to handle employee grievances and complaints. In addition, 52 percent of supervisors/managers and 76 pecent of directors indicated that they receive sufficient assistance from DOA-Personnel in correcting employee disciplinary problems.

SUNSET FACTOR: THE EXTENT TO WHICH RULES AND REGULATIONS PROMULGATED BY THE DIVISION ARE CONSISTENT WITH THE LEGISLATIVE MANDATE

The Division does not promulgate rules and regulations governing personnel matters. That is the duty of the Personnel Board, as expressed in A.R.S. §41-782.

* See questions 17, 18 and 19 in Appendix III.

SUNSET FACTOR: THE EXTENT TO WHICH THE DIVISION HAS ENCOURAGED INPUT FROM THE PUBLIC BEFORE PROMULGATING ITS RULES AND REGULATIONS AND THE EXTENT TO WHICH IT HAS INFORMED THE PUBLIC AS TO ITS ACTIONS AND THEIR EXPECTED IMPACT ON THE PUBLIC

Although the Division does not promulgate rules and regulations, it has published a manual for State agency managers and supervisors entitled State Personnel Board Rules and Interpretations. In addition, the Division's agency-based offices provide a means of: 1) obtaining input from agency managers and employees regarding Board rules, and 2) explaining Board rules and their impact to agency managers and supervisors. The Division also publishes and distributes a monthly newsletter, Personnel Highlights, which announces Personnel Board rules and decisions and explains their impact on employees and agency managers.

SUNSET FACTOR: THE EXTENT TO WHICH THE DIVISION HAS BEEN ABLE TO INVESTIGATE AND RESOLVE COMPLAINTS THAT ARE WITHIN ITS JURISDICTION

The Division becomes involved in the investigation of employee complaints under the following circumstances:

1. When a formal grievance is not resolved within an agency and is filed with the Division. (page 81)

2. When the Personnel Board asks the Division to investigate an alleged violation of a Board rule. (page 80)

3. When a probationary employee is dismissed and the DOA-Personnel assistant director accepts a request to review the matter.

The Division also has the responsibility for reviewing classification of individual positions when requested by management and position incumbents. These requests come from employees, supervisors or managers who believe their positions are inappropriately classified. The Division devoted a substantial portion of its classification resources to this activity until fiscal 1980-81, when it implemented a systematic maintenance review program. (page 17)

There appears to be some confusion among employees as to appropriate avenues for pursuing various complaints. (page 83)

SUNSET FACTOR: THE EXTENT TO WHICH THE ATTORNEY GENERAL OR ANY OTHER APPLICABLE AGENCY OF STATE GOVERNMENT HAS THE AUTHORITY TO PROSECUTE ACTIONS UNDER ENABLING LEGISLATION

According to A.R.S. §41-775 violations of provisions of the personnel statutes are considered misdemeanors and are subject to prosecution by the State Attorney General or the county attorney. However, virtually all personnel statutes are incorporated into rules of the Personnel Board; therefore, a statutory violation generally also is a violation of a Board rule. According to the Board's special assistant, personnel-related improprieties usually are pursued as Board rule violations rather than as statutory violations requiring Attorney General involvement.

A.R.S. §41-782.01 gives the Board authority to enforce its rules by investigating alleged violations, holding hearings and issuing orders. If the Board finds a violation, it may order the offender's compensation suspended until the rule no longer is being violated. In addition, the Board may apply to the Superior Court for injunctive relief against an agency, officer or employee believed to be violating a Board rule.

Prior to 1980 the Office of the Attorney General regularly provided legal counsel to the Board. However, in June 1980 the Attorney General determined that such a practice constitutes a conflict of interest because of his responsibility to represent State agencies at Board hearings. His decision was based on Arizona State Bar Ethics Opinion Number 79-2, issued in December 1979 concerning a similar situation in the City of Phoenix personnel system. As a result, the Personnel Board now contracts with an outside attorney for legal advice.

The Board's special assistant cites two weaknesses in the Board's ability to enforce its rules: 1) no staff resources to investigate alleged rule violations by or involving DOA-Personnel, and 2) inadequate authority to enforce a decision against an agency in an appeals case.

A.R.S. §41-782.01 permits the Board to delegate its power to investigate alleged rule violations to the Division except when the Division itself is the alleged violator. Under the latter circumstance, the Board's own limited staff must conduct the investigation as time permits. According to the Board's special assistant, 12 alleged rule violations were pending against or involving the Division as of August 12, 1981, extending as far back as January 1981. The Board intends to request another full-time position for fiscal year 1982-83 to investigate alleged Division rule violations, along with other investigative duties.

A.R.S. §41-785 allows an employee who is dismissed, demoted or suspended for more than 40 hours to appeal such action to the Board. However, if the Board decides in favor of the employee it has no way to enforce its decision. Statutes do not permit the Board to file with the court to force agency officials to comply, although that enforcement method is available for rule violations. In fiscal 1980-81 agency officials refused to honor the Board's decision in two appeal cases, and the employees had to initiate restitution through the courts on their own. The Board intends to draft proposed legislation which would enable the Board itself to seek court enforcement of its appeals decisions against agencies.

SUNSET FACTOR: THE EXTENT TO WHICH THE DIVISION HAS ADDRESSED DEFICIENCIES IN THE ENABLING STATUTES WHICH PREVENT IT FROM FULFILLING ITS STATUTORY MANDATE

The present assistant director, DOA-Personnel, has initiated or supported many proposed changes to the statutes regarding personnel administration since he assumed the post in November 1977. The proposals covered many topics, including: employee benefits, overtime pay, merit increases and merit awards, funding of position reclassificiations, employee grievance procedures, appeal of disciplinary actions and retirement. Many of the proposals became law. Appendix V contains a brief description of each proposal and its disposition.

SUNSET FACTOR: THE EXTENT TO WHICH CHANGES ARE NECESSARY IN THE LAWS OF THE DIVISION TO ADEQUATELY COMPLY WITH THE FACTORS LISTED IN SUBSECTION

Our review determined statutory changes are needed for DOA-Personnel to comply adequately with the Sunset factors. These changes are detailed on pages 34, 54 and 73.

FINDING I

THE DEPARTMENT OF ADMINISTRATION - PERSONNEL DIVISION HAS FAILED TO MAINTAIN THE UNIFORM CLASSIFICATION PLAN PROPERLY.

State law requires the Personnel Board to adopt a classification plan which appropriately groups and defines jobs for State service positions. The Board has promulgated rules stating such a plan shall be maintained by: 1) establishing new job classes, and 2) altering or abolishing existing ones. Further, Board rules state that the Department of Administration - Personnel Division (DOA-Personnel), hereinafter also referred to as the Division, must assist the Board with these duties.

As the foundation of the State service personnel system, the usefulness of a position classification plan rapidly erodes unless it is maintained on a current basis. The Division has failed to maintain the Arizona Uniform Classification Plan properly since its adoption in 1969-70. More than half the Plan's classes, representing at least 50 percent of the positions in State service, have not been reviewed within the last five years. The Division's classification staff resources have been consumed largely by individual position reviews as requested by management and position incumbents. Therefore, the State service personnel system may well be incurring substantial hidden costs of inequities and low morale resulting from obsolete position classifications.

Uniform Position Classification Plan Adopted

Arizona Revised Statutes (A.R.S.) §41-783 defines the Personnel Board's duty regarding a position classification plan and states, in part:

> "The rules of the personnel board shall include:
> "1. A position classification plan for all positions in the state service."

Position classification is the organization of jobs into groups or classes on the basis of their duties, responsibilities and required qualifications. A class is defined in the Personnel Board Rule R2-5-01.10 as follows:

> "'Class' means a group of positions sufficiently similar as to duties performed, scope of discretion and responsibility, minimum requirements of training, experience, or skill, and such other characteristics that the same title, the same test of fitness, and the same schedule of compensation have been or may be applied to each position in the group and for which a class specification has been approved." (Emphasis added)

In fiscal year 1969-70, the Personnel Board adopted a State service Uniform Classificiation Plan. Personnel Board Rules define the Board's authority to change the Plan by establishing new classes and dividing, combining, altering or abolishing existing classes (R2-5-41.A.2). The Division is charged with recommending appropriate changes to the Board after conducting analytical reviews.

Classification Plan Is the Foundation of a Personnel System

The Uniform Classificiation Plan is the foundation of the State service personnel system. According to authoritative literature, the purpose of such a plan is to assist such basic personnel functions as salary administration, recruitment, examination of candidates and in-service training. O. Glenn Stahl, author of numerous public personnel administration textbooks, summarizes the principal uses and advantages of position classificiation as follows:

> "1. Facilitating other personnel objectives:
>
> a. It provides a rational criterion for control of pay levels by making it possible to equate whole classes of positions with common salary ranges.

"b. It reduces a variety of occupations and positions to manageable proportions so that recruitment, qualification requirements, examination, and selection can be made for whole classes of positions or more at a time.

c. It defines in objective terms the content of jobs (or what is expected) against which the performance of incumbents (how well it is done) can be measured.

d. It furnishes job information upon which the content of orientation and other in-service training can be based.

e. Although it does not of itself guarantee a good promotion and placement policy, it supplies a systematic picture of opportunities and position relationships, which is essential to an orderly promotion and placement procedure.

f. It provides a foundation for common understanding between supervisor and employee as to the job and pay, which facilitates employee-management relations and helps promote work-centered motivation.

. . . . . .

"3. Particular values in the public service...

a. It assures the citizen and taxpayer that there is some logical relationship between expenditures for personal services and the services rendered.

b. It offers as good a protection as has been found against political or personal preferment in determination of public salaries." (Emphasis added)

Thus, effective personnel administration is substantially dependent on the existence of a rational, equitable and objective position classification plan.

Plan Must Be Continually Maintained

A position classification plan's usefulness rapidly erodes if it is not continually revised and updated to account for changes which affect the responsibilities, duties and qualifications for individual jobs.

Dr. Stahl explains:

> "Because of changes in personnel, in governmental functions, and in the structure of the public service, no sooner is a classificiation plan adopted than its revision and adaptation must be undertaken."

While Personnel Board Rule R2-5-41.B.1 requires that material and permanent changes in the duties and responsibilities of a position be reported to the Board, such changes in actual practice are reported to Division staff. Changes are reported by: 1) agency managers wanting to reorganize and so to transfer existing, and/or establish new, positions, 2) position incumbents who believe their jobs should be reclassified (assigned to a different class of positions), and 3) agency managers who believe the positions of their employees should be reclassified. According to Division staff, position incumbents usually are hopeful that the reclassificiation will provide higher compensation. When such changes are reported, Division analysts review the positions to determine if a classification change is needed. For the period July 1980 through April 1981, the results of individual position reviews (not including reorganizations) were as follows: eight percent downgraded, 57 percent upgraded and 35 percent unchanged. Sometimes the Division also recommends the creation of new classes or revisions to existing class specifications.*

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* According to Personnel Board Rules R2-5-01.11:

> "Class specification is an official description of the type and level of duties and responsibilities of the positions assigned to a class, and the necessary prerequisites for performing those duties. The official specification will include the title of the class, description of the type of duties and responsibilities, knowledge, abilities and skills, the required training and experience, a class code, and official date of adoption or revision."

The Division does not and, according to authoritative literature, should not, rely entirely on managers and incumbents to report changes in position duties and resonsibilities.

Dr. Stahl warns:

> "In spite of the most conscientious efforts to maintain currency through these means, unreported changes are almost certain to occur. Because of this, periodic audits or resurveys are essential to keep the classifications in tune with the facts of the situation."

In a 1979 report reviewing Arizona's DOA - Personnel Division, the U.S. Office of Personnel Management (OPM) said:

> "The only [Federal] Merit Systems Standards* requirement regarding classification is that the jurisdiction maintain its classification plan on a current basis. To meet this requirement, a schedule of classification reviews must be established and carried out."

OPM recommends that all positions in a state government merit system be reviewed systemtically every five years. This requires a formal maintenance review schedule based on occupational groups and/or organizational units so that: 1) all positions in a particular class (or series of classes) or organizational unit are reviewed simultaneously, and 2) within a five-year period all positions thus would be reviewed at least once.**

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* State and local governmental agencies participating in designated Federal grant-in-aid programs must be covered by personnel systems which meet the Federal Merit System Standards.

** Some classes deserve even more frequent attention because of the rapidly-changing nature of those career fields.

Uniform Classification Plan

Is Substantially Obsolete

Prior to fiscal year 1980-81, the Division did not conduct classification reviews on a formal, planned basis. Classification resources were dedicated almost entirely to responding to review requests from agency managers and position incumbents. As a result, the Uniform Classification Plan is substantially obsolete. All classes existing as of April 9, 1981, were analyzed as to when each class specification was adopted or last revised. Table 4 summarizes by calendar year the results of this analysis.*

TABLE 4

AGE OF CLASS SPECIFICATIONS IN USE
AS OF APRIL 9, 1981**

Number of Years Since Class Specification Was Adopted or Last Revised (whichever is later)	(1) Classes		(2) Positions Included in Classes in Column (1)	
	Number	As a Percentage of All Classes	Number***	As a Percentage of all State Service Positions
Less than 3 years	288	28%	5,502	22%
3-5 years	216	21	6,763	28
5-8 years	303	30	8,681	35
More than 8 years	224	21	3,672	15
Totals	1,031		24,618	

* Appendix VI contains a more detailed analysis of the data summarized in Table 4.

** All nonexempt classes.

*** Includes temporary, part-time, seasonal and permanent full-time positions, as well as positions which were not being utilized as of April 9, 1981.

As shown in Table 4, 51 percent of the class specifications, representing 50 percent of all State service positions, were adopted or last revised (whichever is later) more than five years ago. Some of the revisions were only minor and did not include an entire class review. Therefore, Table 4 overstates the number of class reviews completed, and more than 51 percent of all classes have not been reviewed in five years. In addition, Division staff reported such class reviews conducted before fiscal year 1980-81 were completed on a crisis basis, not as part of a systematic long-term approach to plan maintenance.

Table 5 identifies high-volume class series* which have received little or no review since their establishment more than five years ago.

* A class series is a group of career-related classes. Often a series contains several classes which form a promotional ladder--such as Secretary I, II and III.

TABLE 5

HIGH-VOLUME CLASS SERIES WHICH HAVE RECEIVED LITTLE OR NO REVIEW SINCE CALENDAR YEAR 1975*

	Total Number of Positions Covered by Classes in this Series	Positions in Classes Not Reviewed since Calendar Year 1975****	
		Number	As a Percentage of Column 1
Stenographic and secretarial	1,110	982	88%
Typing	1,889	1,829	97
Public and social services	657	539	82
Cash collection and disbursement**	106	106	100
Stores and related classes	122	118	97
Food services	248	191	77
Correctional custody	1,601	1,549	97
Building and industrial trades	290	285	98
General labor	378	342	90
Labor, trades and custodial supervision	120	120	100
Mechanical trades	221	214	97
Mechanical equipment operation	737	737	100
Professional nursing and therapy	367	298	81
Budget and management analysis**	149	133	89
Legal and related classes	315	222	70
Civil engineering and related*** classes	306	306	100
Auditing and accounting**	452	398	88
Correctional counseling and treatment	294	287	98
Cartography and drafting***	135	134	99
Right-of-way and real property	153	115	75

* Only those class series which meet both of the following conditions were selected for this table:
1) the series includes more than 100 positions, and
2) at least 70 percent of the positions are in classes which have not been reviewed since 1975.

** Part of this series was included in the fiscal year 1980-81 maintenance review schedule.

*** The entire series was included in the fiscal year 1980-81 maintenance review schedule.

**** The list was compiled under the assumption that a class specification revision date means that all positions in the class were reviewed at that time, although this was not always true.

All but two of the series in Table 5 contain classes which are common to more than one agency. It should be noted that the basic theory of a position classification plan assumes common classes are periodically reviewed to ensure that similar positions are classified consistently from agency to agency.

Lack of Plan Maintenance Can Be Costly

If a classification plan is not maintained currently, low morale and salary inequities result. According to Dr. Stahl:

> "Once a classification plan is adopted, it is pointless to do anything less than provide for continuous, painstaking maintenance on a current basis, else once different positions that have actually become similar to each other remain in different classes, and some former cognates that have become quite different continue in the same class. Such a program often seems expensive. But to stint too much on this out-of-pocket cost may create still higher hidden costs growing out of lowered morale, poor production, delayed operating programs, excessive pay for simple work, and low pay for responsible work (resulting in poorly qualified executives and professionals)-all normal concomitants of inadequate, hasty, or out-of-date classification."

Keeping position classifications current also facilitates attraction and selection of well-qualified candidates, employee motivation, performance appraisal, and effective in-service training. Thus, a poorly maintained plan will adversely affect substantial factors in effective personnel administration.

Lack of a systematic maintenance review program has undermined the confidence of: 1) supervisors and managers within the Uniform Classification Plan, and 2) agency directors. As mentioned earlier, OPM conducted reviews of the Division in 1978 and 1979 and leveled criticism at the absence of a maintenance program. In its 1978 review OPM noted a lack of confidence among agency personnel and recommended ongoing maintenance reviews as a means of restoring confidence.

This lack of confidence is still present. As part of this audit the Auditor General surveyed State service supervisors, managers and agency directors regarding the position classification plan and Division classification activities.* Supervisors, managers and agency directors were asked whether they agreed or disagreed with the following statement:

> "The State position classification plan is basically sound and helps me as a supervisor/manager to run an effective, efficient and economical organization."**

Two hundred and seventy-five supervisors/managers and 35 agency directors responded to this statement as shown in Table 6.

TABLE 6

SURVEY OPINIONS REGARDING SOUNDNESS OF CLASSIFICATION PLAN

Respondents were asked to indicate how much they agreed or disagreed with this statement: "The State position classification plan is basically sound and helps me as a supervisor/manager to run an effective, efficient and economical organization."

	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
Supervisors/managers					
Number	25	81	85	82	2
Percentage	9.1	29.5	30.9	29.8	0.7
Agency directors					
Number	4	10	6	15	0
Percentage	11.4	28.6	17.1	42.9	0

* See page 10 for description of sample sizes and response rates.
** See Question 21 in Appendices III and IV.

As demonstrated in Table 6, 39 percent of surveyed supervisors/managers and 40 percent of the responding agency directors disagreed with the statement while another 31 percent and 17 percent, respectively, had no opinion. Only a third of the supervisors/managers (30 percent) and less than half the directors (43 percent) responding to the survey expressed confidence in the classification plan.

Further, more than two-thirds (71 percent) of the surveyed agency directors identified classes of positions in their agencies which they "strongly believe need adjustment in order to maintain a fair classification plan."* When asked to comment on the effects of these inequities, they mentioned many of Dr. Stahl's cited effects - low employee morale, difficulty in recruiting well-qualified employees, more rapid turnover, difficulty in motivating employees and hindrance to employees' career development.

Reasons for the Absence of Maintenance Review Program

There is no evidence that before 1979 the Division attempted a sustained maintenance review program. Instead, individual requests from agency managers and position incumbents consumed available classification staff resources. According to Division officials, entire classes were reviewed on a crisis basis only with the larger agencies and more influencial agency directors receiving first priority. Consequently, the Division reviewed some classes several times, ignored others and adjusted classes without regard to other related personnel system classes. According to Division staff, this piecemeal approach ultimately was self-defeating in that it merely created additional review requests from position incumbents who believed an inequity had been established, further diverting Division staff from large scale reviews.

* See Question 20 in Appendix IV.

A study by the Joint Legislative Budget Committee staff in fiscal year 1977-78 concluded that the Uniform Classification Plan was not functioning properly and recommended a consultant be hired to guide a major overhaul of the entire classification system. Division staff agreed and requested funds for this project. The Legislature rejected the request in two consecutive years and directed the Division to overhaul and maintain the plan with existing resources. Consequently, in 1979 the Division prepared a four-year maintenance review schedule covering all classes in the State service. However, less than 20 percent of the first year's schedule was actually accomplished. According to Division officials, continuing pressure from State agencies for classification services (single position review requests and reorganizations) prevented greater accomplishments; however, poor management of the maintenance review program and inexperienced analysts also appear to be factors.

CMR Program Implemented in Fiscal Year 1980-81

In October 1980 a one-year classification maintenance review (CMR) schedule was adopted to review approximately one-fifth of the State service positions. The DOA director and the assistant director, Personnel Division, claimed fundamental policy and organizational changes were needed to improve the possibility of the schedule's success. The DOA director sent policy memorandums to agency directors, stating maintenance reviews would receive first priority among the Division's classification activities. Four personnel analysts were transferred to the Division central office from agency-based personnel offices and four analysts within the central office were assigned to accomplish the CMR schedule. Three analysts were committed to handling requests for new positions and agency reorganizations, while the equivalent of only one was available for individual review requests.* Another position was established in the assistant director's office to review classification appeals.

* Limited-classification authority is delegated to agency-based personnel offices. However, few reclassification reviews are performed by agency-based analysts. In the four-month period January through April 1981, only 24 reviews were performed by agency-based analysts.

As of July 1981, the Division had made substantial progress in the fiscal year 1980-81 CMR schedule, but most completion dates had not been met.* The Division anticipates additional setbacks and attributes review delays to:

1. The diversion of CMR staff to unexpected special projects,
2. Inexperienced analysts,
3. Staffing shortages, and
4. Unrealistic scheduling.

Special Projects Disrupt CMR Schedule

Actions by State agencies, the Legislature, the voters and the Federal government in fiscal year 1980-81 generated a number of unexpected special projects and diverted CMR staff from their schedule. Specifically, the following projects have consumed hundreds of CMR staff hours since October 1980:

1. The State lottery, approved by the voters in November 1980,
2. The new Department of Water Resources,
3. A new series of special agent classes for the Office of the Attorney General, and
4. Transfer of the Navajo Ordnance Depot from the Federal government to the State.

Each of these projects required the creation of new classes of positions and thus the diversion of CMR staff.

Inexperienced Analysts

According to Division staff, classification maintenance work (including developing and altering class specifications) is the most difficult of classification analyst functions. If analysts are not thorough and professional in classification work, their decisions will not be well-received by agency managers and employees, and thus will generate additional discontent and mistrust of the system. Hence the need for well-trained classification analysts.

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* Only two of the eleven series in the 1980-81 review schedule were completed according to original deadlines. The other nine series were completed or are expected to be completed one to nine months later than original deadlines.

Two-thirds of the classification analysts have advanced within the Division and have not received substantial academic education or experience which would prepare them appropriately for classification activities. In its 1978 report on the Division, OPM noted this lack of expertise and recommended that the Division "develop and implement a comprehensive training and career development program for classification analysts." The 1979 OPM report reiterated this need for technical training.

According to the Division's classification group manager, CMR analysts need substantial technical training, but limited budget resources and fiscal year 1980-81 CMR schedule deadlines forced them to forego formal, planned training.

