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John H. McEwen

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POSITION CLASSIFICATION IN MONTANA STATE GOVERNMENT:

A CRITICAL REVIEW

by

JOHN HIBBARD MCEWEN

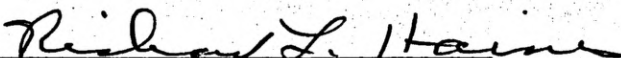
A professional paper submitted in partial fulfillment
of the requirements for the degree

of

MASTER OF PUBLIC ADMINISTRATION

Approved:


Chairperson, Graduate Committee.


Head, Major Department


Graduate Dean

MONTANA STATE UNIVERSITY
Bozeman, Montana

August, 1982

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ABSTRACT

A centralized personnel management system for Montana state government is a relatively recent development. With less than ten years of experience with the system, government managers and policy makers believe that it is necessary to perform a major study of the entire system. This study has taken the form of a legislatively mandated Personnel and Labor Relations Study Commission that will study all aspects of the system and make recommendations to the governor and legislature in 1983. A major part of the personnel system is the position classification plan. The plan, which is a difficult aspect of the system to operate and is controversial, has been designated as one of the top issues for study.

This paper provides to the Commission and state policy makers information about classification and an evaluation of the plan to enable them to decide if the plan is functioning properly or if change should be made. The paper relies on literature in the field of personnel management and classification to explain the historical development of classification principles and their application in Montana state government. A survey of state managers and the observations of the classification staff provide an evaluation of how the plan has functioned in meeting several traditional objectives of classification. The evaluation points out that problems exist with the plan. These problems include inadequacies in the design and execution of the basic practices and techniques of the plan, difficulties in explaining and understanding classification methods and practices and inadequacies in documenting the results of the classification process.

Various options for solving these problems are explored and critiqued. The options range from complete replacement of the basic methods and practices used in the plan to allowing the plan to mature further and grow out of its problems. The paper concludes that in order for the plan to function effectively it must allow for more participation by managers in the decision making process. In addition classification methods must be altered to recognize improvements in the techniques of classification and to insure that the plan can be adequately explained and defended.

CHAPTER I

INTRODUCTION

The year 1973 marked the beginning of the development of a centralized statewide personnel management program for Montana state government. In that year the legislature approved the passage of the Classification and Pay Act. The act led to the implementation of the first uniform classification plan and an associated pay plan for executive branch employees in 1975. Although these two plans have functioned for over seven years, they have not done so without controversy.

Position classification is the process of grouping positions (not people) that have similar duties and responsibilities into classes and then ranking those classes into a hierarchy based on some criteria. The major goal of a classification system is to provide a basis for order for the equitable and efficient handling of personnel matters. The principle use and advantage of classification has been the standardization of pay. Classification systems also provide a base to facilitate recruitment, testing and selection, identification of career ladders, human resource planning, and budget planning and control.

Personnel management practitioners agree that a classification system is the first building block of a sound personnel management system. However, no other area of personnel management is as controversial and misunderstood as the classification process. No other area has been so poorly explained or badly communicated by top management to rank and file employees (1). This is the situation found in Montana state government. The classification plan has been criticized by many of the participants in the system. Some of these criticisms include:

1. the decision-making process is too subjective;
2. the system is hard to understand and difficult to explain;
3. the grade relationships are not equitable;
4. it is not suitable for evaluation of all types of positions;
5. it is easy to manipulate.

Over the past several years, various attempts have been made to make improvements and solve some of the major problems in the classification plan. These have included legislative proposals, collective bargaining strategies, and changes in policy and procedure at the administrative level. However, the major participants continue to voice criticism and demand greater change. In 1981, the criticisms and problems with not only the classification plan, but the pay plan and other areas of personnel management led the governor to request that a special study commission be created to address these matters. The 1981 Legislature gave approval for the creation of the Personnel and Labor Relations

Study Commission to study and make recommendations regarding personnel and labor relations to the 1983 Legislature. In the fall of 1981, the Commission was formed and has begun its study. The Commission is composed of four representatives of the legislature, three representatives from the executive branch, three representatives from labor unions, and three representatives from the private sector.

The kinds of questions and issues that will be addressed by the Commission regarding the classification plan include: the technical adequacy of classification methods, the ability of the plan to meet the personnel management objectives of state government, consideration of different approaches to position classification, and the relationship of the classification plan to the pay plan.

The Commission will be studying the issues and making recommendations based on information and analysis from the staff of the central personnel agency (the Personnel Division, Department of Administration) and a variety of other participants in the system including managers, employees, labor unions and legislators. The intention of this paper is to provide a report to the Study Commission that will give an overview of the essential issues facing the classification plan and to provide them with information to assist them in making recommendations to the governor and legislature regarding the classification plan.

The following chapter of the paper reviews the basic principles of classification, describes the history of Montana's classification plan, and provides an explanation of the present methods used in accomplishing the objectives of classification.

The third chapter is an evaluation of the current classification methods. This includes the results of a survey of managers and the observations and experiences of the Personnel Division staff. This evaluation answers several questions relating to the successes and problems of the classification plan.