Staff Shortages

The Division has had difficulty hiring qualified senior classification analysts. Although it committed eight analyst positions to CMR in the fall of 1980, staff members were not obtained for all positions until May 1981. The classification group manager stated that Arizona is at a serious disadvantage in recruiting experienced classification analysts because salaries are not competitive with other jurisdictions. Our limited analysis of salaries paid by adjacent states for comparable positions revealed that three of the five states pay salaries 14 to 30 percent higher than in Arizona.

Unrealistic Scheduling

The schedule overrun also can be attributed partially to the Division's inexperience with a maintenance review program. According to Division staff, substantially more time has been required to gather data and to investigate thoroughly for class reviews than had been originally estimated.

Five-Year Goal Will Not Be Accomplished

The Division claims a five-year review of the entire classification plan is essential. However, the classification group manager has stated the five-year goal will not be met if present conditions and staffing levels continue. In order to meet the schedule there would have to be less data gathering, fewer desk audits and fewer sessions with the supervisors and employees involved in the reviews. Division staff members fear that such shortcuts would generate more challenges of analyst decisions and greater mistrust of the classification system. Results of our survey of supervisors and managers indicate one-third or fewer of the respondents had favorable attitudes regarding personnel analysts' activities. Table 7 summarizes the responses to three survey questions relating to classification activities.

TABLE 7

RESPONSES TO SUPERVISORY SURVEY QUESTIONS
ABOUT CLASSIFICATION ACTIVITIES*

NOTE: Respondents were asked: "How much do you agree or disagree with the following statements?"	All Respondents Having Involvement with Classifications Activities at Some Time During:					
	Last 3 Years					Last 12 Months
	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	Strongly Disagree or Disagree
17. Personnel Division analysts obtain an adequate understanding of my organization and the positions being reviewed when doing classification work.	11%	33%	29%	25%	2%	44%
18. I am adequately involved and consulted by the Personnel Division when classification work is being done in my area of supervision.	8%	34%	24%	33%	1%	40%
19. The Personnel Division makes adequate effort to educate supervisors/managers about the classification process and procedures.	14%	38%	21%	26%	1%	52%

* See questions 17, 18 and 19 in Appendix III.

As Table 7 demonstrates, 42-52 percent of the respondents disagree or strongly disagree with the three statements concerning analysts' activities (compared with only 27-34 percent agreed), indicating the need for continued, if not increased, onsite analysis and the involvement of agency personnel affected by the reviews.

Backlog of Reclassification Requests Threatens CMR Schedule

An increasing backlog of individual requests for reclassification reviews also threatens the timely implementation of a long-term CMR program. Such requests originate from agency managers and position incumbents asking for review of their positions. As noted earlier, the equivalent of one analyst only at the central personnel office has been assigned to this type of classification activity since the fall of 1980. Requests are filed as received and normally are addressed on a first-come, first-served basis. Table 8 shows the increasing backlog of requests since July 1980.

TABLE 8

INDIVIDUAL REVIEW REQUESTS PENDING AND COMPLETED AT CENTRAL PERSONNEL, JULY 1980 - APRIL 1981

Month	Reviews Completed During Month	Requests Pending at End of Month	Percentage Increase Over the Requests Pending at the End of October 1980*
July 1980	103	60	
August	166	36	
September	100	70	
October	99	69	
November	87	86	25%
December	94	143	107
January 1981	114	99	43
February	72	138	100
March	119	149	116
April	111	185	168

* The 1980-81 CMR schedule began in October 1980; at that time the staffing changes occurred as explained on page 28.

Table 8 reveals that the backlog of individual review requests increased from 69 at the end of October 1980 to 185 at the end of April 1981, a 168 percent increase in only six months. The Division's classification group manager expects this backlog to continue increasing.

CONCLUSION

The Personnel Division has failed to maintain the Uniform Classification Plan properly. An ongoing classification maintenance review (CMR) program was not implemented until fiscal year 1980-81. More than half the classes in the Uniform Classification Plan, representing half the positions in State service, have not been reviewed within the last five years. As a result, the foundation of the personnel system is obsolete and the Division's ability to achieve other personnel objectives is seriously impaired. In addition, surveyed State service supervisors and managers express a substantial lack of confidence in the classification plan.

Since an ongoing CMR program is essential to an effective State service merit system, the Division appears to be committed to a maintenance review program. However, the schedule's timely implementation is endangered by the following conditions:

1. Diversion of CMR staff to special projects, usually on the request or action of the Legislature or the Governor.

2. Lack of training and experience in classification maintenance work.

3. Inadequate staffing levels to accomplish a five-year CMR schedule and respond to other requests without reducing the quality of classification work.

RECOMMENDATIONS

Consideration should be given to the following recommendations:

1. Amend State law and Personnel Board Rules to require an ongoing CMR program and to express a goal of reviewing all classes within five-year cycles.

2. Staff the CMR unit continuously at a level which will enable the Division to systematically review all classes by 1985 and take appropriate measures to protect those resources from diversion to special projects.

3. Stabilize the increasing backlog of individual review rquests by:
   a. Increasing the resources devoted to this activity at the Division central office, or
   b. Delegating more authority to agency-based personnel offices to handle such requests, and establishing a strong audit function at the Division to monitor these decentralized activities.

4. Establish a formal, comprehensive training and development program for classification analysts.

5. Conduct classification and salary studies for classification analyst positions to determine if increases are needed so the Division will be competitive with other jurisdictions.

6. The Division include in its budget request the resources needed to accomplish these recommendations, subject to review by the Joint Legislative Budget Committee staff.

FINDING II

IMPROVEMENTS ARE NEEDED IN THE PERSONNEL DIVISION'S RECRUITMENT EFFORT FOR HARD-TO-FILL JOB CLASSIFICATIONS.

The Personnel Division is able to attract sufficient numbers of qualified applicants for most State positions. However, some job classifications, including some high-volume classes, are hard to fill. Our review of the Division's recruitment effort for these hard-to-fill classes revealed that the Division has a competitive disadvantage with nongovernmental employers and other governmental entities in Arizona because competing employers use more aggressive recruitment programs. As a result, the State may be attracting less-qualified applicants for hard-to-fill classes. The Division has used successfully specialized recruitment practices on a limited basis for hard-to-fill classes. The Division should use these successful recruitment practices more often.

DOA-Personnel Generally

Provides Qualified Applicants

Our review revealed that the Division is successful in attracting sufficient numbers of qualified applicants for most job openings.* Audit staff members gathered and analyzed four indicators of the Division's effectiveness in providing qualified applicants to hiring agencies for the period March through December 1980. These four indicators are the percentages of: 1) personnel requisitions which involved a request for a supplemental hiring list, 2) hiring lists which either had fewer than seven or fewer than four applicants, 3) hiring list questionnaire responses which indicated that the hiring list was of poor quality, and 4) surveyed supervisors and managers who indicated dissatisfaction with candidates referred by the Division. DOA-Personnel officials discussed the appropriateness of the first three indicators with audit staff and agreed that they are appropriate indicators of hard-to-fill job classes, although the supplemental hiring list percentage was judged to be the most reliable of the three. Table 9 shows the first three indicators and the overall results of our analyses.

* When an agency wants candidates for State service positions from outside State government, it sends a requisition to the Division indicating the class and number of vacant positions. Upon receipt, the Division begins the recruitment process: 1) advertising the vacancy, 2) screening applications and testing applicants (selection phase), 3) ranking the top candidates on a list (list of certified applicants) and 4) sending the list to the requesting agency. The agency interviews candidates on the list and makes a selection.

TABLE 9

ANALYSIS OF THREE INDICATORS OF DOA-PERSONNEL'S ABILITY
TO PROVIDE QUALIFIED APPLICANTS TO AGENCIES
DURING THE PERIOD MARCH THROUGH DECEMBER 1980

Indicator	Results of Analysis		
1. The percentage of requisitions which required a request for a supplemental hiring list. (A supplemental list is required when the first list sent to the agency is not adequate.)	Number of requisitions in analysis:	4,732	
	Number of requisitions requiring supplements:	506	
	Percentage:		10.7%
2. The percentage of hiring lists which had	Number of hiring lists in sample:	951	
a. fewer than seven certified applicants*	a. Number with fewer than seven certified applicants:	240	
	Percentage:		25.2%
b. fewer than four certified applicants	b. Number with fewer than four certified applicants:	131	
	Percentage:		13.8%
3. The percentage of hiring list questionnaire responses** which indicated that the hiring list was of poor quality.	Number of questionnaires in analysis:	1,406	
	Number of responses indicating poor quality:	108	
	Percentage:		7.7%

* Personnel Board Rule R2-5-13.B.1 states the Division should refer to the agency the seven most qualified applicants for an opening, although fewer than seven names still constitutes a valid hiring list.

** Prior to March 1981, a simple questionnaire was sent to the agencies with each hiring list. The questionnaire asked: "Was the quality of the majority of applicants: [ ] Excellent [ ] Satisfactory [ ] Below level required." Agencies were asked to return the questionnaire along with the used hiring list, although this was not always done. Since the conversion to an automated system in March 1981, the question is printed directly on the hiring list.

Table 9 demonstrates that generally the Division provides requesting agencies with sufficient numbers of qualified applicants. Only eleven percent of personnel requisitions require a supplemental list, a significant improvement over the 20 percent rate in October 1977, as cited in a 1978 Joint Legislative Budget Committee report. Of all hiring lists, 75 percent contained at least seven certified applicants, and 86 percent contained at least four. Only eight percent of the returned hiring list questionnaires were rated as poor.

The fourth indicator of effectiveness is an April 1981 Auditor General survey of a random sample of State service supervisors and managers. Respondents were asked to what extent or how often the following statement is true:

> "Candidates referred to me by the Personnel Division meet the minimum qualifications needed for the job."

Only those supervisors/managers who had participated in a hiring decision in the last 12 months were asked to respond to the statement.* Table 10 summarizes their responses.

TABLE 10

RESULTS OF AN AUDITOR GENERAL SURVEY OF SUPERVISORS AND MANAGERS REGARDING THE QUALITY OF CANDIDATES REFERRED BY THE DIVISION

Respondents were asked how often this statement is true: "Candidates referred to me by the Personnel Division meet the minimum qualifications needed for the job."

	Response Category				
Results	Never	Seldom	Sometimes	Usually	Always
Number	1	15	65	117	26
Percentage	0.4%	6.7%	29%	52.2%	11.6%

* Nine hundred thirty-six supervisors and managers received the questionnaire. Two hundred ninety-three completed and returned the questionnaire, a 31 percent response rate. Of these 293, 224 responded to the statement.

As Table 10 shows, 64 percent of the respondents indicated that applicants "usually" or "always" were qualified for the position. Appendix III summarizes the responses to several other recruitment-related questions asked of supervisors and managers.

Too Few Qualified Applicants for Some Classes

Although the Division generally is successful in attracting qualified applicants, our analysis identified classes of positions which apparently are difficult to fill. Some of these are relatively high-volume classes in that the State has several openings in each of them every year. Table 11 lists some of these high-volume classes and their associated supplemental hiring list rate for the period March through December 1980.

TABLE 11

SUMMARY OF HIGH-VOLUME CLASSES AND THEIR ASSOCIATED SUPPLEMENTAL HIRING LIST RATE* FOR THE PERIOD MARCH THROUGH DECEMBER 1980

Class Title	Number of Requisitions March through December 1980	Associated Supplemental Hiring List Rate (Percentage)
Total requisitions and percentage average	4,732	11 %
Data Entry Operator II	57	21
Data Entry Operator III	27	33
Secretary II	122	20
Administrative Secretary I	23	22
Word Processing Equipment Operator II	18	33
Cashier I	15	27
Licensed Practical Nurse	14	21
Psychiatric Licensed Practical Nurse	14	21
Building Maintenance Worker II	18	22
Nurse II	37	32
Psychiatric Nurse	34	29
Program and Project Specialist II	10	20
Teacher Institutional Program	23	22

* Only those classes with ten or more requisitions and a supplemental rate of 20 percent or higher are listed in this table.

Table 11 is based on an analysis of requisitions received between March 1 and December 31, 1980. The supplemental hiring list rate for each class listed in Table 11 is well above the average rate of eleven percent for all requisitions. According to Division officials, the supplemental hiring list rate is probably the most reliable indicator of a difficult-to-fill classification.*

Unable to Compete with Other
Employers for Short-supply Groups

Private sector employers and non-State governmental jurisdictions in Arizona have more agressive recruitment programs than does DOA-Personnel, particularly for prospective employees in short-supply occupational groups.

Audit staff contacted the six largest Arizona cities, Maricopa County and several large Phoenix business firms to determine their normal recruitment practices, as well as their special recruiting activities for short-supply occupational areas. Table 12 compares the advertising budget for job vacancies of the Division with those of Phoenix, Tucson, Mesa, Tempe, Glendale, Scottsdale and Maricopa County.

* Analyses of the second and third indicators revealed additional classes which may have recruitment problems. The analysis results are presented in Appendix VII. The general office group and nursing/therapy series appeared most frequently as hard-to-fill in the three kinds of analysis. Other classes may have recruitment problems but fail to appear in Table 11 or Appendix VII because they did not have enough openings to qualify for analysis.

TABLE 12

COMPARISON OF RECRUITMENT ADVERTISING BUDGET AVAILABLE TO DOA-PERSONNEL, SELECTED LARGE ARIZONA CITIES AND MARICOPA COUNTY

Governmental Agency	Fiscal Year or Period Covered	Recruitment Costs Covered	Recruitment Dollars Budgeted or Spent	Number of Job Vacancies Filled through Outside Recruitment	Recruitment Dollars Budgeted or Spent per Job Opening
DOA-PERSONNEL	1980-81	Newspaper and journal ads*	$39,200***	8,000	$ 4.90
Phoenix	1980-81	In-State newspapers only**	$19,000	1,596	$ 11.90
Tucson	1980-81	In-State newspapers only**	$ 1,500	100	$ 15.00
Glendale	1980-81	Newspaper and journal ads	$ 3,000	125	$ 24.00
Tempe	1980-81	In-State newspapers only**	$ 5,500	190	$ 28.95
Maricopa County	1980-81	Newspapers and journal ads	$20,300	700	$ 29.00
Scottsdale	1980-81	Newspaper and journal ads	$10,000	106	$ 94.34
Mesa	July 1980 - Jan. 1981	Newspaper and journal ads	$25,970	192	$135.26

* In the latter part of fiscal year 1980-81, the Division asked State agencies to help pay for some advertisements, not a normal practice.

** In these cities the requesting agency pays the costs of out-of-State advertisements.

*** The Division also was appropriated $17,500 for use in fiscal year 1980-81 for high-level executive recruitment. More than $6,000 of it was spent to find a new director for the Department of Health Services.

As revealed in Table 12, the Division has the smallest advertising budget of the eight governmental jurisdictions shown, based on the number of job openings filled through outside recruitment. The next smallest recruitment budget per job opening (Phoenix) is more than twice the Division's.

The cities of Mesa and Scottsdale contract with a professional advertising agency to: 1) research occupational markets, 2) determine where the best recruitment opportunities are for particular kinds of short-supply skills, and 3) design and place advertising which will reach prospective employees. Officials in both cities told audit staff that they are satisfied with the results of their contracts.

Nongovernmental employers also have more aggressive advertising programs than does the State. For example, the following page contains a photocopy of several advertisments from the same page of an Arizona newspaper dated March 15, 1981. The difference between the Division's small advertisement at the left of those of various hospitals is significant, particularly in that each advertisement is designed to recruit nurses.

(Reprinted with permission from the Arizona Republic)

AZ STATE SERVICE

NURSES/LPN'S

Apply now for current and upcoming openings. Call Fran Kent 255-3851 for details.

Az State Personnel Div
1831 W Jefferson Phx 85007

R.N.'S

REHAB HEAD NURSE
Rehab & Management experience required.

- FAMILY PRACTICE
  Full time. Previous ambulatory care required. OB/PEDS experience preferred.
- SCU
- MED/SURG
- EMERGENCY ROOM
- FLOAT POOL
- ON CALL, ER, FAMILY PRACTICE & MED/SURG
- OR
  7 p.m.-7 a.m. weekends.

LPN'S

Med/Surg. 3-11 PT & 11-7 PT & FT

UNIT SECRETARIES

PT 7-3 & 3-11 On-Call.

Contact Our Nurse Recruiter Sandy LaBonte, 994-9616 xt 2620.

SCOTTSDALE MEMORIAL HOSPITAL
7400 E. OSBORN ROAD
SCOTTSDALE, ARIZONA 85251
TELEPHONE: 994-9616
An Equal Opportunity Employer M/F

RN'S

We are interviewing in the following areas:
Orthopedics
Operating Room
Acute Care Units
Cardiac Telemetry
CardioPulmonary
Ophthalmology

Call and set up an appointment today with our Nurse Recruiter
NIKI O'KEEFFE, R.N.
258-7373 Ext. 606

LPN'S

Orthopedics
Med/Surg PRN Pool

St. Luke's Hospital Medical Center
APPLY AT
NURSING OFFICE
525 N. 18th St.
PHOENIX, ARIZONA
(602) 258-1044
or 258-1048

RNs

Join a team of progressive Health Care providers specializing in the care of the adult patient in an Acute Care Setting.

Are you interested in flexible staffing? 10 and 12 hr. shifts available on most units.

- Telemetry Unit - 2nd & 3rd Shifts
- Orthopedic Unit - 2nd & 3rd Shifts
- SICU - 1st & 2nd shifts
- Med-Surg Unit-Limited number on 1st Shift
- Medical-Primary Nursing Unit-2nd & 3rd Shifts

Part and full time positions available on above shifts. Prefer recent hospital experience.

For additional information contact:
HELEN MECHALSKE, RN, MSN
NURSING OFFICE
(602) 977-7211, Ext. 302

Boswell Memorial Hospital
10401 Thunderbird Blvd.
Sun City, Arizona 85351
An Equal Opportunity Employer M/F/H

NURSE SMARTER NOT HARDER.

Nursing is a demanding profession. Practice it the easier more rewarding way. Sign up now with NURSES PRN, the service that gives you more advantages, choices and opportunities. Get the best from the profession you were trained for.

- HIGHER PAY RATES
- CHOICE OF SHIFTS, LOCATION, SPECIALTY
- FULL OR PART-TIME WORK
- INSURANCE — COMPLETE COVERAGE
- VACATION PAY
- OVERTIME PAY, DIFFERENTIAL PAY
- REFERRAL BONUSES
- MUCH MORE

CALL US TODAY NURSE, AND WORK SMARTER!

5251 N. 16th Street, Suite 707
Phoenix, Arizona 86016
264-7340

Nurses PRN

RNs

- **SURGICAL — 3 to 11
- **MEDICAL — 11 to 7
- **ORTHOPEDICS — 11 to 7
- **OR — 7 to 3
- **ICU/CCU — 11 to 7
- **OBSTETRICS — 3 to 7
- **CPU — 11 to 7
- **PEDIATRICS — 11 to 7

CHARGE NURSE AMBULATORY SURGERY

The successful candidate for this Monday through Friday, day shift position will report to the Surgery Supervisor. Recent OR/Recovery Room experience is required and supervisory experience is preferred.

We offer educational assistance, shift differential, salary reward for experience, comprehensive insurance (including dental), pharmacy discount, inservice programs for all shifts, and more . . .

Contact Wendy Hauptli, RN, Nurse Recruiter

PERSONNEL SERVICES
1950 W. Indian School Rd.
279-4411, ext. 5660

Phoenix General Hospital
An Equal Opportunity Employer M/F

Critical Care Is Looking For Nurses Who Are Ready To Dive Right In!

Be a part of our rapidly expanding critical care service which includes Medical/Surgical/Trauma ICU, Cardiovascular, Neuro, & Cardiology units.

We offer:

- Flexible 8, 10 to 12 hour scheduling
- Extensive critical care orientation
- Special New Grad orientation
- Teaching environment with ongoing staff development and physician involvement.

Make A Big Splash In Your Nursing Career . . . Dive Into Critical Care!

Good Samaritan Hospital
1010 E. McDowell Rd., Phoenix
257-6975

Equal Opportunity Employer M/F/H

In addition to using larger advertisements, competing private sector employers and other states also use other recruitment methods far more extensively than the Division. Audit staff asked several large companies in the Phoenix area and the personnel departments of adjacent state governments how they recruit employees in the electronic data processing (EDP), engineering, nursing and secretarial fields.* Some practices identified are:

1. Companies with numerous EDP and engineering positions send recruiters to dozens of colleges across the country twice a year. One firm sends a recruiter to cities having recent layoffs in these occupations, after preparing for interviews by placing advance advertising in city newspapers.

2. Companies pay interview travel and relocation costs to recruit out-of-State persons.

3. An Arizona hospital employs a full-time recruiter and two assistants to hire nursing personnel only. The recruiters visit Arizona nursing colleges and job fairs in other states, where they may hire nurses on the spot. The hospital also sends brochures to nursing colleges throughout the country.

4. A large Arizona bank has a full-time recruiter who visits high schools and vocational schools to recruit secretarial/clerical students.

5. New Mexico and Nevada have used professional advertising agencies extensively, reporting excellent results.

6. California recruits actively on college campuses and provides a 24-hour telephone recording of job openings.

---

* Generally considered to be short-supply occupational fields throughout industry and government.

7. Colorado and Wyoming have established higher salaries for hard-to-fill classes than their salary survey medians would indicate, and several states are using flexible hiring steps for some job classes.

8. Nevada's state agency officials have the authority to travel to recruit and to hire applicants on the spot.

Dr. O. Glenn Stahl, in his textbook on public personnel administration, lists the following as typical of enterprising recruiting methods used by public agencies:

> "1. Intensive cultivation of newspaper, radio, and television outlets for news about public job opportunities, usually on a 'public service' basis but often supplemented by imaginative paid advertising. College and trade journals are also useful media.
>
> "2. Maintenance and use of extensive mailing lists of schools, labor unions, vocational counseling offices, and particularly of organized occupational groups--professional, technical, or trade--including their membership lists, where appropriate. Depending on the occupation, the relevant organizations or their memberships are circularized with attractive and informative data about job and career opportunities.
>
> "3. Inviting individuals to specify their vocational interests for future reference. When positions open up, such expressions (coded and recorded on electronic equipment) yield automatic mailing lists for distribution, direct to potential applicants, of information about examination and hiring procedure.
>
> "4. Careful development of long-term institutional relationships with teachers, editors, influential professional men and women, and labor leaders.
>
> "5. Preparation and strategic distribution of well-illustrated pamphlets, each on a separate occupation or profession in the service and the career posibilities it offers.

"6. For college-level positions, particularly at junior entrance level, a career directory like that produced by the U.S. Civil Service Commission. It indexes and illustrates opportunities by college major as well as by occupational field and emphasizes the kind of work programs in which the positions exist. This is a valuable tool to have available in liberal numbers in university placement offices.

"7. Periodic visits, displays, and programs directed to college campuses to interest students in government work.

"8. Maintaining dramatic and informative exhibits of government careers at conventions, state fairs, and similar assemblages where large numbers of persons are in attendance.

"9. Holding 'open house' periodically in those agencies which have functions that lend themselves to public display--whether it be the local waterworks or a space science laboratory.

"10. Personal letters to college seniors or high school seniors in relevant institutions.

"11. Use of tourist bureau materials--colorful, descriptive booklets and maps--especially for out-of-area prospects." (Emphasis added)

Reasons for Lack of Aggressive Recruitment Program

According to our audit review, several reasons explain the lack of an aggressive recruitment program by DOA-Personnel: 1) workload increasing faster than staffing and funding levels, 2) inadequate analysis of recruitment problems, and 3) restrictions in State law.

Comparison of Workload Increases, Staffing and Funding Levels

Workload for the Division's recruitment staff increased significantly from 1978-79 to 1979-80, as indicated by the numbers of requisitions received and applicants processed. Table 13 shows workload data for fiscal year 1977-78 through 1980-81.

TABLE 13

RECRUITMENT WORKLOAD INDICATORS,
FISCAL YEARS 1977-78 THROUGH 1980-81

Workload Indicator	1977-78	1978-79	1979-80	1979-80 Percentage Increase over 1978-79	1980-81
Number of requisitions from agencies	6,937	7,500	8,151	9%	7,345
Number of applications processed	60,659	61,000	80,636	32%	77,642

Table 13 reveals that 32 percent more applications were processed in 1979-80 than in the prior fiscal year. This increase was handled without enlarging the permanent recruitment staff, although several Federally funded CETA positions were added. In 1980-81, while the number of requisitions declined, the number of job applications remained near the previous year's level. Approximately half the 12 CETA positions assigned to recruitment were vacant during the first nine months of 1980-81, and all CETA positions were eliminated in April 1981. No new permanent positions were added to the recruitment staff in fiscal 1980-81.

Division officials claim these conditions have precluded staff and funds availability for some of the more aggressive methods of attracting prospective employees. In fact, the vacancies in and eventual elimination of CETA positions caused Division officials to greatly reduce telephone availability checks in fiscal 1980-81, directly affecting the quality of hiring lists.

It should be noted that Division requests for increased advertising budgets for fiscal years 1980-81 and 1981-82 were denied by the Legislature. For fiscal year 1981-82, the Division requested an advertising budget increase of $20,550, but the Legislature approved only an inflationary allowance increase of $3,920, or ten percent of the fiscal 1980-81 budget.

Inadequate Analysis of Recruitment Problems

DOA-Personnel's current recruitment program is based on an inadequate management information system. The Division relies primarily on informal means to identify hard-to-fill job classes and to evaluate the results of recruitment techniques. Much documented data presently is collected by the Division from outside sources that could be used to identify clearly the nature and extent of recruitment problems. However, this data is not analyzed systematically to identify hard-to-fill job classes.

For example, the Division could replicate our analysis of the recruitment indicators shown in Tables 9, 10 and 11 and in Appendix III. In addition, the Division could devise a means to determine the number of applicants generated by each recruitment method.

In our opinion, the Division could allocate its existing recruitment resources more effectively if it had a management information system that clearly identified hard-to-fill job classes and allowed for monitoring and evaluating overall effectiveness of specific recruitment tactics.

Restrictions in State Law

Arizona law prohibits a State agency from paying travel and related expenses to persons who interview for State jobs. A.R.S. §35-196.01 reads:

> "After July 1, 1978 no appropriated monies may be expended by any budget unit for transportation or other travel expenses necessary for bringing any person into this state who is not a resident of this state for an interview for prospective employment nor for transportation or for moving expenses for any person newly employed or retained unless such monies are appropriated for such specific purposes." (Emphasis added)

Division officials claim out-of-State recruiting would be much more effective if advertising could include an inducement that interview costs would be paid by the State. Such is a frequent practice among large employers in the private sector. In addition, some companies also pay relocation costs for selected new employees.

Recruitment Program Affects
Quality of State Government

Documentation is not available regarding the number of well-qualified prospective employees the State has lost to its competitors because of their more aggressive recruitment practices. However, a reasonable conclusion, especially in the competitive short-supply occupational groups, is offered by Dr. Stahl, who emphasizes that the absence of an aggressive recruitment program results in less-qualified applicants for a merit employment system:

> "A MERIT SYSTEM does not live up to its name unless it plans systematically to replenish its manpower, unless the field within which it may seek applicants is as broad and unfettered as possible, and unless it uses as modern and as aggressive recruitment methods as it can find or invent. If the manpower assessment and recruitment program does not reach out and attract the best minds and skills to apply for employment, then the rest of the staffing process consists merely of a sorting out among the mediocre and the ill qualified." (Emphasis added)

Ten thousand new employees (6,000 permanent full-time, 4,000 part-time or seasonal) hired for State service in fiscal year 1981-82 will be paid approximately $100,000,000 during their first year. Assuming that the quality of new employees affects productivity, then even a modest improvement in the quality of these employees could translate into a significant increase in productivity. An additional effect of recruitment difficulties occurs when positions remain vacant, causing disruptions and delays in agency programs or services.

Special Recruitment Practices
Have Been Tried on a Limited Basis

The Division has attempted successfully several special recruitment efforts to attract more qualified applicants for some of the hard-to-fill job classes. These special recruitment efforts include:

1. Classification adjustments and hiring at advanced steps in the pay grade;

2. Immediate testing and/or referral of applicants (such as automated records clerks, data entry operators, nurses and EDP programmers/analysts) to requesting agencies;

3. Limited staff visits to technical schools and community colleges to talk with students of selected skills;

4. A productivity incentive plan for data entry operators;

5. Promotion of some hard-to-fill jobs through radio and TV public service announcements; and

6. Occasional use of a professional advertising firm for advice regarding particular job openings.

In addition, in June 1980, the Personnel Board gave the assistant director, DOA-Personnel, authority to waive Board recruitment rules for hard-to-fill classes.* This waiver has been applied to various nursing classes in that an agency now can hire an applicant for one of these positions without interviewing every person on the hiring list.

According to DOA-Personnel managers, application of the special practices has been effective, but the Division cannot apply these methods more often because of limited staff resources. Instead, they have relied on traditional methods of seeking employees through advertisements, local newspapers and posting job announcements at public locations throughout the State.

* Adopted as an emergency measure in June 1980. In December 1980 the rule was adopted formally by the Board.

CONCLUSION

DOA-Personnel successfully recruits sufficient numbers of qualified applicants for most State service jobs. However, a number of job classes - particularly those in short-supply occupational groups - are difficult to fill. The Division conducts a largely passive recruitment program as compared to those of nongovernmental employers and other governmental jurisdictions in Arizona. Unless more aggressive recruitment methods are used, the State will continue to compete at a disadvantage in attracting qualified applicants for positions in short-supply occupational groups. As a result, the State may be attracting less-qualified applicants for hard-to-fill classes.

RECOMMENDATIONS

Consideration should be given the following recommendations:

1. The Division improve its management information system regarding recruitment activities in order to determine periodically:
   a. Which employment classes need special recruitment methods, and
   b. How effective specific recruitment tactics are in attracting qualified applicants.

2. The Division fully utilize opportunities for free public service announcements on radio and television to promote difficult-to-fill job openings.

3. The Division, in conjunction with appropriate State agencies, take the following steps to recruit for openings in short-supply occupational groups:
   a. Increase the recruiting of individuals at technical schools and colleges and develop State agency employees as part-time recruiters.
   b. Publish recruitment brochures describing career/promotional opportunities available in State service.
   c. Establish internship programs which will be attractive to students of short-supply occupations.
   d. Utilize immediate testing and referral procedures more often for hard-to-fill classes.

4. The Division use the expertise of professional advertising agencies more often for hard-to-fill job classes.

5. The Legislature consider:
   a. Increasing DOA-Personnel funding for advertising job openings, and
   b. Revising A.R.S. §35-196.01 to allow the State to pay interview expenses of out-of-State candidates for selected hard-to-fill classes.

FINDING III

REDUCING REQUISITION CANCELATIONS WILL ELIMINATE UNPRODUCTIVE WORK FOR THE PERSONNEL DIVISION.

Many personnel requisitions received by the Division are canceled by requesting agencies after the recruitment process has begun. In 1980, the percentage of requisition cancelations was virtually the same as the percentage in 1972, when requisition cancelations were similarly identified as a problem. Canceled requisitions generate: 1) a substantial amount of nonproductive work, and 2) significant public relations problems for the Division. Although the Division has addressed some of the causes for requisition cancelations, a further reduction in the percentage of cancelations is unlikely unless the Division collects and analyzes data regarding the sources of and reasons for cancelations.

Requisition Cancelations Remain a Persistent Problem

When a State agency wants to fill positions through outside recruitment, it sends a requisition to the Division indicating the class and number of positions to be filled. The requisition form starts the recruitment process.

Between March 1 and December 31, 1980, approximately 16 percent (744 of 4,732) of the requisitions received by the Division ultimately were canceled.* This 16 percent cancelation rate is slightly lower than the rate of 19 percent for the period July through November 1977, as determined by the Joint Legislative Budget Committee (JLBC) staff, and is within the range of a 15 to 20 percent rate estimated by Arthur Young and Company** in a 1973 study covering fiscal year 1971-72. Clearly, cancelations have been a persistent problem for the Division, and little improvement has been made since the problem first was identified.

Generates Nonproductive Work

A 16 percent cancelation rate represents a substantial amount of unutilized work. Most of the canceled requisitions are not canceled until after the Personnel Division has prepared hiring lists (containing names of certified applicants) and has sent them to the requesting agencies.

Of 4,732 requisitions received by the Division between March 1 and December 31, 1980, 15.7 percent (744) were canceled. Table 14 shows what portion of these cancelations occurred after hiring lists had been compiled for the requesting agencies.

---

* Many requisitions instruct the Division to recruit for two or more positions in the same class. In our analysis a requisition was counted as a cancelation only if all positions requested were canceled.

** Arthur Young and Company is an international certified public accounting firm. Its 1973 study was commissioned by the JLBC.

TABLE 14

CANCELATION OF REQUISITIONS RECEIVED BETWEEN
MARCH 1 AND DECEMBER 31, 1980

	Requisitions Canceled - 744	
	Before Hiring List Sent	After Hiring List Sent
Involving new outside recruitment	91	145
Involving existing registers	144	357
Unknown	2	5
Totals	237	507
Percentage of total cancelations	32%	68%

As shown in Table 14, 507 (or 68 percent of the 744) cancelations were made after the Division prepared hiring lists and sent them to the requesting agencies. In the cases involving outside recruitment, the Division had performed the following tasks: 1) prepared and distributed advertising materials, 2) received and evaluated applications, 3) administered and scored tests, as appropriate, 4) notified applicants of scores, and 5) compiled and sent to the agencies lists of certified applicants (generally known as hiring lists). We estimate that during 1980 the equivalent of approximately four full-time positions was devoted to canceled requisitions.

Canceled Requisitions Cause Public Relations Problems

According to Division officials, canceled requisitions create a public relations problem for the State. Canceled requisitions in 1980 needlessly generated an estimated 3,700 applications.* This not only represents a waste of time for those persons who applied, but unduly raised their hopes for employment.

* In the period July-December 1980 the Division received 3,323 requisitions and 43,928 applications, an average of 13 applications for each requisition. Canceled requisitions from March through December 1980 involving outside recruitment totaled 236. Applied on a 12-month basis, the canceled requisitions could represent as many as 3,682 needless applications.

Various Reasons for Cancelations

Division officials identified the following reasons for requisition cancelations:

1. An agency ultimately may fill a position with a staff member through internal promotion, even though the Division was asked to perform outside recruitment at the same time. The agency then cancels the requisition.

2. A State employee may learn about a vacancy through a Division job announcement, discuss the job with the hiring supervisor and negotiate a transfer to the position. The supervisor then cancels the requisition.

3. Outside recruitment may not locate a candidate superior to one of an agency's own employees, and it may decide to promote a current staff member.

4. An employee who has announced his retirement or resignation may change his mind, thereby negating the need to find a replacement.

5. Agency management may withdraw a requisition pending the results of a reclassification review concerning the vacant position.

6. Unexpected budget cuts (State or Federal) may force withdrawal of a requisition.

Other possible reasons are not documented in the data collected by the Division.

In a December 1977 memorandum, the Division informed State agency directors of policy restrictions intended to curb the number of cancelations caused by transfers and internal promotions. Division analysts assigned to the agencies were charged with implementing these restrictions. Although these actions may have contributed to the three percent reduction in the cancelation rate between 1977 and 1980 (from 19 percent to 16 percent), there is no documentation to confirm that theory, nor has the Division compiled data to assess the impact of other actions it has taken to reduce the cancelation rate.

Further Reduction in Cancelation Rate May Be Possible

Further reduction of the cancelation rate would reduce the Division's workload, but such reductions are unlikely unless the Division collects and analyzes data regarding the sources and reasons for cancelations. By gathering such information, the Division could: 1) identify the numbers of and reasons for cancelations by each State agency, 2) take steps to resolve specific problems, and 3) monitor the impact of those actions.

A minor revision in an existing information system in the Division may satisfy this need. The requisition or hiring list forms could be modified slightly to request agencies to note reasons for cancelations. The reasons could be entered into the Division's word processor along with other data now recorded about requisitions. With such automated means of recording and processing the cancelation data, minimal additional staff time would be required to identify and analyze specific problem areas.

CONCLUSION

High numbers of canceled requisitions continue to waste Personnel Division recruitment staff resources. Canceled requisitions account for a substantial portion of the recruitment workload and create public relations problems. Since 1972, the overall cancelation rate has remained virtually the same. The Division's ability to reduce the cancelation rate is hampered by inadequate data regarding the sources of and reasons for canceled requisitions.

RECOMMENDATIONS

Consideration should be given to the following recommendations:

1. The Division develop an information system which will allow collection and analysis of data on a continuous basis regarding the sources of and reasons for cancelations. An adequate system can be developed by using existing equipment and modifying current forms.

2. Based on such analysis, the Division identify those agencies with excessive cancelation rates, determine the causes for such cancelations and initiate corrective action.

3. The Division monitor the impact of corrective actions by continuing to collect and anaylze cancelation data.

FINDING IV

ILL-DEFINED TRAINING ROLES IMPAIR THE PERSONNEL DIVISION'S ABILITY TO IMPROVE STATE EMPLOYEES' PRODUCTIVITY.

According to Personnel Board rules, the assistant director of DOA-Personnel must assist and cooperate with agencies to improve their training programs. However, Division efforts to coordinate and promote training have fluctuated widely over the past six years.

The Division's training program received substantial emphasis in fiscal years 1975-76 and 1980-81; however, in intervening years the Division undertook only a few, isolated coordinative activities and provided relatively little technical assistance to other agencies. In the absence of consistent Division direction, State agencies continued to develop and conduct independently their own training programs or developed no programs at all. As a result, there is 1) a wide disparity among agencies in training opportunities available to employees, and 2) a potential for duplicate training programs. This situation appears to be because of 1) the lack of clearly defined training roles, in statutes or Board rules, either for the Division or State agencies and 2) an inconsistent commitment of funds by the Division for training programs.

Ill-defined Statutes and Board Rules Regarding the Division's Training Responsibilities

Statutes provide little direction concerning in-service training for State employees. A.R.S. §41-783 states that Personnel Board rules shall include:

. . . . . .

> "18. Development and operation of programs to improve the work effectiveness and morale of employees in the state service, including the development of in-service training programs."

While current laws do not mention explicit training responsibilities for DOA-Personnel, Board rules do define some responsibilities. R2-5-02.E states that a duty of the assistant director of the Division is to develop staff training programs:

> "6. To develop, in cooperation with appointing authorities and others, training, educational, and staff development programs on an equal opportunity basis for employees in agencies covered by these Rules."

R2-5-02.G provides the assistant director with more specific duties:

> "G. Programs for employee development:
> "1. The Assistant Director shall cooperate with agency heads in developing and promoting programs for employee training, safety, morale, work motivation, health, retirement counseling, and welfare.
> "2. The Assistant Director shall assist agencies in determining needs for employee development.
> "3. The Assistant Director shall develop and conduct interdepartmental programs; shall assist with planning and conducting employee development programs for individual departments; and shall assist agencies in evaluating training.
> "4. The Assistant Director shall provide advice and counsel on employee development as requested by the agencies.
> "5. The Assistant Director shall establish working relations with educational institutions regarding employee development and continuing education programs for both present and potential State employees.
> "6. The Assistant Director shall keep records on training equipment, facilities, budgets, and training personnel in State Service." (Emphasis added)

The Board rules appear to define the role of the Division as a coordinator and provider of technical assistance and interdepartmental training programs.

Training Efforts Have Been Unstable and Minimal in Recent Years

The Division has a uneven history of training activities within the scope of possible activities outlined in Personnel Board rules. Table 15 summarizes the Division's training and employee development activities for the six-year period 1975-76 through 1980-81.

TABLE 15

DOA-PERSONNEL TRAINING AND EMPLOYEE DEVELOPMENT ACTIVITIES,
FISCAL YEARS 1975-76 THROUGH 1980-81

Division Duties Listed in Board Rules	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81
Conduct interagency programs:						
- New-employee orientation (monthly)	X	X	X	X	X	X
- Preretirement seminars	X	X	X	X	X	X
- Performance planning and evaluation workshops for supervisors	X		X	X*	X	X
- Supervisory/management development	X					X****
- Others	X**		X***			
Assist in developing and/or conducting programs for individual agencies (other than shown above)	X					X
Assist agencies in determining needs for employee development	X					X*
Assist agencies in evaluating training	X					
Provide advice and counsel on employee development as requested by agencies	X	unknown----------				
Establish/maintain working relationships with educational institutions regarding continuing education programs*****	X	X	X	X	X	X
Inventory training resources and programs in agencies	X			X		
Staffing and Funding Levels						
Full-time equivalent positions involved in training activities	7	0	1	1	3	8
Division funds dedicated to training activities:						
- State (estimated)	$149,400	$0	$20,000	$22,000	$60,000	$127,100
- Federal	$ 0	$0	$ 0	$ 0	$ 7,152	$ 73,500

* Given to one agency only.

** According to the Division's 1975-76 Annual Report, additional courses were provided regularly: characteristics of productive groups; equal employment and human relations; insurance seminars; interviewing procedures; clerical lab; work simplification; effective communications; and management by objectives.

*** Workshop for hearing offices.

**** Several modules of this program also are offered independently of the program as a whole.

***** The Division's only involvement in this program is to publicize the schedule of classes offered in the Capitol complex by the university and colleges.

Table 15 demonstrates the wide fluctuation of Division resources (staff and funds) devoted to training activities during the six-year period ended June 30, 1981. It should be noted that the Division largely has neglected its coordinative and technical assistance responsibilities, which include inventorying agency training resources and programs, assisting agencies in assessing training needs and developing and evaluating agency-specific programs. Further, the only areas in which the Division has demonstrated a consistency is in conducting interdepartmental programs and publicizing the continuing education programs of the university and colleges. Interdepartmental programs, too, were limited between fiscal years 1975-76 and 1980-81.

The emphasis of the Division's training efforts in fiscal year 1980-81 was on the implementation of the Management Development Program (MDP), patterned after the certified public manager program in the state of Georgia. Those who have received this training generally rate it favorably and, as of April 13, 1981, there was a waiting list of employees who wish to participate. In order to reach more employees, the Division has begun identifying and approving agency instructors who can deliver the training to employees within their own agencies.

In fiscal year 1980-81 the Division also designed a training-needs assessment survey questionnaire, which has been utilized by one large agency. The Division has offered to provide the questionnaire to any State agency and help plan a training program based on the survey results.

Agencies Develop Training
Programs without Division Guidance

In the absence of assistance or guidance from DOA-Personnel, each State agency either has continued to develop its own training and employee development programs or has developed no programs at all. As a result, there is 1) a wide disparity among agencies as to training and development opportunities available to employees, and 2) a potential for costly duplication of training programs.

Wide Disparity in Opportunities For State Employees

A review of the training programs in the eight largest State service agencies revealed significant differences in the range and amount of training opportunities available to agencies' employees. State Compensation Fund employees, and those of the Department of Corrections (DOC), Department of Economic Security (DES) and Department of Transportation (ADOT), for example, appear to have greater opportunities through training to expand their skills and prepare for career advancement than do employees in other large agencies. Table 16 summarizes the training programs in the eight largest State service agencies.

TABLE 16

SUMMARY OF TRAINING PROGRAMS IN
THE EIGHT LARGEST STATE-SERVICE AGENCIES*

Agency	Number of Full-time Equivalent Employees 1980-81**	Written Training Policy	Agency Programs: Formal Employee Development Program/Counseling	Agency Programs: Supervisory/Management Development***	Agency Programs: Generic Skills/General Interest Courses	Tuition Reimbursement Policy
Department of Education	397	No	No	No	No	100% tuition and books reimbursement for job-related courses
Department of Administration****	526	No	No	No	No	No policy
State Compensation Fund	548	Yes	Yes (counseling identifies specific courses)	Yes (3-day course)	Yes	100% tuition paid in advance for job-related courses
Department of Revenue	606	No	No	No	No	No policy
Department of Health Services	1,434	No	No (program being designed)	No	No	100% tuition reimbursement (maximum $125) and up to $20 for books; job-related courses only
Department of Corrections	2,447	Yes	Yes (limited)	Yes (also uses Division program)	Yes	66-100% tuition and books paid in advance for job and career-related courses
Department of Transportation	3,240	Yes	Yes	No	Yes	100% tuition reimbursement (maximum $150) and up to $15 for books; job-related courses only
Department of Economic Security	5,424	Yes	Yes	Yes (nearly same as Division's)	Yes	100% tuition and books reimbursement for job-related courses

* Does not include specific job-related training.
** Source: Executive Budget, 1981-82.
*** Agencies without in-house programs participate in the Division's program.
**** Information applies to the Department as a whole. Divisions within DOA may have one or more of these elements.

Table 16 reveals significant differences among the listed agencies in the areas of career counseling, generic skills training, tuition reimbursement and in-house supervisory training programs. Of the eight agencies, four do not have written training policies, even though authoritative literature cites a written policy as the best means of emphasizing and communicating within an organization the purposes, methods and responsibility for training.

New employees of the State Compensation Fund receive formal career counseling and, if they are interested, assistance in outlining a career development program which identifies specific training. The Compensation Fund offers its own supervisory training program, as well as numerous generic skill/general interest courses available to supervisory and nonsupervisory employees. Careful records are maintained of training completed by each employee.

In fiscal year 1980-81, DES established an employee development program which specifies that each nonmanagement employee will receive 16 days of training over a two-year period in the following subjects: organizational team-building; communication skills; coping with stress; cultural awareness; basic problem-solving; advanced problem-solving; interpersonal relationship skills; and management information systems.

DOC has a written training policy* which describes training objectives for new employees, permanent-status employees and administrative/management staff; it includes a minimum number of training hours required for merit increases.

In the fall of 1981 ADOT employees may attend a new career planning workshop on how to establish and achieve career goals. ADOT employees also may receive individual career counseling from Department staff on request. Employee training history data is maintained in computer files, and employees are offered courses in subjects such as public contact, public speaking and improvement of secretarial skills.

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* Appendix VIII contains the policy and list of courses offered by the DOC training staff.

According to DOA-Personnel staff, smaller agencies rarely have staff training resources of their own and may rely on the Division or outside sources for training programs. Employees of smaller agencies without in-house training staff thus appear less likely to have access to the number or quality of training programs that are available in larger agencies and, therefore, less career-growth opportunity.

An Auditor General survey of State service employees and supervisors/managers included several questions relating to employee development and training. Table 17 summarizes responses to two related questions.

TABLE 17

SUMMARY OF RESPONSES TO TRAINING QUESTIONS IN
A SURVEY OF STATE-SERVICE SUPERVISORS/MANAGERS AND EMPLOYEES

Question	Supervisors/Managers* Percentage		Employees** Percentage		
	Yes	No	Yes	No	Don't Know
Has your present supervisor, manager or other agency official discussed with you your career or promotional opportunities or training needs?	36%	64%	39%	61%	
Is the State giving you all the training you need?***			34%	45%	21%

* 291 respondents.
** 568 respondents.
*** Supervisors and managers were not asked this question.

As shown in Table 17 most of the supervisors/managers and employees surveyed said they have not had an opportunity to discuss their career plans or training needs with their managers or other agency officials. In addition, a substantial portion of the surveyed employees answered that their training needs are not being met.

Potential for Duplication of Training Programs

Personnel Board rules appear to define a coordinative role for the Division in staff training programs. However, the Division has undertaken only a few, isolated coordinative activities since fiscal year 1975-76. Further, Division officials do not know how much training is administered in State agencies that could be provided or coordinated by the Division on a Statewide basis. Finally, the Division's central records do not document 1) the courses that are taught in each agency or 2) the amount of equipment, facilities or manpower within the State that are dedicated to training.

Such absence of central coordination creates a potential for duplication of training programs among agencies. Supervisory/management development training is an apparent example of such duplication. DOA-Personnel has a training program available to supervisors and managers in all agencies. However, as of June 30, 1981, at least three of the larger agencies also had their own in-house training programs for supervisors and managers. According to the Division training coordinator, some agencies have contracted with outside consultants to provide supervisory/management training to their employees while others may be using funds to develop and conduct training courses which needlessly duplicate courses already available either from the Division or other State agencies.

According to the Division training coordinator, her staff members could assist agencies in obtaining the same training services at less cost by providing: 1) some training directly, 2) expertise in developing and evaluating in-house programs, and 3) a central source of information regarding the availability and quality of workshops offered by outside consultants.

The following example illustrates the potential benefits of a Statewide coordinated training program. In 1980, an employee of a medium-sized agency attended a three-day management development workshop out-of-State, costing his agency more than $1,000. The same employee later attended one of the Division's management development program workshops. According to the employee, the Division's workshop was better suited to his needs. Significantly, the only cost to his agency was the loss of his time on the job and $20 for workshop materials.

Presently the Division's ability to function effectively as a coordinator of Statewide training relies entirely on the voluntary cooperation of each agency. Agencies are not required by statute or Board rule to report training information to the Division or to request the Division's assistance for training purposes. In December 1980 and January 1981 the training coordinator requested (first verbally, then in written form) that each major State agency provide her with data on training courses and equipment to facilitate the sharing of equipment and courses among agencies. As of July 1981, not one agency had responded.

Causes for Inconsistent Training Effort

The Division's minimal and inconsistent training efforts appear to be related to: 1) the lack of clearly defined training roles for the Division and State agencies and 2) inconsistent funding for DOA-Personnel training programs.

Inadequate Role Definitions

While State law does not specify training responsibilities for the Division, Personnel Board rules do impose several coordinating or assisting duties. However, State agency training responsibilities are not similarly defined in statute or rule. Further, the Division has to rely entirely on voluntary agency cooperation to perform a coordinative role. According to the assistant director, DOA-Personnel attempts to exercise a lead agency role in the training area have been thwarted because other agencies have received funding to develop their own training programs.

Inconsistent Funding Levels

Funds available for Division training programs have been inconsistent in the past six years,* ranging from $149,400 in fiscal year 1975-76 down to $20,000 in fiscal year 1977-78 and up to $200,600 in fiscal year 1980-81.

According to Division officials, a former assistant director reassigned the entire training staff to other duties when he took over the post in fiscal year 1976-77. Budget limitations and workload increases in areas of higher priority caused the assistant director to apply only minimal resources to training activities between fiscal years 1976-77 and 1980-81.

Training programs appear to be subject to similar fluctuations elsewhere in the governmental sector. According to Jay M. Shafritz, a recognized authority on public personnel administration:

> "Although the value of training is generally conceded, it almost invariably has a low position in the hierarchy of an organization's needs. And given the scarce resources environment that public organizations must live in, it is frequently the first area to be sacrificed in a budget crunch."

According to a personnel staff specialist for the Council of State Governments, training funds are among the first to be reduced because training results are not easily or immediately identifiable.

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* See Table 15 on page 63 for detailed information.

CONCLUSION

Personnel Board rules make DOA-Personnel responsible for: 1) coordinating training programs among State agencies, 2) providing technical assistance, 3) developing and conducting interagency training programs and 4) developing training programs for particular agencies. The Division has performed these functions on a limited and inconsistent basis. As a result, agencies have been without direction for their training activities, and wide disparity exists among agencies in employee development and training opportunities. In addition, there is a potential for duplication of training programs among agencies. The Division's limited and inconsistent training record appears to be due to 1) a lack of clearly defined roles for the Division and other State agencies and 2) inconsistent funding for Division training programs.

RECOMMENDATIONS

Consideration should be given to the following recommendations:

1. The Legislature determine and distinguish appropriate training roles for 1) DOA-Personnel and 2) other State agencies, and clearly express these roles and their responsibilities statutorily.

2. The training roles of the Division and other agencies be specified in Personnel Board rules and/or written policies issued by the Governor's Office.

3. The Division request sufficient funds and staff to enable it to meet its training responsibilities.

The following questions should be considered in promulgating appropriate statutes, rules and policies:

What role, if any, should DOA-Personnel have in reviewing, evaluating and/or approving the training programs of individual State agencies?

- Should agencies be required to report to the Division data on training programs and resources, enabling the Division to function as a training clearinghouse?

- Should agencies be required to submit to the Division training plans for review and comment?
- Should agencies be required to obtain Division approval before requesting or expending funds for training purposes?

Are there certain training activities or courses which only the Division should have authority to conduct?

What policies, procedures and mechanisms are needed to enable the Division to perform its roles effectively?

What standards, if any, should the rules or policies specify for training/employee development programs in each agency?

Should a uniform tuition reimbursement policy be established for State agencies?

OTHER PERTINENT INFORMATION

TURNAROUND TIMES FOR HIRING LISTS

During the three fiscal years from 1977-78 through 1979-80 the Division decreased the average time required to respond to an agency's request for a list of certified applicants. However, in fiscal year 1980-81 the average turnaround time* for requests filled through public announcement returned to the fiscal year 1977-78 level. Table 18 displays average turnaround times from 1977-78 through 1980-81.

TABLE 18

DIVISION'S AVERAGE TURNAROUND TIMES FOR PROVIDING HIRING LISTS DURING FISCAL YEARS 1977-78 THROUGH 1980-81

	Fiscal Years			
Turnaround Times for:	1977-78	1978-79	1979-80	1980-1981
Requests filled through public announcement	20.3 days	16.7 days	17.5 days	20.2 days
Requests filled through existing registers	5.2 days	2.8 days	2.4 days	3.0 days
All requests	8.7 days	6.9 days	6.6 days	7.3 days

* Turnaround time for providing a list of certified applicants is calculated as the elapsed time (in working days only) from the day the Division receives an agency's request to the day the list is mailed. It does not include time in the mail or within the requesting agency.

Reasons for Turnaround Time Decreases
from 1977-78 through 1979-80

According to a 1977 Joint Legislative Budget Committee staff study, average turnaround time for requests filled by public announcement was 22.3 days in January 1977. By the end of fiscal year 1977-78 the average was reduced to 18.3 days, according to Division records. The Division's employment and training section manager attributes improvement during 1977-78 and in subsequent years to: 1) designating turnaround time for certified hiring lists as a priority for improvement, 2) expanding the use of word processing equipment, 3) establishing performance standards for staff, and 4) reorganizing staff into certification teams according to occupational groups sought rather than by recruitment function or activity.

The turnaround time reductions from 1977-78 through 1979-80 were achieved without significant additions to the State-funded staff and despite increases in recruitment workload. However, more of the Division's Federally funded CETA positions were assigned to recruitment activities throughout this period, reaching a peak of approximately 12 positions in 1980. CETA employees assisted with numerous clerical activities, including logging of requests, copying and filing applications and making phone calls to determine if applicants listed in registers still were available for employment.

Reasons for Turnaround Time
Increase In 1980-81

According to the employment and training section manager, turnaround times increased in fiscal year 1980-81 because: 1) the number of CETA employees assisting with recruitment activities was reduced significantly, 2) recruitment staff time was allocated in part to developing and implementing an automated system for processing applications and preparing hiring lists and 3) personnel analysts' assignments were changed.

During fiscal year 1980-81 the Division had difficulty filling its CETA positions because of stricter Federal eligibility requirements. Only about half the CETA positions available for recruitment activities were filled during the first nine months. As of April 1981 CETA positions were eliminated altogether when Federal funding ceased. According to Division officials, these staff reductions forced the Division to eliminate availability checks and seriously impacted its ability to respond to hiring list requests promptly.

Another contributing factor to the turnaround time increase in 1980-81 was the conversion to an automated employment system. According to Division staff members, preparation for this conversion diverted them from their normal recruitment activities to: 1) advise in final development work, and 2) learn and practice procedures required by the new system. In addition, the phased conversion to automation, which began in March 1981, required that both systems be maintained for the remainder of the fiscal year. A third reason cited by Division staff for the increase in turnaround times was that recruitment analysts' assignments were changed and the analysts were not familiar with their new assignments.

Faster Turnaround Expected In Future

Division officials said they expect turnaround times to improve slightly in fiscal year 1981-82 and eventually return to the lower averages of fiscal years 1978-79 and 1979-80. Adopted goals for turnaround times in fiscal year 1981-82 are: 1) requests filled by public announcement - an average of 19.5 days, and 2) requests filled from existing registers - an average of 2.5 days.

EMPLOYEE PROBLEM-SOLVING SYSTEMS

The State merit system includes seven systems to address employee-related problems: 1) appeal of dismissal, demotion, suspension or alleged discrimination, 2) discrimination complaint, 3)complaint of rule violation, 4) grievance procedure, 5) protest of performance evaluation, 6) appeal of classification action, and 7) protest of reduction-in-force actions. This multiplicity of systems appears to produce confusion and has caused some employees to file the same complaint in more than one system at the same time.

Appeals System

A.R.S. §41-785 gives a permanent employee who is dismissed, suspended or demoted the right to appeal to the Personnel Board. Personnel Board Rule R2-5-33 defines an appeal as:

> "...any written request filed with the Board by an employee with permanent status seeking relief from:
> a) dismissal;
> b) demotion;
> c) suspension; or
> d) alleged discrimination as defined in R2-5-02."

An appeal must be in writing and filed with the Personnel Board no later than 30 days from the effective date of the action which is the subject of the appeal. However, before an employee can file a charge of discrimination, he must pursue it first through the grievance procedure.* If the grievance procedure fails to produce a satisfactory result, the employee may file an appeal with the Personnel Board.

The Personnel Board or a duly appointed hearing officer conducts a hearing on the subject of an appeal. If the employee is not satisfied with the Board's decision, he has 30 days in which to appeal to the Superior Court.

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* See page 81 for description.

From fiscal year 1977-78 through fiscal year 1980-81, the number of appeals filed with the Personnel Board increased as shown in Table 19.

TABLE 19

APPEALS FILED WITH PERSONNEL BOARD
FISCAL YEARS 1977-78 THROUGH 1980-81

	Number of Appeals Filed	Percentage Increase Over Previous Fiscal Year
1977-78	65	--
1978-79	95	46%
1979-80	113	18
1980-81	117	4

According to the assistant director, DOA-Personnel, a total of 691 appealable disciplinary actions (dismissals, suspensions, demotions) were taken by State service agency managers in 1980-81. However, fewer than one in five were actually appealed to the Personnel Board.

On the average, each appeal in 1980-81 cost the State an estimated $2,100 in court reporter fees, mailing costs, Board contract attorney fees and hearing officer, State attorney, appeals secretary, Board typist and special assistant time. Witness costs and Board members and responding agency time and costs are not included in the $2,100 estimate.

Personnel Board Rule R2-5-33.B.5 states that a hearing must be held within 30 days after receipt of an appeal, unless both parties agree to a continuance. Approximately one-third of scheduled hearings are continued. During fiscal year 1980-81, 103 of 312 hearing dates were continued (33 percent). Personnel Board staff attributes most of these continuances to the inability of the Attorney General to devote sufficient staff to appeals. As a result, barring rescheduling, some cases which could be heard and decided in four to five weeks actually require up to 28 weeks for resolution, according to the Board's special assistant.

A 1981 amendment to A.R.S. §41-785 may affect the number of appeals filed with the Board. The law, as amended, states that suspension of 40 hours or less must be resolved through the grievance procedure (see page 81); previously, any suspension could be appealed to the Board.

Discrimination Complaint System

A State employee who believes that he has been discriminated against because of race, national origin, age, sex, physical disability, political or religious opinion or affiliation has a number of avenues of redress:

1. He may pursue the charge of discrimination through the grievance procedure. (page 81)

2. If the employee is dissatisfied with the grievance procedure outcome, he may file an appeal with the Personnel Board.

3. The employee may file a discrimination charge with the Arizona State Office of Affirmative Action (part of the Governor's Office) or the Office of the Attorney General, Civil Rights Division, separately from or in conjunction with a charge being pursued through the State grievance or appeals procedure.

4. Within 180 days of the alleged act of discrimination, the employee may file a discrimination charge with the Federal Equal Employment Opportunity Commission (EEOC).

In addition, a handicapped employee who believes he has been discriminated against in any condition of employment on the basis of his handicap may file a complaint directly with the U.S. Department of Labor, Office of Contract Compliance Programs.

Complaint Of Rule Violation System

A.R.S. §41-782.01 gives the Personnel Board statutory authority to investigate, hold hearings and issue a final order in matters involving the violation of a Board rule:

"A. Upon complaint in writing to the board that a rule of the board is being violated by a board, commission, department, officer or employee, the board may investigate the complaint. If the board determines, after preliminary investigation, that there is reasonable cause to believe that a complaint has merit, the board shall send notice to the complainant and to the board, commission, department, agency, officer, employee, or person against whom the complaint is brought, who shall be called the respondent, that a hearing will be held, at which time the complainant shall present his evidence of the rule violation to the board and at which time the respondent shall present evidence to rebut said complaint. Notice to the complainant and respondent of the date of hearing shall be given by the board not later than ten days before the date of said hearing. Within thirty days after the last day of said hearing the board shall make a final decision pursuant to §41-1011 as to whether or not said rule violation exists." (Emphasis added)

Table 20 shows the number of rule violation complaints filed with the Personnel Board during fiscal years 1978-79 through 1980-81.

TABLE 20

RULE VIOLATION COMPLAINTS FILED WITH THE PERSONNEL BOARD DURING FISCAL YEARS 1978-79 THROUGH 1980-81

Year	Number
1978-79	18
1979-80	18
1980-81*	21

Grievance Procedure System

A.R.S. §41-783 requires that the Personnel Board establish "a plan for resolving employee grievances and complaints." Accordingly, the Board has promulgated rules intended to provide employees with a written and systematic means of obtaining consideration of grievances after informal efforts have failed to resolve them.

* As of June 4, 1981.

The Personnel Board has established a four-step grievance procedure for agencies with fewer than 1,500 employees and a five-step grievance procedure for agencies with more than 1,500 employees. Under both procedures, an employee must file a grievance within ten working days after the alleged action, must submit the grievance in writing at each step and must adhere to time limits between steps.

In agencies with fewer than 1,500 employees, the first step of the grievance procedure is the filing of an employee's grievance with his first-line supervisor. If satisfaction is not attained, the employee may file with the agency head. The third step is to file the grievance with the assistant director, DOA-Personnel, who must investigate and recommend a solution. The fourth step again involves the agency head, who reviews and accepts, rejects, or modifies the recommendation of the assistant director. The procedure is completed when the employee receives the agency head's response to the assistant director's recommendation.

In agencies with more than 1,500 employees, the grievance procedure is much the same, except that a program manager step is included.

Performance Evaluation

Protest Review System

Under §3.19 of the Personnel Manual, each agency's director is responsible for maintaining an adequate appeals system for employees protesting a performance evaluation. According to Division staff, there is no standard procedure for agencies to follow in conducting a protest review. Thus, agencies have wide discretion as to how they conduct such reviews. According to the 1980 Governor's Commission on Merit System Reform report, some agencies have not adopted a protest review procedure.

Appeal of Classification Action System

A State employee who believes his position is improperly classified can appeal to the Division for a review. Personnel Rule R2-5-41.C.4 defines this right of appeal:

> "4. Review of allocations: Any appointing authority or any employee affected by the allocation or reallocation of a position to a class by the Assistant Director may obtain a review of such action upon filing with the Assistant Director a written request for a review thereof on such forms as the Assistant Director may prescribe."

An analyst in the assistant director's office reviews the position's classification and makes a recommendation to the assistant director.

Protest of Reduction in Force Actions

According to the State Personnel Manual, employees being transferred, assigned to a lower grade, or laid off are to be given notice in writing of the proposed action normally not less than 30 days prior to the effective date. If an employee feels that the action is not in accordance with Board rules or established procedures, he may request review of his situation. The request must be filed directly with the agency director within five days of receipt of the reduction in force notice. The agency director or his representative is to review the matter and advise the employee of his decision. If the employee believes the decision still is incorrect, he may request a review by the assistant director, DOA-Personnel, who then investigates the matter and advises the employee and the agency director of his recommendation.

Multiplicity of Avenues
Creates Confusion

The multiplicity of avenues for solving employee-related problems appears to produce confusion, which causes some employees to file the same complaint in more than one system at the same time.

The Governor's Commission on Merit System Reform noted this confusion in its report published in July 1980:

> "In general, the Commission subcommittee found the state's current systems for handling grievances to be confusing, overlapping, not well understood by employees or by management, lacking in credibility, lengthy in the time taken to resolve problems, and perceived by employees as biased in management's favor." (Emphasis added)

The Commission recommended one procedure be adopted:

> "The state system should have one procedure for handling the majority of complaints from employees and former employees. The current separate procedures for handling rule violation complaints, protests of performance evaluations, general problem-solving, and discrimination should be folded into one procedure which would be uniform in its administration statewide." (Emphasis added)

According to interviews with staff members of the Personnel Board, DOA-Personnel and the Arizona State Office of Affirmative Action, employees with complaints often are confused as to their basic rights, as well as to available avenues for redress. They have difficulty determining which system or procedure is appropriate for handling their complaints. Therefore, some employees file duplicate complaints and thus overburden the systems.

Survey of Supervisors, Managers and Employees Regarding Grievance Procedures

In April 1981, Auditor General staff surveyed State service supervisors, managers and employees about grievance procedures - one of the more widely used of the seven problem-solving systems. Table 21 tabulates the survey responses regarding availability of written grievance procedures and opinions concerning whether the procedures are too complicated.

TABLE 21

AUDITOR GENERAL SURVEY OF
SUPERVISORS, MANAGERS AND EMPLOYEES IN STATE SERVICE
REGARDING AVAILABILITY AND COMPLEXITY OF GRIEVANCE PROCEDURES

Respondents were asked to indicate how much they agreed or disagreed with the following statements:	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
"Written procedures for submitting grievances or complaints are readily available to me."					
EMPLOYEES:	7%	10%	19%	57%	7%
"Written procedures for submitting grievances or complaints are readily available to my employees."					
SUPERVISORS/MANAGERS:	4%	6%	12%	64%	14%
"The system for handling grievances is much too complicated."					
SUPERVISORS/MANAGERS:	3%	39%	39%	16%	3%
EMPLOYEES:	3%	27%	54%	12%	4%

As demonstrated in Table 21, employees and supervisors/managers expressed generally positive opinions (64 percent of employees, 78 percent of supervisors/managers) regarding the availability of written grievance procedures. Further, employees and supervisors/managers either claimed the procedures were <u>not</u> too complicated (30 - 42 percent) or had no opinion (54 - 39 percent).

Table 22 summarizes responses regarding the fairness of the grievance procedures and opinions regarding possible retaliation.

TABLE 22

AUDITOR GENERAL SURVEY OF
SUPERVISORS, MANAGERS AND EMPLOYEES IN STATE SERVICE
REGARDING THE FAIRNESS OF GRIEVANCE PROCEDURES AND
THE POSSIBILITY OF RETALIATION FOR FILING GRIEVANCES

Respondents were asked to indicate how much they agreed or disagreed with the following statements:	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
"The grievance procedure is fair to all parties."					
EMPLOYEES:	8%	14%	55%	22%	1%
SUPERVISORS/MANAGERS:	5%	14%	37%	41%	3%
"If I were to file a complaint or grievance, I feel that no retaliatory action would be taken against me."					
EMPLOYEES:	13%	23%	41%	22%	1%

As shown in Table 22, while a majority of employees were undecided as to whether grievance procedures are fair to all parties, 44 percent of the supervisors/managers stated the procedures were fair. However, 36 percent of the surveyed employees stated that they would be subjected to retaliation for filing a grievance, but 41 percent had no opinion. It should be noted, however, that responses from certain State agencies were particularly negative towards the possibility of retaliation. For example, 49 percent of one agency's surveyed employees "felt" that they would be subjected to retaliation for filing a grievance.

Table 23 summarizes survey responses from supervisors and managers regarding their preparedness for handling employee grievances and complaints.

TABLE 23

SUMMARY OF AUDITOR GENERAL SURVEY RESPONSES FROM SUPERVISORS AND MANAGERS REGARDING THEIR PREPAREDNESS FOR HANDLING GRIEVANCES

Respondents were asked to indicate how much they agreed or disagreed with the following statement:	Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
"As a supervisor or manager, I feel adequately prepared to handle employee grievances and complaints."	2%	13%	17%	60%	8%

As the replies in Table 23 indicate, 68 percent of the responding supervisors and managers responded that they are adequately prepared to handle grievances and complaints.

Lastly, surveyed respondents expressed their opinions regarding the value of grievance procedures as a means for resolving complaints. Table 24 summarizes these results.

TABLE 24

SUMMARY OF AUDITOR GENERAL SURVEY RESPONSES
FROM STATE-SERVICE SUPERVISORS/MANAGERS AND EMPLOYEES
REGARDING THE VALUE OF GRIEVANCE PROCEDURES

	Excellent	Satisfactory	Needs Improvements	Inadequate	No Opinion
"How would you rate the State's grievance procedure as a means for identifying and resolving employee complaints?"					
EMPLOYEES:	2%	25%	26%	6%	41%
SUPERVISORS/MANAGERS:	4%	48%	22%	5%	21%

As indicated in Table 24, a majority of supervisors and managers and one-fourth of employees rated the grievance procedure as "satisfactory" or "excellent". Approximately one-fourth of each group believed improvements were needed in the current procedures.

DEPARTMENT OF ADMINISTRATION
PERSONNEL DIVISION

STATE OF ARIZONA

1831 WEST JEFFERSON
PHOENIX, ARIZONA 85007

BRUCE BABBITT, GOVERNOR
ROBERT C. DICKESON, DIRECTOR
RICHARD RABAGO,
ASSISTANT DIRECTOR

September 24, 1981

Douglas Norton, Auditor General
State Capitol
Legislative Services Wing, Suite 200
Phoenix, AZ 85007

Dear Mr. Norton:

Enclosed are our comments on the revised sunset report of the Personnel Division.

We wish to thank you for the excellent cooperation your sunset team exhibited in developing the sunset report. The Personnel Division was impressed with their cooperation and attitude.

Please do not hesitate to contact us if you have any questions.

Sincerely,

Richard Rabago
Assistant Director for Personnel

Robert C. Dickeson
Director

Enclosure

AN EQUAL OPPORTUNITY EMPLOYER

SUMMARY

The Personnel Division believes that the draft report fairly represents and evaluates the factors relating to the performance of the Division, although it believes certain comments and clarifications are appropriate. Each Sunset Factor will be discussed below. Comments about each finding are set forth here in summary form.

With respect to Finding I which concerns the classification maintenance plan, the Personnel Division has long recognized the need to maintain the classification plan and review all position classifications on a periodic basis. The State of Arizona, however, has not determined that this is a funding priority, and consequently has allocated limited resources for this purpose.

In FY 77-78 JLBC consulting staff recommended outside management consultants be employed to overhaul the classification plan. The State could not afford this in FY 78-79 and again in FY 79-80. In FY 80-81 the Legislature again determined that the State could not afford it, but concluded that the State could not afford to be without it either. The Personnel Division was directed to implement a Classification Maintenance Review (CMR) program using existing resources. To assist it to implement classification changes found to be necessary by the CMR program the Legislature provided a classification fund to be administered by the Division. In FY 81-82 the Legislature funded two additional Classification Analysts.

Responding to this direction, in FY 80-81 the Personnel Division placed a new emphasis on CMR. All Classification Analysts were centralized (taking them from agency-based personnel offices).

In the latter part of FY 80-81 the Personnel Division hired an experienced classification manager and several specialists. The new management team organized into two groups - one for CMR with eight analysts assigned, and the other with four analysts assigned

for ongoing activities associated with new positions, reorganizations, and agency/employee initiated requests. In addition, a Classification Appeals position was established. Early feedback from agency management indicates a renewal of confidence in the management team and a high level of satisfaction with CMR results to date.

It proved impractical in FY 80-81 to conduct ongoing activities with only four analysts, where all twelve had been needed the year before. It also became apparent that the Personnel Division will not be able to maintain a five-year cycle without seriously impairing the quality of work.

In FY 81-82 even with the addition of two analysts for ongoing efforts, it will not be possible to review one-fifth of the class plan without seriously impairing the quality of the review. Consequently, the Personnel Division will not be able to meet its five-year CMR goal. The Personnel Division will place a priority on the training of its Classification analysts but is again limited by a modest training budget.

With respect to Compensation the Personnel Board in 1979 adopted a market rate philosophy establishing step 4 as the market reference for the state salary schedule. This position reflects the average rate paid for classifications surveyed in the market place. This compensation philosophy does create varied perceptions with regard to specific market comparisons. On the other hand, one of the basic information sources used to monitor the market is the Joint Governmental Salary Survey. This information source was modified substantially to increase its reliability and validity in 1979 and has received an improved acceptance. Participation in the survey has grown from 110 organizations in 1978 to an expected 185 in 1981.

With regard to Finding II, the Personnel Division has long recognized that its recruitment efforts, while generally adequate, fall short in hard-to-fill classes. Recruitment activities are correctly characterized as "passive". More aggressive recruiting is

required for this purpose. The State of Arizona has not placed a high priority on aggressive recruiting, and therefore funding has been limited.

In FY 80-81 and FY 81-82 the State of Arizona could not afford to increase staffing and further operating appropriations as requested by the Division for aggressive recruiting. Funding is again being requested in FY 82-83.

The Personnel Division received $4.90 to advertise each job opening in FY 80-81 compared to $11.90 up to $135.26 for six cities and one county within the State.

The Personnel Division has no funds for even accepting collect telephone calls while private industry and other governmental jurisdiction pay for interviewing and relocation costs.

With no increase in staff, the Personnel Division absorbed an increase of 32% in the number of applications processed in FY 79-80. This higher level has and is expected to continue in the foreseeable future.

This overload condition was further compounded in FY 81-82 when the Personnel Division lost 12 CETA positions out of a combined State/Federal work force of 36 clerical and para-professional FTE's allocated to the employment program.

Forced by circumstances to do much more with much less, the Personnel Division has automated the processing of employment applications and hiring lists, is negotiating with DES Job Service to provide on-site employment services, is voluntarily participating in Productivity Resource Management System (PRMS) studies being conducted under the guidance of the Arthur Young Company, and is actively seeking volunteer help

from the community. Even with all of these, the Personnel Divison has had to reduce services and can in no way attempt a more aggressive recruiting program without additional resources.

The Personnel Division agrees that the State will continue to compete at a disadvantage in attracting qualified applicants for short-supply occupations unless the State can afford to provide funding for more aggressive recruiting and assures that compensation for critical hard to fill occupational groups is maintained at competitive levels.

The third Finding concerning cancellation of requisitions illuminates a long recognized problem. The Personnel Division agrees with the recommendation for analysis-based corrective action. Until now with insufficient resources hampered further by a manual employment system, it has been able to maintain only the barest of cancellation information. The Personnel Division's planning for the all but completed automated system contemplated taking just such steps to address the problem; thus the system contains provisions for cancellation data gathering and analysis. Based upon this analysis, the Personnel Division will develop appropriate solutions which may include legislative or rules proposals.

Finding 4 addresses the lack of well defined training roles and the resulting impact on the State's productivity. There is little question but that ill-defined training roles hamper the Personnel Division's ability to improve State workers' productivity. From a historical perspective however, it is less clear that inadequate coordination by the Personnel Division contributes to duplication of training programs as noted in the draft report, for the only duplication existing today is that which predates the Personnel Division's own existence. In the initial years following its creation, several agencies had their own personnel offices and in some cases, training offices. Without authority or resources, the Personnel Division was unable to impact on continuing agency training programs which continue to receive resources annually for their operation. In an effort

to coordinate State training activities and make the best use of its resources, the Personnel Division founded the Training Officers' Council in 1973, which included all agency training officers. In 1977 when the State's personnel system was centralized by legislative action, the training functions and resources were left to operate in the agencies; and training relationships, responsibilities and roles remained uncertain except that it was clear the Personnel Division had no influence on agency programs.
In 1979 the Personnel Division, which slowly had been reconstituting the training unit which had been abolished by an earlier assistant director, was asked by Governor Babbit to determine the feasibility of developing and implementing a supervisory and management development program such as that of the State of Georgia. Having established its feasibility, the Personnel Division undertook development of such a program. The supervisory element has been completed, and implemented and has from the beginning received high marks. With the continued existence of training programs in several agencies, however, responsibilities for supervisory and management training remains unclear. In an attempt to resolve this, the DOA has formed an interagency role definition task force. The Personnel Division is a member of this group and plans to introduce legislation to clarify and resolve this problem.

The Personnel Division has taken several significant steps in the past year to respond to the areas of needed improvement identified in the draft report. It has looked into itself, has analyzed itself, to better understand its structure, its purpose and the course of its future direction.

The results of this self-study have been invigorating; they have led to a definition, clarification and understanding of its mission; a reorganization into four programs each designed to support progress toward carrying out that mission; an improved planning process based to a substantial extent on the needs of the agencies it serves as they have expressed them at the Division's request; and development of mission - oriented

and agencies-needs-based goals and objectives, a copy of which is attached.

The Division believes it now is operating with a focussed sense of purpose that will enable it to achieve those objectives to the benefit of the agencies it serves and, ultimately, the taxpaying public.

SUNSET FACTOR: THE EXTENT TO WHICH THE DIVISION HAS OPERATED WITHIN THE PUBLIC INTEREST (pages 10 - 12)

The Personnel Division agrees, but offers comments on three points: Training, Recruitment and Selection, and Classification and Compensation.

Regarding Training, in the second paragraph is an observation about the lack of discussion in state service agencies between supervisors and employees about career development and training needs. There is no question that more such discussion should take place, and the Personnel Division has a role in fostering such discussion. To encourage such activity leads to increased expectations, which is good, but with insufficient resources to satisfy increased needs the results would be counterproductive.

Concerning the Recruitment and Selection statement about minimum qualifications, probably 99.9% of the job candidates referred to the agencies meet the formal minimum qualifications which often differ from those of the hiring official. This will be discussed in more detail later. The Division has no reason to believe that the hiring officials' perceptions are not accurately reflected in the draft report.

With respect to Classification and Compensation, the Personnel Division does not question the reported perceptions and opinions of employees, supervisors, managers and agency heads. The Personnel Board in 1979 adopted a market rate philosophy establishing step 4 as the market reference for the state salary schedule. This step 4 position reflects the average rate paid for classifications surveyed in the market place. This compensation philosophy does create varied perceptions with regard to specific market comparisons. On the other hand, one of the basic information sources used to monitor the market is the Joint Governmental Salary Survey which was modified in 1979 and has received an improved acceptance level within state service as well as in the private sector. Participation in the survey has grown from 110 organizations in 1978 to an expected 185 in 1981.

SUNSET FACTOR: THE EXTENT TO WHICH THE ATTORNEY GENERAL OR APPLICABLE AGENCY OF STATE GOVERNMENT HAS THE AUTHORITY TO PROSECUTE UNDER ACTIONS UNDER ENABLING LEGISLATION (pages 14 - 15)

The statements in this Sunset Factor more directly apply to the Personnel Board and the Attorney General.

SUNSET FACTOR: THE EXTENT TO WHICH CHANGES ARE NECESSARY IN THE LAWS OF THE DIVISION TO ADEQUATELY COMPLY WITH THE FACTORS LISTED IN SUB-SECTION (page 16)

The Personnel Division agrees. Further, it believes that even additional changes should be made, which will be recommended under its responses to specific findings.

FINDING I

THE DEPARTMENT OF ADMINISTRATION - PERSONNEL DIVISION HAS FAILED TO MAINTAIN THE UNIFORM CLASSIFICATION PLAN PROPERLY. (pages 17 - 35)

The Personnel Division generally agrees. Due to unsuccessful attempts to obtain additional resources, the Personnel Division has responded to this problem by reallocating and providing additional resources from other programs to classification plan maintenance, effecting changes in management and organization, and improving operational procedures and practices.

Reasons for the Absence of Maintenance Review Program (pages 27 - 28)

Generally, the comments under this section are correct. However, the major factors which hindered the accomplishment of the 1979 schedule should also include unrealistic classification maintenance review scheduling, varying support of the classification review schedule by other state agencies, and insufficient classification resources.

CONCLUSION (page 34)

The Personnel Division agrees. With respect to the degree to which the classification plan has affected the Personnel Division's achievement of other objectives, the Personnel Division agrees its ability has been impaired, but suggests that it was less than seriously impaired.

RECOMMENDATIONS (pages 34 - 35)

1. The Personnel Division agrees with the goal of reviewing all classes within five-year cycles. It suggests, however, that to place that goal in law or in rules would place it within a too rigid framework without knowing the extent to which any future variables will impact the program.
2. The Personnel Division agrees. In order to complete a full five-year cycle, and assuming additional resources are provided, it suggests that the date by which all classes should be reviewed be changed to June, 1987.

RECOMMENDATIONS (continued)

3. The Personnel Division agrees. However, the achievement of either a or b is contingent upon whether additional resources are provided.
4. The Personnel Division agrees.
5. The Personnel Division agrees. The study is underway at this time.
6. The Personnel Division agrees. The Personnel Division will propose a budget to achieve Finding I recommendations and include the various alternatives.

FINDING II

IMPROVEMENTS ARE NEEDED IN THE PERSONNEL DIVISION'S RECRUITMENT EFFORT FOR HARD-TO-FILL JOB CLASSIFICATIONS (pages 37 - 54)

The Personnel Division agrees with Finding II that it should use more aggressive recruitment techniques and should use certain recruitment practices more often.

DOA - Personnel Generally Provides Qualified Applicants (pages 38 - 41)

The Personnel Division agrees with all aspects of this section. There is one area where a point of clarification might help avoid possible misinterpretation by its readers. This has to do with item 4) on page 38 regarding the extent to which candidates referred to the agencies meet minimum qualifications.

There are two forms of minimum qualifications: those formally set forth in the published classification specifications, as approved by the Personnel Board, which are used for recruitment purposes and which serve as the initial standard against which all candidates are measured; and those desired by the hiring official with a specific kind of person for his specific job vacancy in mind. It is not unusual for those to differ. The survey findings summarized in Table 10, page 40, with which the Personnel Division does not disagree, reflect the latter definition of minimum qualifications. Based upon information provided in job applications, 99.9% of candidates for state service employment who are referred to hiring officials meet the required formal minimum qualifications established for the job as well as any approved job-specific special qualification requirements requested by hiring officials.

Reasons for Lack of Aggressive Recruitment Program (page 48)

The reasons listed in this section do contribute to the general lack of an aggressive recruitment program. The Personnel Division will comment on these and others as they are presented in the report.

Comparison of Workload Increases, Staffing and Funding Levels (pages 48 - 49)

The Personnel Division is in full agreement with this section. It does, however, view the loss of 12 FTE's from the recruitment program as having greater impact than the report's narrative suggests and will address this in the "Recommendations" section.

IMPROVEMENTS ARE NEEDED IN THE PERSONNEL DIVISION'S RECRUITMENT EFFORT FOR HARD-TO-FILL JOB CLASSIFICATIONS (pages 37 - 54) (continued)

Inadequate Analysis of Recruitment Problems (page 50)

The Personnel Division agrees that an effective management information system is most important to an effective recruitment and employment program. The automated employment system is expected to provide the capability to provide information to assist the Personnel Division in achieving improved employment analysis.

Restrictions in State Law (pages 50 - 51)

The Personnel Division agrees. It has and will again propose legislation not only to provide for interview expense reimbursement but also for relocation expense reimbursement for certain jobs.

CONCLUSION (page 53)

The Personnel Division concurs with the conclusion set forth in the draft report.

RECOMMENDATIONS (pages 53 - 54)

1. The Personnel Division agrees. Its automated employment system is the first step and is part of a broader Personnel Division objective to develop a comprehensive management information system.
2. The Personnel Division agrees and has taken steps to increase use of these media.
3. a. The Personnel Division agrees and will increase such efforts as resources permit.
   b. The Personnel Division agrees and will continue to publish such materials.
   c. The Personnel Division agrees and will pursue its target to establish intern and co-op programs.
   d. The Personnel Division agrees and will attempt to maximize these procedures as resources permit.
4. The Personnel Division agrees and will use professional advertising agencies more often if resources permit.

RECOMMENDATIONS (pages 53 - 54)

5. a. The Personnel Division agrees and has sought a significant increase in its budget request.

b. The Personnel Division agrees.

In addition, the Personnel Division proposes to seek legislation to allow payment of relocation expenses for a limited number of successful candidates for critical, hard-to-fill job classifications.

The Personnel Division further proposes to seek additional staff resources to soften the loss of its FTE's since implementation of the automated system only partially will compensate for staffing the losses. While the draft report correctly notes the impact of that loss on the availability program, the lost positions also made up a substantial portion of the recruitment program's support staff. As such, their abolition had widespread impact in addition to availability. These positions greeted applicants; provided information; received and checked applications; answered telephones; prepared correspondence; maintained application files; posted scores; copied applications for referral to agencies; and, in general, provided a myriad of clerical support activities that are not being accomplished by computer some of which either are not being done at all today or are falling further and further behind.

FINDING III

REDUCING REQUISITION CANCELLATIONS WILL ELIMINATE UNPRODUCTIVE WORK FOR PERSONNEL DIVISION (pages 55 - 60)

There is no question about the severity of this long standing and long recognized problem. The Personnel Division agrees with the Finding and its recommendation that data be collected for analysis and that corrective action be taken based upon that analysis. Until now, the Personnel Division's insufficient resources were hampered further by limitations imposed by a manual employment system which made data gathering laborious and time-consuming. Thus, it has been able to maintain only the barest of cancellation information. The Division's planning for the all but completed automated system, however, contemplated taking just such steps to address the problem; thus the system contains provisions for cancellation data gathering and analysis. Based upon this analysis, the Division will develop appropriate solutions which may include legislative or rules proposals.

FINDING IV

ILL-DEFINED TRAINING ROLES IMPAIR THE PERSONNEL DIVISION'S ABILITY TO IMPROVE STATE EMPLOYEES' PRODUCTIVITY (pages 61 - 74)

The Personnel Division agrees with the draft report's discussion and conclusions.

RECOMMENDATIONS (pages 73 - 74)

1. The Personnel Division concurs with this recommendation. It is an active member of a DOA-formed interagency task force on role definition for training in the state service and will propose legislation to clarify those training roles.
2. The Personnel Division agrees.
3. In its current budget request the Personnel Division has sought staff to replace those lost due to recent cutbacks in federal program support.

Further, the Personnel Division intends to consider the questions raised in this section of the draft report as it develops its state service training program. With specific reference to tuition reimbursement for state service employees, noted on page 74, the Personnel Division has established as one of its objectives for Fiscal Year 1981/82 the development of such a program accompanied by any legislative proposals that might be required to implement and operate it.

OTHER PERTINENT INFORMATION

TURNAROUND TIMES FOR HIRING LISTS (page 75)

With minor amplification, the Personnel Division finds this section to be an accurate portrayal. The expectation expressed in Faster Turnaround Expected in Future on page 77 is conditioned on a reasonable stablization of workload and successful conclusion of a joint DES Job Service - Personnel Division employment program agreement. If these conditions do not come about, it is unlikely the Personnel Division will perform satisfactorily with its existing resources, and turnaround time will continue to increase to unacceptable levels, and agencies will be adversely affected as more and more jobs will be vacant for longer and longer periods.

COMPLAINT OF RULE VIOLATION SYSTEM (pages 80 - 81)

Employees have been confused or ignorant about this particular avenue of protest of appeal because the Board has been unable to obtain certification from the Attorney General of rules adopted to deal with alleged rules violations. The statute has not been well publicized, and most employees are not aware they have access to this avenue of recourse. Only those who took steps to find out or wrote to the Board or Personnel Division complaining about a violation either were given information about this process or their complaints were treated as allegations of rule violations. If rules dealing with this process had been adopted and certified, more employees would have known about the process, and possibly more allegations would have been filed. The Board, at least three different times, adopted rules implementing ARS 41-782.01 but each time the Attorney General failed to certify the rules for formal implementation.

MULTIPLICITY OF AVENUES CREATED CONFUSION (pages 83 - 84)

The Division supports the commission recommendation for handling the majority of complaints (page 84). However, some reservation is required since a comprehensive study was not made regarding each type of complaint.

MULTIPLICITY OF AVENUES CREATED CONFUSION (pages 83 - 84) (continued)

The report does not identify the laws as being partially responsible for the number of different review or protest procedures. Until the laws dealing with this area dictate that there be one system for protests, the Board is powerless to do so. For example, ARS 41-782.01., Enforcement of Rules of the Board, establishes the procedures for protesting a rule violation. The wording of the statute does not provide for the incorporation of these procedures into either the grievance procedure or the appeals procedure. Another statute, ARS 41-785., Appeals to the Personnel Board; Hearings, establishes a separate set of procedures through which a permanent status employee may seek relief from three specific types of disciplinary actions, dismissal, suspension and demotion. The procedures, as set forth in the law, do not allow for incorporation into the procedures for alleging rule violations or the grievance procedure.

DEPARTMENT OF ADMINISTRATION
PERSONNEL DIVISION

STATE OF ARIZONA

1831 WEST JEFFERSON
PHOENIX, ARIZONA 85007

BRUCE BABBITT, GOVERNOR
ROBERT C. DICKESON, DIRECTOR
RICHARD RABAGO,
ASSISTANT DIRECTOR

M E M O R A N D U M

TO: Agency Heads **DATE:** August 13, 1981

FROM: Richard Rabago R. Rabago

SUBJECT: Personnel Division's Goals and Objectives for FY 1981-1982

In March of this year, the Personnel Division requested agency management to identify its personnel needs and requirements for FY 1981-1982 to assist the Division in building its planning process upon the needs of the agencies it served. This process has now been completed and the information provided by your agency, recent legislation, and recommendations of the Governor's Commission on Merit System Reform, were all considerations in the development of our FY 1981-1982 goals and objectives. We would like to communicate these goals and objectives to you as an attachment to this letter. As you will note, our projects schedule for the Classification Maintenance Review (CMR) Program is included in this attachment.

To focus its attention and efforts on its six goal-oriented programs and at the same time aligning related functions into four service oriented operating sections, the Personnel Division reorganized during FY 1980-1981. Our six human resource programs are:

(1) Employment - Ron Hernes, Program Manager

(2) Job Analysis, Program Development & Evaluation - Ron Hernes, Program Manager

(3) Training - Ron Hernes, Program Manager

(4) Classification - George Morawski, Program Manager

(5) Compensation - George Morawski, Program Manager

(6) Employee Relations - George Morawski, Program Manager

AN EQUAL OPPORTUNITY EMPLOYER

The Division's service oriented operating sections are:

(1) Employment & Training - Ron Hernes, Section Manager

(2) Classification, Compensation and Employee Relations - George Morawski, Section Manager

(3) Agency Personnel Management Services (APMS) - Armando C. Elias, Section Manager

(4) Administrative Services - Ken Sullivan, Section Manager

If you have any questions concerning our goals and objectives, please feel free to contact the program managers.

Approved by: Robert C. Dickerson

Enc:

PERSONNEL DIVISION - GOALS & OBJECTIVES FY 1981 - 1982

EMPLOYMENT PROGRAM

GOAL #I - To maximize productivity in state government by providing services that result in agencies selecting employees whose qualifications enable them to attain permanent status by meeting or exceeding performance standards and providing those services in a way that facilitates achievement of the agencies' objectives.

Objectives:

1. Certify applicants of such quality that less than 10% of original probationary employees are terminated.

2. Provide hiring lists within 19.5 working days of receipt of requisition when recruitment is required and 2.5 working days when it is not.

3. Provide hiring lists of satisfactory or better quality 90% of the time.

4. Achieve an applicant availability rate of 71% on 75% of the hiring lists provided to the agencies.

5. Provide state service promotional services so that the portion of all placements effected through promotion is increased by 20%.

6. Achieve a 29% minority/female representation rate on 90% of the hiring lists.

7. Conduct background verification checks on applicants on non-promotional hiring lists for positions in sensitive occupations.

8. Orient 625 state service supervisory and management personnel about the Personnel Division employment rules and processes.

JOB ANALYSIS, PROGRAM DEVELOPMENT AND EVALUATION PROGRAM

GOAL #II - To maximize productivity in state government by providing services that result in enhancement of the section's employment and training programs.

Objectives:

1. Increase the proportion of qualified applicants evaluated by written tests from 15% to 20%.

2. Provide technical job analysis training to all employment analysts and complete 20 job analysis projects by June 30, 1982.

3. Complete a turnover analysis research project and formulate recommendations for programs to minimize avoidable turnover by June 30, 1982.

4. Implement a manpower forecasting program by May 31, 1982.

5. Develop and implement standards on the Employment Program's Evaluation Program by June 30, 1982.

6. Develop a tuition reimbursement program, including any legislative proposals by November 30, 1981.

7. Modify, improve and implement orientation program for new probationary employees in state service by September 30, 1981.

8. Develop a selection program by July 30, 1982.

TRAINING PROGRAM

GOAL #III - To maximize productivity in state government by providing services that increase employees' knowledges and skills, resulting in improved employee performance and retention.

Objectives:

1. Provide 1290 training hours of Management Development Program Levels I, II and III instruction of satisfactory or better quality 90% of the time.

2. Provide 510 training hours of instruction in other than MDP training of satisfactory or better quality 90% of the time.

3. Develop part I of Level IV MDP training for implementation by June 1982 and complete planning for levels V and VI by June 1982.

4. Propose a training philosophy for the state service for submission to the Governor by August 31, 1981.

5. Provide services to assist 25% of state government agencies in providing career development opportunities by June 30, 1982.

CLASSIFICATION PROGRAM

GOAL #IV - To establish a systematic arrangement of jobs into groups to provide the foundation essential to the development and administration of effective and efficient management systems for the recruitment, selection, compensation, and development of state employees.

Objectives:

1. Develop and test an alternative system for the classification of state service positions by June 30, 1982, in order to improve the effectiveness and efficiency of classification program.

2. Finalize CMR project applicable to 105 classifications and 3100 positions by December 31, 1981.

3. Initiate CMR project studies and audits on 76 classifications involving 3200 positions. (See attached schedules.)

   A. Correctional Custody, Counseling, Treatment & Related Series
   B. Data Processing Equipment Operation Series
   C. Disability Examiner Series
   D. Parks Series
   E. Personnel Management Series

4. Develop five year program plan for CMR projects by September 30, 1981.

5. Develop automated information and control system for classification activity by December 31, 1981. Upon completion, work standards for future administration will be developed within 45 days.

COMPENSATION PROGRAM

GOAL #V - To establish competitive, equitable, progressive and effective pay, incentive and benefit programs that attract, retain and motivate employees.

Objectives:

1. Maintain the state salary plan competitive with the market. Identify, analyze, report, and recommend changes to the in-state market for the state service salary plan by December 1, 1981, in order to reflect a competitive relationship.

a. Improve the sample representativeness of the employed population in the JGSS by increasing participation from 172 to 185 organizations.

b. Improve representativeness of JGSS in five technical/specialist classes by surveying organizations excluded by the sample technique.

c. Develop additional confidence tests.

2. Identify appropriate geographic areas for salary comparisons to establish reliable competitive data for covered and uncovered governmental benchmarks.

   a. Develop salary survey for 25 governmental benchmark classifications by August 15, 1981.

   b. Establish competitive markets for governmental and uncovered positions by June 30, 1982.

3. Develop and recommend a compensation/benefits program for the State of Arizona Executive Service by November 1, 1981.

4. Develop salary recommendations on uncovered positions by November 1, 1981.

   a. Review Lutz point-factor system for reliability and acceptability.

   b. Review and validate Utah study regarding certain top uncovered state service positions.

5. Develop communications to promote a more uniform understanding of the employee benefits program.

   a. Rewrite the manual regarding administrative rules, guidelines and procedures applicable to group insurance program for users by October 1, 1981.

   b. Develop a benefit statement for communication of benefit programs to permit an objective appreciation of such programs by June 30, 1982.

6. Investigate, recommend and initiate practical changes emphasizing cost containment principles within insurance programs.

   a. Design and implement a revised insurance application and records maintenance system by January 1, 1982.

   b. Review the feasibility of an LTD self-insurance program, including proposed legislation by February 28, 1982.

c. Propose modification to the retiree group insurance program by February 28, 1982, which will minimize adverse impact on group insurance rates.

d. Present 1982-1983 Group Insurance Recommendations to the Personnel Board by February 28, 1982.

e. Continue premium reduction efforts and experience rating refinements. Financial goal $600,000 for fiscal year 1982-83.

7. Update existing pay administration program control reports.

a. Distribute pay and merit increase reports by August 31, 1981.

b. Develop audit program applicable to delegated pay administration responsibilities by March 31, 1982.

EMPLOYEE RELATIONS PROGRAM

GOAL #VI - To promote positive relationships and attitudes among state service employees for retention and motivation.

Objectives:

1. Develop and implement Personnel Division Employee Relations philosophy.

a. Propose a formal statement relating to desired state service employee relations climate by June 30, 1982.

b. Identify, evaluate, report and recommend action regarding existing measurements appropriate to state service work setting by June 30, 1982.

2. Develop a program of recognition and motivation to promote state service, both within state agencies and externally to the general public, by June 30, 1982.

3. Propose amendments to Personnel Board rules on the following by June 30, 1982.

	Public Hearing Date
a. Reduction-in-force	10/14/81
b. Overtime Compensation	10/14/81
c. Grievance Procedure	11/11/81
d. Industrial Leave	12/09/81

4. Revise employee handbook incorporating amendments accomplished under objective number three above.

   a. Identify contents by December 31, 1981.

   b. Publish and distribute by June 30, 1982.

CMR PROJECT SCHEDULE - FY 1981-1982

Correctional Custody, Counseling, Treatment & Related Series - commence August 1981

Personnel Management Series - commence August 1981

Data Processing Equipment Operation Series - commence January 1982

Disability Examiner Series - commence February 1982

Parks Series - commence February 1982

CORRECTIONAL CUSTODY, COUNSELING, TREATMENT & RELATED SERIES

Title	Class Code
Correctional Administrator I	73446
Correctional Administrator II	73447
Correctional Assistant Superintendent	73471
Correctional Community Program Administrator	78280
Correctional Law Enforcement Consultant	78230
Correctional Program Officer I	78220
Correctional Program Officer II	78221
Correctional Program Officer III	78222
Correctional Program Supervisor	78223
Correctional Service Captain	47344
Correctional Service Lieutenant	47343
Correctional Service Major	47345
Correctional Service Officer	47341
Correctional Service Officer Trainee	47330
Correctional Service Sergeant	47342
Correctional Services Supervisor	47320
Correctional Services Supervisor I	47321
Correctional Work Program Supervisor I	16665
Delinquency Prevention Specialist	78291
Prevention Services Supervisor	78290
Security Officer I	47621

Related areas that we anticipate will be reviewed as this CMR progresses include Correctional Industries and Correctional Food Service.

7/81

PERSONNEL MANAGEMENT SERIES

Title	Class Code
Employee Assistant & Support Supervisor	73670
E.S. Training & Development Manager	73630
Personnel Analyst I	73641
Personnel Analyst II	73642
Personnel Analyst III	73643
Personnel Manager I	73661
Personnel Manager II	73662
Personnel Manager III	73663
Personnel Manager IV	73664
Training Officer I	73621
Training Officer II	73622
Training Officer III	73623
Training Specialist	73610

DATA PROCESSING EQUIPMENT OPERATION SERIES

Title	Class Code
Data Entry Supervisor I	12221
Data Entry Supervisor II	12222
Data Entry Supervisor III	12223
EDP Computer Operator I	12241
EDP Computer Operator II	12242
EDP Computer Operations Analyst	12243
EDP Telecommunications Maintenance Technician	12259
EDP Auxilliary Equipment Operator Trainee	12261
EDP Auxilliary Equipment Operator I	12262
EDP Auxilliary Equipment Operator II	12263
EDP Operations Control Coordinator I	12271
EDP Operations Control Coordinator II	12272
EDP Librarian	12273
EDP Operations Control Supervisor I	12275
EDP Operations Control Supervisor II	12276
EDP Computer Operations Supervisor I	12280
EDP Computer Operations Supervisor II	12281
EDP Computer Operations Supervisor III	12282

DISABILITY EXAMINER SERIES

Title	Class Code
Disability Examiner I	78951
Disability Examiner II	78952
Disability Examiner III	78953
Disability Examiner Assistant Manager	78956
Disability Examiner Program Manager	78955
Disability Examiner Unit Supervisor	78954

PARKS SERIES

Title	Class Code
Archaeologist	74650
Exhibit Specialist	74640
Parks Area Manager	77625
Parks Manager	77681
Parks Ranger Assistant	22622
Parks Ranger I	77620
Parks Ranger II	77622
Parks Ranger III	77623
Parks Ranger IV	77624

APPENDIX I

GOVERNOR'S MERIT SYSTEM REFORM COMMISSION RECOMMENDATIONS

SUMMARY OF RECOMMENDATIONS

1. The following philosophy statement for the Arizona Merit System should be adopted:

   The purpose of the Arizona Merit System is to maximize the utilization of the human resources necessary to carry out the goals of Arizona State Government within the context of the following values:

   A. Public service and trust and its attendant obligations;
   B. Compliance with pertinent national and state laws;
   C. Fiscal responsibility and accountability;
   D. Established merit system standards:
      a. Recruiting, selecting, and advancing employees will be on the basis of their relative ability, knowledge, and skills, including open consideration of qualified applicants for initial appointment;
      b. Equitable and adequate compensation will be provided;
      c. Employees will be trained as needed to assure high-quality performance;
      d. Employees will be retained on the basis of the adequacy of their performance and provisions will be made for correcting inadequate performance and separating employees whose inadequate performance cannot be corrected; and,
      e. Fair treatment of applicants and employees in all aspects of personnel administration without regard to race, color, religion, sex, national origin, political affiliation, age, handicap or other non-merit factors and with proper regard for their privacy and constitutional rights as citizens will be assured.

2. A statewide policy addressing the philosophy and objectives and the designated management responsibility for organizing, planning, coordinating, integrating, and measuring the state's human resources should be established.
3. A Human Resources Management Council should be established to formulate and integrate plans for human resource management. It is recommended that the council should include, but not be limited to, the assistant director for Personnel Administration, the Arizona State Personnel Board chairperson, agency managers, and representatives from the Legislature.
4. After an initial three-year period, the Human Resources Management Council should consider recommending that the Council be made a separate agency and that the Council report directly to the Governor.
5. A three-year plan should be developed for the management of human resources. State agencies should develop standardized annual human resource plans to address their immediate needs and then integrate and conform their plans with the statewide three-year plan.
6. Recruitment and placement efforts should be coordinated and given support to effectively analyze turnover and placement problems. Subsequently, recruitment efforts should be based on the anticipated needs of each agency.
7. Efforts should be made to assist students in high schools and in institutions of higher education to become familiar with and proficient in the skills and abilities required by state service.
8. The Department of Public Safety and the Personnel Division should continue their own merit systems.
9. The three state universities should continue to function under the Board of Regents' personnel system. The Board of Regents should, by 1 March 1981, develop and adopt a set of personnel rules consistent with merit systems standards; by 1 March 1982, the personnel operations of the universities should be in accordance with those personnel rules.

10. Legislation should be introduced to specify annual leave accrual rates for all state employees. It is further recommended that this legislation adopt the plan as outlined in the current Personnel Board Rules.
11. The present centralized personnel system should be retained.
12. Coordination and communication between the Personnel Division and state agencies should be improved. To the extent possible, the Personnel Division should make efforts to allow agency management a voice in the personnel staff serving agency management and the Personnel Division should develop priority plans for each agency, in conjunction with management. The Personnel Division should determine, in cooperation with agency management, which personnel activities it is possible to perform on-site within the agency and then develop plans to move responsibility for those activities into the on-site personnel offices.
13. The Legislature should determine how conflicts of interest between the Attorney General's Office and the Personnel Division may best be resolved. The Legislature should then take the necessary action to resolve those conflicts.
14. A commission should be established by the Governor to review and to then make recommendations on ways in which employee productivity may be increased.
15. A program of recognition and motivation should be developed to promote state service, both within state agencies and externally to the general public.
16. The following objectives should be adopted as the foundation for a compensation philosophy for the Arizona Merit System:
    - Attract and retain a qualified work force in the relevant job market
    - Improve performance and reward excellence through merit incentives, monetary and non-monetary
    - Provide a framework for systematically updating total compensation levels and accommodating new classifications
    - Provide compensation levels which will be equal to the market average of relevant job market competition
    - Provide internally equitable compensation levels
    - Be fiscally responsible and allocate available dollar resources effectively
17. In order to balance the current compensation system with a more meaningful program to improve and reward performance, the following is recommended:
    a. Performance planning, goal setting and compensation must be tied more closely together. Recommendations in the December, 1979 Survey of Performance Planning System should be evaluated and implemented if supportive of the objectives.
    b. Standards of performance should be established on each position responsibility. The measurement should be stated in terms relating to the specific areas of quantity, quality, timeliness, etc. These standards should be common in similar classifications and should include a "weighting factor" to emphasize the importance where appropriate.
    c. Change the four-point evaluation scale to a five-point evaluation scale and redefine the scale.
    d. Performance planning should include individual objectives which improve effectiveness, focus on agency or program plans or goals and financial savings. These also should be weighted for importance.
    e. Performance plans should be reviewed and/or adjusted more frequently than once a year. All performance

evaluations should be conducted on a single date, annually. If all evaluations were held on the same date (suggest April 1 evaluation, to be effective July 1), it would maximize planning and allow management to rank the relative strengths of all employees, notwithstanding their anniversary dates. The transition should be conducted in such a manner that employees are not adversely affected by the change in anniversary dates.

f. Review all aspects of the compensation program which includes pay administration, direct compensation, employee benefits, classification, promotional policies and career ladders, performance evaluation, etc., as one total compensation system.

g. Increase efforts to adjust employees' compensation to meet the market rate. More specific analysis must be conducted regarding the acceptability of hiring rates versus the appropriate employment market. Step four of each grade should be established and maintained as the market rate and should be recognized as a journey-level employee, fully functioning at an "achieved results expected" level. The Personnel Division should perform recommendations on across-the-board adjustments, inequity adjustments, and reclassification adjustments on a semi-annual rather than annual basis.

h. Salary progression between grades and steps should be systematic and provide an appropriate incentive.

i. For those employees performing at an "exceeds results expected" level, award a step increase (steps five through eight) above market rate.

j. For those employees performing truly exceptional work, award a one-time only Outstanding Performance Award of 10 percent which does not become a part of their salary base. These awards are limited to seven percent of the employees.

k. Different pay plans for various occupational groups should be developed or the administrative practices governing pay and/or merit increases changed to provide some flexibility. Perhaps, executives should be paid on open ranges with no general adjustments. The pay increase percentage could be varied based on performance and salary position in the pay rate. Pay practices for craft positions have been identified for study this year.

l. The current pay and merit plan should be monitored during the 1980-81 fiscal year.

18. Request an allocation to the Department of Administration to allow for more timely market adjustments on a semi-annual basis.

19. Provide agency management with more flexibility to respond to market conditions to:

    a. Be able to hire new employees at higher than entry level rates

    b. Move more rapidly in making adjustments in position/mix within programs

    c. Make fiscal decisions concerning personal services dollars without having to secure approval from the Joint Legislative Budget Committee.

20. A study should be initiated to explore the feasibility of instituting an Arizona Executive Service within state government to encourage the development, effective use, and equitable compensation of well-qualified and carefully selected executives.

21. The Personnel Division should conduct a study to determine the number and the situations under which exempt positions exist in state service and develop interpretative guidelines for use in making exempt determinations. Legislation should be introduced to clarify the meaning of "exempt."

22. The Personnel Board should develop a Board rule establishing an in-service training philosophy which will result in the improvement of work effectiveness and morale of employees.

23. A uniform educational plan should be established for state employees and their dependents. Educational benefits currently provided to university employees should be provided to all state employees.

24. Appeals of demotion, dismissal, or suspension of more than 40 hours should continue to be filed directly with the Personnel Board, and there should be a specified time frame both for processing those complaints and for reaching a determination. The term "demotion" should be clarified by a Personnel Board Rule.

25. Arizona Revised Statutes Section 41-785 should be changed to provide that suspensions without pay of 40 hours or less be processed through the Personnel Board's grievance procedure rather than through the current appeals process.

26. The necessary changes in practice should be made to bring the Personnel Board and its hearing officers into compliance with existing statutes. Hearing officers should receive uniform training and should be allowed more flexibility and latitude in the manner in which they conduct hearings.

27. The Board should consider receiving appeals directly from employees, thus speeding up the process. Presently appeals must be addressed to the assistant director for Personnel who then forwards appeals to the Board.

28. The state system should recognize one procedure for handling the majority of complaints from employees and former employees.

29. An appeal of a classification action should be reviewed by the Personnel Division staff assigned to another agency with final approval by the assistant director for Personnel.

30. The present employee handbook, "Your Job with the State of Arizona," should be revised to include all grievance procedures and appeals. The handbook should be distributed to all state employees.

31. An applicant appeals process should be provided for any personnel action considered to be discriminatory on the basis of race, color, religion, age, national origin, sex, political affiliation, handicap or other non-merit factors. The process should be impartial and should result in timely, enforceable decisions.

32. The State Personnel Board should adopt rules regarding reduction-in-force. The issue of statewide applicability should be addressed in these rules.

33. The Legislature should be requested to resolve, by statute, the existing jurisdictional conflict between the Civil Rights Division of the Department of Law and the Governor's Office of Affirmative Action.

34. The Personnel Board should adopt a statute identifier system for each of its rules which are rooted in, or related to a statute. The Personnel Division's regulations, instructions, and guidelines should be codified and contained in a single organized manual system. In addition, when the language in the Arizona Revised Statutes and/or the Personnel Board Rules is succinct and clear, this language, suitably identified as to its source, should be used in the promulgation of instructions and guidelines in the Division's Personnel Manual.

35. It is recommended that a public administration graduate student at one of the state universities be encouraged to prepare his/her degree-required thesis on the subject of the Arizona Revised Statutes, the Personnel Board Rules, and the Personnel Division instructions so that the focus of this Commission's study may be continued.

36. Arizona Revised Statutes (A.R.S.) Section 41-782 should be revised to provide authority for the Personnel Board to delegate its authority to the assistant director for Personnel when the Board deems it useful and necessary.

37. The two provisions of A.R.S. Sections 41-763 and 41-765 should be brought together and the following wording should be added to A.R.S. Section 41-763 "...The Division of Finance shall provide technical assistance in the preparation of the fiscal impact of the annual recommendation of each budget unit." With this change, A.R.S. Section 41-765 may be deleted.

38. A.R.S. Section 41-768, Appeal to Personnel Board, contains language identical to A.R.S. Section 41-785.A., Appeals to the Personnel Board; hearings. A.R.S. Section 41-768 should be eliminated.

39. The Personnel Board should develop a statement of policy and guidance which contains an employee performance appraisal value system under which the assistant director of the Personnel Division and agency management may develop the detailed system.

40. The duties and functions of the Employment Security Commission have been absorbed within the Department of Economic Security, resulting in the need to revise A.R.S. Section 41-767.

41. In A.R.S. Sections 28-235.C.5. and D., the term "state personnel commission" should be changed to "state personnel board."

42. The Personnel Board should request an opinion from the Attorney General and/or seek clarifying legislation relating to the provisions of A.R.S. Section 38-481 and then determine the need for a Board rule to monitor this subject (employment of relatives in state service).

APPENDIX II

AUDITOR GENERAL SURVEY OF STATE-SERVICE EMPLOYEES

OFFICE OF THE AUDITOR GENERAL

Survey of State Employees

State Agency: ALL RESPONDENTS

Class Title of your current position: _____

Present salary grade: Grade _____

1. How long have you held your present position? (check one)

70	☐ A.	Less than 6 months
91	☐ B.	6-12 months
206	☐ C.	1-3 years
206	☐ D.	More than 3 years
TOTAL= 573		

(No Response = 1)

2. How long have you worked for the State of Arizona in agencies covered by the State Personnel Board Rules? (The State Personnel Board Rules cover all agencies except the Department of Public Safety, universities, the Governor's Office, Legislative agencies and the State courts.) (check one)

74	☐ A.	Less than one year
172	☐ B.	1-3 years
141	☐ C.	4-7 years
99	☐ D.	8-12 years
88	☐ E.	More than 12 years.
TOTAL= 574		

TRAINING AND DEVELOPMENT

3. Indicate the hours of formal* training you have received during the past 12 months from the following sources:

			Results of Training: This training improved my job performance.	This training improved my preparation for career growth.	This training was not valuable to my performance or growth.	No formal training received from this source.
			(Circle those letters which apply)			
a) Training presented by staff of the State agency you were working for at the time:	T: 9239 A: 16.1	Classroom Hours	168 A	91 B	39 C	300 D
b) Training presented by the State Personnel Division:	T: 1796 A: 3.1	Classroom Hours	40 A	35 B	23 C	443 D
c) Training presented by other State agencies:	T: 1618 A: 2.8	Classroom Hours	32 A	28 B	18 C	467 D
d) TOTAL	T: 12653 A: 22.0					
e) College or university courses related to your job or career (semester courses):	T: 1562 A: 2.7	Semester Hours	63 A	78 B	8 C	415 D
f) Other seminars or workshops presented by outside organizations (that is, other than State agencies):	T: 4510 A: 7.9	Classroom Hours	87 A	79 B	18 C	371 D

T = Total
A = Average

* This does not include "on-the-job-training".

4. a) Has your present supervisor, manager or other agency official discussed with you your career or promotional opportunities or training needs? (circle YES OR NO)

YES	NO		
224	344	TOTAL = 568	(No Response = 6)

b) If you answered YES, has this counseling identified job-related or career-related training courses for you to attend? (circle YES or NO)

YES	NO
109	123

5. a) Do you feel the State is giving you all the training you need? (circle one)

YES	NO	DON'T KNOW		
191	255	117	TOTAL = 563	(No Response = 11)

b) If NO, please list the types of training you need:

_____

_____

_____

6. a) Any other comments about the training/employee development programs of your agency or the State?

_____

_____

_____

_____

_____

POSITION CLASSIFICATION/COMPENSATION

7. When was the last time a position you were filling was reviewed to determine if it was properly classified? (This includes only those reviews done while you were filling the position.) (check one)

113 ☐ A. Within the past 12 months

71 ☐ B. 1 to 3 years ago

52 ☐ C. More than 3 years ago

213 ☐ D. Never; no position was reviewed while I was filling it.

117 ☐ E. Don't know

TOTAL= 566 (No Response = 8)

IF YOU ANSWERED C, D, OR E, GO TO QUESTION 10.

If you answered A or B, please continue.

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?

8. a) The personnel analyst obtained an adequate understanding of my job during his/her review. (circle one).

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
27	30	53	76	7	TOTAL = 193

b) If you chose A or B, please explain:_____

9. a) The personnel analyst made sufficient effort to help me understand the classification process. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
30	41	50	63	3	TOTAL = 187

b) If you chose A or B, please explain:_____

10. a) The total compensation (salary plus benefits) for my position is competitive with similar jobs outside of State government. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
109	136	145	135	11	(No Response = 38) TOTAL = 536

b) If you chose A or B, please explain:_____

EMPLOYEE GRIEVANCE PROCEDURE

(NOTE: The grievance procedure is the formal process of filing a written complaint with your immediate supervisor and then appealing to higher levels if necessary.)

11. While working for the State, have you ever been involved in a grievance: (circle YES or NO)

				Total	No Response
A.	As a supervisor?	YES 24	NO 435	459	115
B.	As an employee?	YES 70	NO 485	555	19

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?

12. a) Written procedures for submitting grievances or complaints are readily available to me. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
38	55	107	320	37	TOTAL = 557 (No Response=17)

b) If you answered A or B, please explain: _____

_____

_____

13. a) The system for handling grievances is much too complicated. (circle one).

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
16	147	293	62	24	TOTAL = 542 (No Response=32)

b) If you chose D or E, please explain: _____

_____

_____

14. a) The grievance procedure is fair to all parties. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
42	74	301	122	6	TOTAL = 545 (No Response=29)

b) If you answered A or B, please explain: _____

_____

_____

15. a) If I were to file a complaint or grievance, I feel that no retaliatory action would be taken against me. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
73	126	230	120	8	TOTAL = 557 (No Response=17)

b) If you answered A or B, please explain: _____

_____

_____

16. a) How would you rate the State's grievance procedure as a means for identifying and resolving employee complaints? (check one)

13☐ A. Excellent
136☐ B. Satisfactory
143☐ C. Needs Improvement
35☐ D. Totally Inadequate
223☐ E. No Opinion
TOTAL = 550 (No Response = 24)

b) If you chose C or D, please explain:_____

_____

_____

_____

_____

Thanks for your cooperation. We remind you that your answers will be completely confidential. Your name is requested below only for the purpose of contacting you later to clarify a response, if necessary.

If you have any questions about this questionnaire, please call Mr. Steve Thacker or Ms. Coni Good at (602) 255-4385.

Please complete the information requested below and then return this questionnaire in the postage-paid envelope to:

OFFICE OF THE AUDITOR GENERAL
Legislative Services Wing, Suite 200
State Capitol
Phoenix, AZ 85007

County in which you work: (check one)

350☐ A. Maricopa County
65☐ B. Pima County
131☐ C. Other Counties
TOTAL=546 (No Response = 28)

Your name (optional)_____

Telephone number (optional): Home_____Work:_____

APPENDIX III

AUDITOR GENERAL SURVEY OF STATE-SERVICE SUPERVISORS AND MANAGERS

OFFICE OF THE AUDITOR GENERAL
Survey of Supervisors and Managers
in Arizona State Government

State Agency: ALL RESPONDENTS WHO QUALIFIED AS SUPERVISORS OR MANAGERS (BASED ON INFORMATION GIVEN IN 1.a.)

Class Title of your present position: _____

Present salary grade: Grade_____

1.a) Please list the official class titles and numbers of employees you currently supervise:

Class Title	Number of employees you supervise in this class:
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

If you supervise employees in more than five classes, please check here: _____

Total number of employees you supervise: _____

In supervising the above employees, do you: (circle YES OR NO)

- Assign and review their work? YES NO
- Fill out performance evaluations? YES NO
- Recommend on hiring, dismissal and related personnel matters? YES NO

b) How long have you held your present position? (check one)

28 ☐ A. Less than 6 months
38 ☐ B. 6-12 months
88 ☐ C. 1-3 years
139 ☐ D. More than 3 years
TOTAL: 293

c) County in which you work: (check one)

198 ☐ A. Maricopa County
27 ☐ B. Pima County
68 ☐ C. Other Counties
TOTAL= 293

TRAINING AND DEVELOPMENT

2. Indicate the hours of formal* training you have received during the past 12 months from the following sources:

		Results of Training (Circle those letters which apply)			
		This training improved my job performance.	This training improved my preparation for career growth.	This training was not valuable to my performance or growth.	No formal training received from this source.
a) Training presented by staff of the State agency you were working for at the time:	T: 4282 Classroom A: 14.6 Hours	94 A	39 B	22 C	144 D
b) Training presented by the State Personnel Division:	T: 1860 Classroom A: 6.3 Hours	46 A	25 B	10 C	204 D
c) Training presented by other State agencies:	T: 1034 Classroom A: 3.5 Hours	39 A	17 B	5 C	222 D
d) TOTAL	T: 7176 A: 24.5				
e) College or university courses related to your job or career (semester courses):	T: 761 Semester Hours A: 2.6	32 A	35 B	1 C	220 D
f) Other seminars or workshops presented by outside organizations (that is, other than State agencies):	T: 4274 Classroom A: 14.6 Hours	96 A	55 B	7 C	148 D

T = Total
A = Average

* This does not include "on-the-job-training".

3. a) Are you aware of the kinds of training programs for supervisors and managers offered by the State Personnel Division? (circle YES or NO)

YES	NO	
210	83	TOTAL = 293

b) If you answered YES, how did you learn of these training programs? (check all that apply)

113 ☐ A. Newsletter, memo or bulletin from your agency.
89 ☐ B. Your immediate supervisor or manager
150 ☐ C. Personnel Highlights or other Personnel Division publicity.
41 ☐ D. Co-workers or other State employees.
13 ☐ E. Other (please specify)

_____

4. a) Has your supervisor or manager encouraged you to attend any of the supervisory/management development courses offered by the State Personnel Division? (circle YES OR NO)

YES	NO	
118	172	TOTAL = 290 (No Response = 3)

b) If NO, do you believe your agency is giving you all the training you need as a supervisor/manager? (circle one)

YES	NO	DON'T KNOW
52	85	40

5. a) Has your present supervisor/manager or other agency official discussed with you your career or promotional opportunities or training needs? (circle YES OR NO)

YES	NO	
105	186	TOTAL = 291 (No Response = 2)

b) If YES, has this counseling identified job-related or career-related training courses for you to attend? (circle YES OR NO)

YES	NO
72	39

6. Have training needs in your agency been assessed in the last 12 months by any of the following methods? (check all that apply)

60 ☐ A. Questionnaires completed by employees
108 ☐ B. Informal discussions
120 ☐ C. Staff meetings
32 ☐ D. Other (please specify):_____

_____

112 ☐ E. No assessment made

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

7. a) In general, the training provided by the State is effective in meeting the needs of my organization. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
38	69	91	84	5	TOTAL = 287 (No Response) = 6

b) If you chose A or B, please explain:

_____

_____

_____

8. What changes or additions would you like to see in State training programs?

_____

_____

_____

_____

RECRUITMENT AND SELECTION

9. Have you participated in a hiring decision as a supervisor or manager in the last 12 months? (circle YES OR NO)

YES	NO	
228	62	TOTAL = 290 (No Response = 3)

IF NO, GO TO QUESTION 14. If YES, please continue.

TO WHAT EXTENT OR HOW OFTEN IS THE FOLLOWING STATEMENT TRUE?

10. a) Candidates referred to me by the Personnel Division meet the minimum qualifications needed for the job. (circle one)

Never A	Seldom B	Sometimes C	Usually D	Always E	
1	15	65	117	26	TOTAL = 224

b) Please list any classes of candidates which seldom or never meet the minimum qualifications needed for the job:

_____

_____

_____

TO WHAT EXTENT OR HOW OFTEN ARE THE FOLLOWING STATEMENTS TRUE?

11. a) Hiring lists sent to me from the Personnel Division are current. (In other words most candidates are still available for employment.) (circle one)

Never	Seldom	Sometimes	Usually	Always	
A	B	C	D	E	
2	26	77	100	17	TOTAL = 222

b) Please list any classes of hiring lists which are seldom or never current:

_____

_____

12. a) I have been able to hire from among the better qualified candidates on the hiring lists sent to me. (circle one)

Never	Seldom	Sometimes	Usually	Always	
A	B	C	D	E	
2	16	68	101	31	TOTAL = 218

b) List those class titles, if any, in which you seldom or never can hire from among the better qualified candidates:

_____

_____

_____

c) List the most common reason(s) for not getting the better candidates in these classes:

_____

_____

_____

13. a) The scores on hiring lists sent to me generally agree with the order in which I would have ranked the candidates. (circle one)

Never	Seldom	Sometimes	Usually	Always	
A	B	C	D	E	
13	40	91	63	3	TOTAL = 210

b) List the class titles of any hiring lists which seldom or never rank candidates as you would have ranked them:

_____

_____

_____

c) How could the Personnel Division improve the examination or evaluation process for these classes?

_____

_____

_____

14. a) Overall, how would you rate the recruitment and selection activities of the Personnel Division? (check one)

6	A.	Excellent
85	B.	Adequate
81	C.	Adequate but needs minor improvements
89	D.	Needs substantial improvements
20	E.	No opinion

TOTAL = 281 (No Response = 12)

b) If you answered C or D, what improvements are needed?

_____

_____

_____

POSITION CLASSIFICATION/COMPENSATION

15. When was the last time classification work was done on any positions you currently supervise or were supervising at the time? (check one)

112	A.	Within the past 12 months
58	B.	One to three years ago
37	C.	More than three years ago
71	D.	Never; no classification work was done while I was supervisor.

TOTAL = 278 (No Response = 15)

IF YOU ANSWERED C OR D, GO TO QUESTION 20.
If you answered A or B, continue.

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?

16. a) When classification actions are needed in my organization, service is provided on a reasonably prompt basis. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
26	51	43	57	2	TOTAL = 179

b) If you chose A or B, please explain: _____

_____

_____

17. Personnel Divison analysts obtain an adequate understanding of my organization and the positions being reviewed when doing classification work. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
20	58	51	45	3	TOTAL = 177

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?

18. I am adequately involved and consulted by the Personnel Division when classification work is being done in my area of supervision. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
A	B	C	D	E	
14	62	44	59	2	TOTAL = 181

19. The Personnel Division makes adequate effort to educate supervisors/managers about the classification process and procedures. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
A	B	C	D	E	
25	68	39	47	2	TOTAL = 181

20. a) Please identify the classes of those positions (if any) under your supervision which you strongly believe need adjustment in order to maintain a fair classification plan:

Class Title	Are these positions currently under review? (circle YES or NO)		What calendar year were these positions last reviewed?
_____	YES	NO	_____
_____	YES	NO	_____
_____	YES	NO	_____
_____	YES	NO	_____

b) What are the effects of these current inequities?

_____

_____

_____

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

21. a) The State position classification plan is basically sound and helps me as a supervisor/manager to run an effective, efficient and economical organization. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
A	B	C	D	E	(No Response = 18)
25	81	85	82	2	TOTAL = 275

b) If you chose A or B, what improvements are needed?

_____

_____

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

22. a) The compensation (salary plus benefits) for positions in my area of supervision is competitive with similar jobs outside of State government. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
A	B	C	D	E
42	105	61	66	6

TOTAL = 280 (No Response= 13)

b) If you chose A or B, list the clases of positions for which compensation is not competitive:

_____

_____

What aspect of compensation is not competitive? (salary? benefits?)

_____

_____

EMPLOYEE GRIEVANCE PROCEDURE

(NOTE: The grievance procedure is the formal process of filing a written complaint with one's immediate supervisor and then appealing to higher levels if necessary.)

23. While working for the State, have you ever been involved in a grievance: (circle YES or NO)

			Total	No Response
A.	As a supervisor?	YES 124 NO 156	280	13
B.	As an employee?	YES 39 NO 204	243	50

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

24. a) Written procedures for submitting grievances or complaints are readily available to my employees. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
A	B	C	D	E
10	16	34	182	41

(No Response = 10)
TOTAL = 283

b) If you chose A or B, please explain: _____

_____

_____

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?

25. a) The system for handling grievances is much too complicated. (circle one).

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
9	108	108	45	9	TOTAL = 279

(No Response = 14)

b) If you chose D or E, please explain: _____

26. a) The grievance procedure is fair to all parties. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
14	39	104	114	7	TOTAL = 278

(No Response = 15)

b) If you chose A or B, please explain: _____

27. a) As a supervisor or manager, I feel adequately prepared to handle employee grievances and complaints. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
7	35	47	169	22	TOTAL = 280

(No Response = 13)

b) If you chose A or B, please explain: _____

28. a) How would you rate the State's grievance procedure as a means for identifying and resolving employee complaints? (check one)

11 ☐ A. Excellent
135 ☐ B. Satisfactory
61 ☐ C. Needs Improvement
14 ☐ D. Totally Inadequate
61 ☐ E. No Opinion

TOTAL = 282

(No Response = 11)

b) If you chose C or D, please explain: _____

EMPLOYEE DISCIPLINARY PROBLEMS

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

29. a) As a supervisor or manager, I receive sufficient assistance from the Personnel Division (either central personnel or the agency-based office) in correcting employee disciplinary problems. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
3	33	98	131	11	TOTAL = 276

(No Response = 17)

b) If you chose A or B, please explain:_____

30. How long have you worked for the State of Arizona in agencies covered by the State Personnel Board Rules? (The State Personnel Board Rules cover all agencies except the Department of Public Safety, universities, the Governor's Office, Legislative agencies and the State courts.) (check one)

10 ☐ A. Less than one year
31 ☐ B. 1-3 years
59 ☐ C. 4-7 years
91 ☐ D. 8-12 years
102 ☐ E. More than 12 years.
TOTAL= 293

31. How long have you held a supervisory position in agencies covered by the State Personnel Board Rules? (For the purposes of this survey, a "supervisor" is defined as one who does all the following for two or more employees: assigns and reviews their work; fills out performance evaluations; and recommends on hiring, dismissal and related personnel matters.) (check one)

30 ☐ A. Less than one year
76 ☐ B. 1-3 years
98 ☐ C. 4-7 years
40 ☐ D. 8-12 years
42 ☐ E. More than 12 years
TOTAL= 286 (No Response = 7)

Thanks for your cooperation. We remind you that your answers will be completely confidential. Your name is requested below only for the purpose of contacting you later to clarify a response, if necessary.

If you have any questions about this questionnaire, please call Mr. Steve Thacker or Ms. Coni Good at (602) 255-4385.

Please complete the information requested below and then return this questionnaire in the postage-paid envelope to:

OFFICE OF THE AUDITOR GENERAL
Legislative Services Wing, Suite 200
State Capitol
Phoenix, AZ 85007

Your name (optional)_____

Telephone number (optional): Home_____Work:_____

APPENDIX IV

AUDITOR GENERAL SURVEY OF AGENCY DIRECTORS

OFFICE OF THE AUDITOR GENERAL

Survey of Agency Directors
in the Arizona State Government

State Agency: ALL RESPONSES (38) RECEIVED FROM AGENCIES WITH MORE THAN THREE EMPLOYEES.

Class Title of your present position: _____

Total number of employees in your agency: AVERAGE FOR 38 AGENCIES = 204

NOTE: This is the same questionnaire sent to supervisors and managers, however, questions which are not applicable to agency directors (questions 1, 4 and 5) have been deleted.

TRAINING AND DEVELOPMENT

2. Indicate the hours of formal* training you have received during the past 12 months from the following sources:

(NOTE: RESPONSE TOTALS FOR THIS QUESTION WERE NOT DETERMINED)

			Results of Training (Circle those letters which apply)			
			This training improved my job performance.	This training improved my preparation for career growth.	This training was not valuable to my performance or growth.	No formal training received from this source.
a)	Training presented by staff of the State agency you were working for at the time:	____ Classroom Hours	A	B	C	D
b)	Training presented by the State Personnel Division:	____ Classroom Hours	A	B	C	D
c)	Training presented by other State agencies:	____ Classroom Hours	A	B	C	D
d)	TOTAL	____				
e)	College or university courses related to your job or career (semester courses):	____ Semester Hours	A	B	C	D
f)	Other seminars or workshops presented by outside organizations (that is, other than State agencies):	____ Classroom Hours	A	B	C	D

* This does not include "on-the-job-training".

3. a) Are you aware of the kinds of training programs for supervisors and managers offered by the State Personnel Division? (circle YES or NO)

YES	NO
33	5

b) If you answered YES, how did you learn of these training programs? (check all that apply)

12 ☐ A. Newsletter, memo or bulletin from your agency.
N/A ☐ B. Your immediate supervisor or manager
25 ☐ C. Personnel Highlights or other Personnel Division publicity.
11 ☐ D. Co-workers or other State employees.
3 ☐ E. Other (please specify) _____

6. Have training needs in your agency been assessed in the last 12 months by any of the following methods? (check all that apply)

1 ☐ A. Questionnaires completed by employees
15 ☐ B. Informal discussions
20 ☐ C. Staff meetings
8 ☐ D. Other (please specify): _____
_____
10 ☐ E. No assessment made

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

7. a) In general, the training provided by the State is effective in meeting the needs of my organization. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
1	14	11	12	-0-	TOTAL = 38

b) If you chose A or B, please explain:

_____

_____

_____

8. What changes or additions would you like to see in State training programs?

_____

_____

_____

_____

RECRUITMENT AND SELECTION

9. Have you participated in a hiring decision as a supervisor or manager in the last 12 months? (circle YES OR NO)

YES	NO	
32	6	TOTAL =38

IF NO, GO TO QUESTION 14. If YES, please continue.

TO WHAT EXTENT OR HOW OFTEN IS THE FOLLOWING STATEMENT TRUE?

10. a) Candidates referred to me by the Personnel Division meet the minimum qualifications needed for the job. (circle one)

Never A	Seldom B	Sometimes C	Usually D	Always E	
-0-	3	9	16	3	TOTAL =31

b) Please list any classes of candidates which seldom or never meet the minimum qualifications needed for the job:

_____

_____

_____

TO WHAT EXTENT OR HOW OFTEN ARE THE FOLLOWING STATEMENTS TRUE?

11. a) Hiring lists sent to me from the Personnel Division are current. (In other words most candidates are still available for employment.) (circle one)

Never	Seldom	Sometimes	Usually	Always
A	B	C	D	E
-0-	2	8	16	2

b) Please list any classes of hiring lists which are seldom or never current:

_____

_____

12. a) I have been able to hire from among the better qualified candidates on the hiring lists sent to me. (circle one)

Never	Seldom	Sometimes	Usually	Always
A	B	C	D	E
-0-	1	9	14	4

b) List those class titles, if any, in which you seldom or never can hire from among the better qualified candidates:

_____

_____

_____

c) List the most common reason(s) for not getting the better candidates in these classes:

_____

_____

_____

13. a) The scores on hiring lists sent to me generally agree with the order in which I would have ranked the candidates. (circle one)

Never	Seldom	Sometimes	Usually	Always
A	B	C	D	E
1	3	11	11	1

b) List the class titles of any hiring lists which seldom or never rank candidates as you would have ranked them:

_____

_____

_____

c) How could the Personnel Division improve the examination or evaluation process for these classes?

_____

_____

_____

14. a) Overall, how would you rate the recruitment and selection activities of the Personnel Division? (check one)

1 ☐ A. Excellent
13 ☐ B. Adequate
11 ☐ C. Adequate but needs minor improvements
9 ☐ D. Needs substantial improvements
2 ☐ E. No opinion

TOTAL= 36 (No Response = 2)

b) If you answered C or D, what improvements are needed?

_____

_____

_____

POSITION CLASSIFICATION/COMPENSATION

15. When was the last time classification work was done on any positions you currently supervise or were supervising at the time? (check one)

27 ☐ A. Within the past 12 months
7 ☐ B. One to three years ago
2 ☐ C. More than three years ago
1 ☐ D. Never; no classification work was done while I was supervisor.

TOTAL= 37 (No Response = 1)

IF YOU ANSWERED C OR D, GO TO QUESTION 20.
If you answered A or B, continue.

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?

16. a) When classification actions are needed in my organization, service is provided on a reasonably prompt basis. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
A	B	C	D	E
3	9	2	16	3

b) If you chose A or B, please explain: _____

_____

_____

17. Personnel Divison analysts obtain an adequate understanding of my organization and the positions being reviewed when doing classification work. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
A	B	C	D	E
1	11	4	14	2

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?

18. I am adequately involved and consulted by the Personnel Division when classification work is being done in my area of supervision. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
A	B	C	D	E
-0-	5	3	21	4

19. The Personnel Division makes adequate effort to educate supervisors/managers about the classification process and procedures. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree
A	B	C	D	E
1	8	7	16	2

20. a) Please identify the classes of those positions (if any) under your supervision which you strongly believe need adjustment in order to maintain a fair classification plan:

Class Title	Are these positions currently under review? (circle YES or NO)		What calendar year were these positions last reviewed?
_____	YES	NO	_____
_____	YES	NO	_____
_____	YES	NO	_____
_____	YES	NO	_____

b) What are the effects of these current inequities?

_____

_____

_____

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

21. a) The State position classification plan is basically sound and helps me as a supervisor/manager to run an effective, efficient and economical organization. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
A	B	C	D	E	
4	10	6	15	-0-	TOTAL = 35 (No Response) =3

b) If you chose A or B, what improvements are needed?

_____

_____

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

22. a) The compensation (salary plus benefits) for positions in my area of supervision is competitive with similar jobs outside of State government. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
A	B	C	D	E	
9	17	6	6	-0-	TOTAL = 38

b) If you chose A or B, list the clases of positions for which compensation is not competitive:

_____

_____

What aspect of compensation is not competitive? (salary? benefits?)

_____

_____

EMPLOYEE GRIEVANCE PROCEDURE

(NOTE: The grievance procedure is the formal process of filing a written complaint with one's immediate supervisor and then appealing to higher levels if necessary.)

23. While working for the State, have you ever been involved in a grievance: (circle YES or NO)

					TOTAL	NO RESPONSE
A.	As a supervisor?	YES	21	NO 16	37	1
B.	As an employee?	YES	1	NO 29	30	8

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENT?

24. a) Written procedures for submitting grievances or complaints are readily available to my employees. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
A	B	C	D	E	
-0-	2	1	26	8	TOTAL = 37 (No Response) =1

b) If you chose A or B, please explain:_____

_____

_____

HOW MUCH DO YOU AGREE OR DISAGREE WITH THE FOLLOWING STATEMENTS?

25. a) The system for handling grievances is much too complicated. (circle one).

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
-0-	16	16	4	-0-	TOTAL = 36 (No Response) =2

b) If you chose D or E, please explain:_____

26. a) The grievance procedure is fair to all parties. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
-0-	-0-	16	18	1	TOTAL = 35 (No Response) =3

b) If you chose A or B, please explain:_____

27. a) As a supervisor or manager, I feel adequately prepared to handle employee grievances and complaints. (circle one)

Strongly Disagree A	Disagree B	Undecided C	Agree D	Strongly Agree E	
-0-	1	3	25	8	TOTAL = 37 (No Response) =1

b) If you chose A or B, please explain:_____

28. a) How would you rate the State's grievance procedure as a means for identifying and resolving employee complaints? (check one)

1	A.	Excellent
23	B.	Satisfactory
2	C.	Needs Improvement
-0-	D.	Totally Inadequate
11	E.	No Opinion
TOTAL = 37		(No Response = 1)

b) If you chose C or D, please explain:_____

EMPLOYEE DISCIPLINARY PROBLEMS

HOW MUCH DO YOU AGREE
OR DISAGREE WITH THE
FOLLOWING STATEMENT?

29. a) As a supervisor or manager, I receive sufficient assistance from the Personnel Division (either central personnel or the agency-based office) in correcting employee disciplinary problems. (circle one)

Strongly Disagree	Disagree	Undecided	Agree	Strongly Agree	
A	B	C	D	E	
-0-	2	6	20	5	Total = 33 (No Response) =5

b) If you chose A or B, please explain: _____

_____

_____

30. How long have you worked for the State of Arizona in agencies covered by the State Personnel Board Rules? (The State Personnel Board Rules cover all agencies except the Department of Public Safety, universities, the Governor's Office, Legislative agencies and the State courts.) (check one)

2☐ A. Less than one year
9☐ B. 1-3 years
12☐ C. 4-7 years
7☐ D. 8-12 years
7☐ E. More than 12 years.

TOTAL = 37 (No Response = 1)

31. How long have you held a supervisory position in agencies covered by the State Personnel Board Rules? (For the purposes of this survey, a "supervisor" is defined as one who does all the following for two or more employees: assigns and reviews their work; fills out performance evaluations; and recommends on hiring, dismissal and related personnel matters.) (check one)

2☐ A. Less than one year
15☐ B. 1-3 years
8☐ C. 4-7 years
7☐ D. 8-12 years
5☐ E. More than 12 years

TOTAL = 37 (No Response = 1)

32. How long have you held your present position? (check one)

3☐ A. Less than 6 months
2☐ B. 6-12 months
19☐ C. 1-3 years
13☐ D. More than 3 years

TOTAL = 37 (No Response = 1)

Thanks for your cooperation. We remind you that your answers will be completely confidential. Your name and telephone number are requested below only for the purpose of contacting you later to clarify a response, if necessary.

If you have any questions about this questionnaire, please call Mr. Steve Thacker or Ms. Coni Good at (602) 255-4385.

Please complete the information requested below and then mail this questionnaire to:

OFFICE OF THE AUDITOR GENERAL
Legislative Services Wing, Suite 200
State Capitol
Phoenix, AZ 85007

Your name_____

Telephone number _____

APPENDIX V

PERSONNEL-RELATED LEGISLATIVE PROPOSALS SUPPORTED BY ASSISTANT DIRECTOR, DOA-PERSONNEL

PERSONNEL-RELATED LEGISLATIVE PROPOSALS SUPPORTED BY ASSISTANT DIRECTOR, DOA-PERSONNEL*

Legislative Session	Statute to be Modified	Description of Proposal	Initiator or Supporter	Final Outcome
1978	41-785	Allow a state employee to represent himself or name a representative, not necessarily a lawyer, in appearances before any personnel board or quasi-judicial hearing affecting the employee. Possibility that an employee would be prohibited from taking the Board's decision to the superior court if he/she was not represented by an attorney. (H.B. 2202).	Supporter	Passed
1978	41-781	Personnel Board political party affiliation(SB1055)	Supporter	Passed
1978	41-763	Establish an Arizona Executive Department Internship Program; long range economic advantage to state. (S.B. 1373)	Supporter	Held in House
1978	23-391 41-763 41-783	State overtime pay. Requires state officers and employees to be paid time and a half for overtime worked (more than 8 hours per day or 40 hours per week specified). (H.B. 2174)	Initiator & Supporter	Passed
1978	Unkn	State employee benefit selection - Personnel Board would be required to adopt regulations under which a state employee or his beneficiaries would have to choose, upon the employee's death or leaving his job, whether his sick leave credit should be compensated in cash or added to retirement benefits. (S.B. 1041)	Supporter	Held in House
1978	unkn	Public employee merit awards - state employees performing meritorious acts, including special service in the public interest, would be eligible for special merit awards, not exceeding $1,000, to be granted per personnel board regulations (S.B. 1210).	Supporter	Held in House
1978	38-759	Changing mandatory retirement age from 65 to 70 for state employees. (H.B. 2412)	Supporter	Passed

*The information in this appendix was prepared by the Assistant Director, DOA-Personnel.

Legislative Session	Statute to be Modified	Description of Proposal	Initiator or Supporter	Final Outcome
1978	41-782	Personnel Board compliance authority to enforce its rules. (H.B. 2201)	Supporter	Passed
1978	41-764	State service contribute pro-rata share of cost of services provided by Personnel Division (change contribution from dollar amount to percentage amount). (S.B. 1283).	Initiator/ Supporter	Passed
1978	41-768 41-783	Establish an appeal procedure for suspensions and demotions separate from the procedure for dismissals to allow these appeals to be handled more efficiently and less expensively by relieving Personnel Board of two very time consuming responsibilities.	Initiator	Could not find sponsor.
1978	unkn	Provide for a 40-nour work week in order that management may meet its goals in the most effective manner. Presently, some state agencies are foced to violate the statute in order to meet the needs of the public. Some state agencies would like to experiment with flexible scheduling to see if it is more effective than the 8-hour work day.	Initiator	Could not find sponsor.
1978	38-745	All but employees in permanent and limited position may waive enrollment in the retirement system. All types of appointees must enroll in the retirement system if they work a certain number of months.	Initiator	Could not find sponsor.
1978	unkn	Establishment of a fund in the Finance Division to permit payment of relocation expenses, with the approval of the State Personnel Division, following the transfer, promotion, or demotion of a state service employee for a convenience of the agency.	Initiator	Could not find sponsor.

Legislative Session	Statute to be Modified	Description of Proposal	Initiator or Supporter	Final Outcome
1978	38-492B 38-492C	Repeal laws granting nonveterans handicapped preference points to allow more equitable consideration of all applicants and more effective development and provision of hiring lists without sacrificing handicapped affirmative action efforts.	Initiator	Could not find sponsor.
1978	unkn	Authorize establishment of a fund in the Finance Division to replace monies paid by agencies with 50 or fewer employees to separating employees when such agency could not make such payment without leaving the employee's position vacant.	Initiator	Could not find sponsor.
1979	41-763 41-783	State employees overtime pay; comp time (makes the changes the Division prepared and recommended to correct deficiencies in last year's bill). (S.B. 1102).	Supporter	Passed
1979	38-613	Public employees; merit awards (S.B. 1147)	Supporter	Held in Senate
1979	38-613	Public employees, reimbursement for certain personal property (H.B. 2182)	Supporter	Held in House
1979	38-613 41-782	State employees payment for accumulated sick leave (S.B. 1264)	Supporter	Held in House
1979	38-651 38-743.05 38-757 38-781.23	Amendments to increase state allowance for health insurance. Passage of 1978 amendments to Civil Rights Act (PL95-555) requires that pregnancy benefits in group insurance plan be equal to all other benefits. (S.B.1266)	Initiator/ Supporter	Passed

Legislative Session	Statute to be Modified	Description of Proposal	Initiator or Supporter	Final Outcome
1979	38-781.01 41-956	Enactment would save state the cost of contributions of 7% employee's share to the retirement plan for CETA participants. Per federal government, CETA funds should not be used to pay into a retirement system which, in most cases, does not directly benefit the CETA participants on behalf of whom the contributions were made. This enabled state and other public jurisdictions which presently participate in the state retirement system, to continue its participation in the Public Service Employment Program (PSE) aspect of CETA. (H.B.2238, includes S.B. 1305).	Initiator/ Supporter	Passed
1979	32-261	Provide relief to employees unable to afford attorney expenses involved in defending themselves before board hearings and other quasi-judicial hearings dealing exclusively with personnel matters. Clarifies meaning of ARS 41-785G. (H.B. 2018).	Supporter	Passed
1979	35-174	Allow assistant director of Finance to transfer vacancy savings to those agencies that did not have sufficient funds for pay and merits. Bill was modified to preclude agencies from using vacancy savings for pay/merit increases, reclassifications, etc. (S.B. 1212)	Initiator/ Supporter (support removed after modifications change original bill)	Vetoed
1980	None (Approp. Bill)	The legislature passed a law to provide funds to implement the Pregnancy Discrimination Act, however, the act became effective on 4/29/79 and the funding legislation became effective on 7/21/79. This left three months when premiums for this additional pregnancy coverage was not available. This bill is a relief bill and allowed the added premiums to be paid to the four carriers (H.B. 2461).	Initiator/ Supporter	Passed

Legislative Session	Statute to be Modified	Description of Proposal	Initiator or Supporter	Final Outcome
1980	35-174	Vacancy savings - precluded use of vacancy savings for certain personnel actions. This bill incorporated the concept through the appropriations process for full funding of the pay and merit funds and upfront funding for reclassification activities.(S.B. 1004)	Supporter	Passed
1980	unkn	Changes to state's contribution to health insurance premiums.	Initiator/ Supporter	Passed
1981	38-651	The state personnel board is empowered to buy health & accident insurance for state workers in any combination of coverages with a single insurer. State's contribution toward cost of such insurance is increased to $52 a month from $43 for individual coverage and commensurately for families, etc. (S.B. 1379).	Initiator/ Supporter	Passed
1981	38-613 41-763 41-767 41-771.01 41-782 41-782.01 41-783 41-785 41-1002.01	Funding is provided for the state employees merit award program established in 1980; creates an executive service; establishes a grievance procedure for discrimination complaints; eliminates appeals of suspensions of 40 hours or less and places them under grievance procedure; makes the grievance procedure binding on an agency and employee on suspensions of 40 hours or less; eliminates conflict of interest between Personnel and Attorney General's Office. (S.B. 1398).	Supporter	Passed
1981	Approp.	Initiator of portion of bill recommending on inequity salary adjustments, reclassification adjustments, across-the-board salary raises. (H.B. 2496)	Initiator of portion/Supporter	Passed

APPENDIX VI

AGE OF CLASS SPECIFICATIONS, SUMMARIZED BY CALENDAR YEAR

AGE OF CLASS SPECIFICATIONS,*
SUMMARIZED BY CALENDAR YEAR

(1)	(2)	(3)	(4)	(5)	(6)	(7)
	Classes			Positions		
Calendar Year	Number of class specs adopted or last revised in this year	Column (2) as a percent of all classes	Percent of class specs not revised since this year***	Number of positions represented by classes in column (2)	Column (5) as a percent of all positions	Positions (as a percent) represented by column (4)****
1969	67	6%	6%	495	2%	2%
1970	35	3	9	519	2	4
1971	34	3	12	978	4	8
1972	88	9	21	1,680	7	15
1973	81	8	29	978	4	19
1974	71	7	36	3,488	14	33
1975	151	15	51	4,215	17	50
1976	101	10	61	3,580	15	65
1977	115	11	72	3,183	13	78
1978	72	7	79	2,750	11	89
1979	91	9	88	1,000	4	93
1980	97	9	97	1,582	6	99
1981**	28	3	100%	170	1	100%
Total:	1,031	100%		24,618	100%	

* Specifications for all non-exempt classes existing as of April 9, 1981.

** For the period January 1, 1981, to April 9, 1981, only.

*** Percents are determined by successively adding the percents in column (3).

**** Percents determined by successively adding the percents in column (6).

ADDITIONAL HARD-TO-FILL CLASSES

I. INDICATOR: Percentage of hiring lists with fewer than four certified applicants

Listed below are the ten highest percentages among those classes with five or more hiring lists in Auditor General sample:

Class Title	Number of lists in sample	Number of lists with less than 4 candidates	Percentage*
Automated Records Clerk I	5	1	20%
Planner II	5	1	20
Typist I	18	4	22
Typist II	116	25	22
Legal Secretary III	8	2	25
Welfare Homemaker	8	2	25
Clerical Aide	16	5	31
Nurse II	6	2	33
Human Resource Aide	7	3	43
Clerk I	27	12	44

II. INDICATOR: Percentage of hiring list questionnaire responses which rate lists as inadequate

Listed below are the ten highest percentages among those classes with five or more questionnaires in Auditor General analysis:

Class Title	Number of Questionnaires in sample	Number of Questionnaires rating lists as inadequate	Percentage**
Food Service Worker II	17	3	18%
Accounting Clerk IV	5	1	20
EDP Technical Support Specialist II	5	1	20
Psychiatric Nurse	22	5	23
EDP Programmer/Analyst III	13	3	23
Correctional Food Services Supervisor I	8	2	25
Medical Transcriber	5	2	40
Hearing Officer II	5	2	40
Construction Inspector I	9	4	44
Therapist II	5	3	60

* Compare with average of 14 percent for entire sample.
** Compare with average of 8 percent for all responses in analysis.

III. INDICATOR: Percentage of hiring lists followed by supplements

Listed below are the percentages greater than or equal to 50 percent among classes with three or more lists in Auditor General analysis:

Class Title	Number of lists in analysis	Number of lists followed by supplements	Percentage*
Duplicating Equipment Operator II	4	2	50%
EDP Technical Support Specialist III	4	2	50
EDP Technical Support Specialist II	9	5	55
Secretary I	7	4	57
Administrative Secretary III	3	2	67

* Compare with average of eleven percent for all lists in analysis.

APPENDIX VIII

TRAINING POLICY AND COURSES, DEPARTMENT OF CORRECTIONS

ARIZONA DEPARTMENT OF CORRECTIONS INTERNAL MANAGEMENT POLICY AND PROCEDURE MANUAL	NO: 205
APPROVED: Director	PAGE: 1 of 2
	EFFECTIVE: 10-28-80
SUBJECT: EMPLOYEE TRAINING AND CAREER DEVELOPMENT	OPR:

PURPOSE:

To establish policy and procedure for the provision of employee training and career development services.

AUTHORITY:

A.R.S. 41-1604 - Duties and Powers of the Director

POLICY:

It is the policy of the Arizona Department of Corrections to provide continuous resources enabling each employee to acquire and enhance the work-related skills and knowledges that their positions require. It is further the policy of the Department of Corrections to encourage each employee to acquire additional education enabling them to be promoted and/or assigned to positions of greater responsibility.

PROCEDURE:

General Requirements

Each institutional or unit administrator responsible for an employee population greater than eighty people will dedicate one supervisory position to prepare, coordinate, and deliver an annual plan of employee training.

Specific Requirements

Each administration is responsible for meeting or exceeding the following objectives:

1. Each new employee will receive

   A. An initial orientation to D.O.C. policies and procedures, history and position responsibilities immediately upon reporting for work;

   B. Forty hours of position specific training prior to receiving permanent status, and;

   C. An additional 40 hours of position-related training during their first year of employment.

D. Eighty additional training hours the first year of employment if their position requires direct and continuing contact with clients under the supervision of the Department of Corrections.

2. Each permanent-status employee will obtain a minimum of 40 hours training; those employees with direct and continuous D.O.C. client contact will obtain 40 additional hours. The training will include, at a minimum, security procedures, inmate supervision, report writing, inmate rules, regulations, rights and responsibilities, fire, emergency, first aid, cardio-pulmonary resuscitation, minority and female ex-offender needs, and problem-solving/communication skills.

3. Administrative and management staff will receive an additional 40 hours to include the topics of administrative/management theory, decision-making, labor law, employee management relations, criminal justice system elements and inter-agency relationships.

IMPLEMENTATION:

1. Institutional and unit administrators will:

   A. Make the appropriate number of required training hours a part of each employee's annual PPER;

   B. Provide the on-duty time and support for

      (i) Probationary employees to receive 100% required training through D.O.C. sponsored classes.

      (ii) Permanent-status employees to receive 100% of required training through D.O.C. sponsored classes.

   C. Encourage through shift assignments and application approvals the use of educational assistance programs for permanent status employees to fulfill training requirements through public/privately sponsored educational programs, and;

   D. Insure that all training received is made a part of the employee's permanent personnel record. If the employee's Personnel File does not reflect completion of required training, no merit increase will be authorized.

COURSE DESCRIPTIONS

ASSERTIVE SKILLS:. A skill-building program intended (mainly) for female employees. How to distinguish assertive behavior and how to speak assertively are the goals of this program. Exercise and role-plays will be included.

BASIC FUNCTIONS OF SUPERVISION: This two-day program defines the characteristics of supervision and supervisors. Participants identify the responsibilities inherent to supervisory positions and the personal/professional skills which foster effectiveness. Twenty techniques of effective supervision are reviewed, and methods of incorporation are developed.

BUDGETING: This course will orient staff in the basics of state budgeting and the process by which the department receives its annual operating budget. Some common methods utilized in controlling and monitoring both expenditures and positions in the department will be addressed.

CASELOAD MANAGEMENT: After identifying the principles and techniques that apply to effective caseload management, the participant will practice how he/she would complete the management of various kinds of cases.

COMMUNICATION SKILLS: Basic ingredients that are necessary to establish and maintain productive interpersonal communication will be presented. Strategies for improving communication with staff and clients will be identified and applied during the workshop.

COMMUNICATING STYLES: This program will identify your personal/professional communication style and allow you to capitalize on your strengths to improve your teamwork, productivity and flexibility to control stress.

CRISIS INTERVENTION: A skill-building program of information and techniques with which to provide a third alternative to a conflict. Allows participants to become more effective in cooling down a potentially dangerous confrontation between either an inmate and staff member or between inmates.

DEFENSIVE DRIVING: A skill-building program on a driving track which provides participants with additional skill in difficult slow and high-speed driving.

DEFENSIVE TACTICS: This class will assist participants in developing physical skills of defense as an alternative to the use of excessive force. Self-defense techniques will be emphasized.

DETENTION - PROBLEMS & PROCEDURES: Course will focus on maintaining control of inmates having special management problems. Use of force, restraint procedures, personal safety, litigation factors and stress will be included.

EMPLOYEE MOTIVATION STRATEGIES: Motivational techniques and concepts will be addressed. Work motivation will be explored in depth and practical applications will be developed by participants.

FIRST AID: A two-day program which provides basic training in emergency medical information and techniques used by correctional staff to assist an ill or injured person until professional medical services can be obtained. CPR training and certification is included in this course.

FUNDAMENTALS OF REALITY THERAPY: An introduction to a counseling technique designed to help clients gain the strength to become better at solving their problems. The program includes video-taped and actual role-playing.

INDIVIDUAL AND GROUP COUNSELING: A survey course to identify and describe various individual and group counseling techniques found to be effective in correctional settings. Real situations will be addressed by various counseling techniques.

INMATE RIGHTS: The various civil rights which apply to inmates are reviewed in detail. Rights are presented and interpretations discussed. Realistic situations within which to apply the various rights and responsibilities are included. What to do and what not to do will be discussed.

INMATE SUPERVISION: Various inmate management and behavior problems relating to directing, overseeing and documenting behavior are identified and discussed. Emotional disturbances and suicidal behavior will be included. Participants will role play various exercises.

NEW EMPLOYEE ORIENTATION: This course orients the new employee to the Department of Corrections. It presents the history, purpose and organizational structure of this department, together with an overview of the various institutions and units in the organization.

OPEN ENTRY-EXIT INSTRUCTION: For remedial or special adult education instructors. Exercises will include reading and life-skills demonstrations. Woodcock Reading Test administration, scoring and interpretation. It will address your personal "problem areas".

ORAL BOARD ORIENTATION: Each participant will be evaluated by a "mock" oral board and then will have the opportunity to sit on the "mock" board and evaluate another participant. Feedback regarding personal performance is the objective. Due to the nature of this course only ten participants will be allowed to register for each class.

PARA-PROFESSIONAL COUNSELING SKILLS: A "helping" program to improve listening, understanding and responding skills. Structured one-on-one exercises are combined with giving and receiving feedback.

PERFORMANCE, PLANNING AND EVALUATION: How to develop, write and negotiate work performance standards. Participants work on PP&E report preparation in relation to position characteristics. Emphasis is placed on the process as a management tool for maintaining work standards and assuring individual responsibility.

PHILOSOPHY OF SUPERVISION: Theory X and Theory Y assumptions about employees will be explored and questioned as it relates to specific motivation models and the personal style of participants. "Why Do You Manage?" "How Do You Manage?" "How Can You Change?" These questions will be addressed.

REPORT WRITING: Skills are practiced and critiqued for narrative and technical report requirements. Succinct and effective practices are reviewed for style and form with emphasis on ensuring that the message is clearly presented.

SPECIAL NEEDS OF MINORITIES: The different backgrounds, values and stereotypes associated with ethnic minority groups and women will be addressed as they related to prejudice and discrimination. Participants will engage in group exercises to facilitate learning.

STRESS MANAGEMENT: Participants are provided with information on principles and methods useful in reducing personal stress as found in general literature and specific correctional practice. The causes of stress are identified, together with the psychological and physical consequences. Minimizing techniques are practiced.

SUPERVISORY RULES, PROCEDURES & ETHICS: General personnel rules and procedures regarding first-line supervisors will be discussed. Emphasis will be placed on scheduling procedures, disciplinary process, grievances procedure, terminations, demotions, documentation techniques, and vicarious liability.

TIME MANAGEMENT: How to identify, organize, and control the distribution of available time. Time wasters and time masters are identified. Delegation and recording are principal tools to be used in completing tasks. Techniques for conducting effective staff meetings are included.