The fourth chapter examines four options for solving problems with the classification plan. These options include two alternate classification methods, modification of current methods and retention of current methods.

The last chapter of the paper offers conclusions, summarizes options, and provides a recommendation for making improvements to the classification plan.

CHAPTER II

PRINCIPLES OF CLASSIFICATION AND THEIR APPLICATION IN MONTANA

The first section of this chapter provides an overview of the basic principles of classification and explains the development of these principles from the "Scientific Management" movement and the government reform movement of the early part of this century. Also included is a description of the basic methods and techniques involved in the classification process and the relationship between classification and pay.

Principles of Classification

The principles that were established to govern position classification were reflective of the Scientific Management movement that was prevalent in the early 20th century. Scientific Management emphasized the structure of jobs and organizations and not the characteristics of people. The immediate goal for the scientific manager was to discover the "one best way" of carrying out a particular work operation (2). This meant identifying the precise nature of each task, determining the skills necessary to execute it and then filling the job with individuals who met these requirements. This principle was carried over into government in an effort to combat various problems including spoils. Government reformers concluded that if jobs were

carefully studied and qualifications precisely stated, politicians could not succeed with referrals of unqualified persons (3).

Other problems that plagued government, which were identified by the Congressional Joint Commission on Reclassification of Salaries in 1920, included inequities in pay, organizational structure, morale, excessive turnover and inefficiency. This Commission concluded that it was a lack of a position classification plan that caused these problems. To address these problems the Commission established the first comprehensive position classification plan for the federal government and laid down the principles that constitute the foundation of nearly all current classification systems at the state and local level. These principles are (4):

1. That positions and not individuals should be classified.
2. That the duties and responsibilities pertaining to a position constitute the outstanding characteristics that distinguish the position from, or mark its similarity to, other positions.
3. That qualifications in respect to education, experience, knowledge, and skill necessary for the performance of certain duties are determined by the nature of those duties. Therefore, the qualifications for a position are important factors in the determination of the classification of a position.
4. That the individual characteristics of an employee occupying a position should have no bearing on the classification of the position.
5. That persons holding positions in the same class should be considered equally qualified for any other position in that class.

These principles established by this Commission and the plan that they developed were formalized by the Classification Act of 1923, which also articulated the "equal pay for equal work" policy. This policy was focused on the internal alignment (or equity) concept. This meant the alignment of jobs with each other based on equality in qualifications required and the difficulty and responsibility of work. This resulted in the establishment of levels of jobs expressed in grades. All jobs, regardless of occupation, that were deemed to require the same level of qualifications and involve the same level of work difficulty and responsibility would be at the same grade level. Pay scales were set to provide uniform rates of pay for all positions in the same grade. Although pay is, in principle, entirely separable from classification, it is tied firmly to classification because of this practice. Needless to say, pay and classification have frequently interacted with a great deal of stress.

Job Evaluation and Pay

As position classification developed, various ways of accomplishing classification also emerged. Although these techniques and methods vary from one system to another, all systems include the same basic steps in their process: fact finding about jobs (job analysis); grouping similar positions into classes; evaluating and measuring each class by some rating method to establish relative job worth (job evaluation); and documentation of the results of the grouping and job evaluation process.

to provide information for the users of the system (e.g. class specifications, class standards, benchmark descriptions.)

The crucial step in this process is job evaluation. It is at this step where it is decided what kind of jobs should be at the same level or grade. The criteria that are used in the job evaluation process are referred to as factors. These factors are the yardstick that measure job duties to assess relative job worth. Although there may be several objectives in creating a classification plan, one of the basic purposes is to establish equitable internal pay relationships. To accomplish this objective traditional job evaluation methods have relied on factors that measure job content. A study completed by the National Academy of Sciences on job evaluation systems showed that a number of different factors are used in the myriad of systems reviewed. However, careful analysis showed that these factors tend to fall into four categories: skill, effort, responsibility, and working conditions (5).

One of the inherent limitations of traditional job evaluation is that it measures job worth in an administrative sense rather than an economic or social one. The administrative concept of job worth involves importance or difficulty. Economic worth is what is determined only in the market place and social worth is determined only in such activities as individual or collective bargaining (6). Although beyond the scope of this paper, it should be noted that in using the

classification system to develop a pay system, these additional concepts of job worth must be taken into account.

Pay plan development has typically been a separate process from the classification process. Pay rates are assigned to the levels or grades derived in the classification process by applying a number of criteria. The controlling criteria in assigning pay rates have been a rate of pay sufficient to attract and retain qualified workers (i.e., external competitiveness) and the amount of money available to the firm or agency. A problem that arises when determining a competitive salary is that two jobs in an agency that may be at the same level based on the job evaluation process may require considerably different rates of pay based on the market place. This is the conflict between classification and pay. An agency or firm that strives for internal equity may succeed in paying more or less than the market requires for a particular job.

The basic principles and methods described above have heavily influenced the practice of classification throughout the country. In the public sector the leaders have been the federal government and several of the more progressive states. (Illinois established a classification plan in 1912.) (7) Although the federal government has made changes to its system several times since 1923 (e.g. decentralization of classification decisions in 1949; recognition of the influence of the person in the job in 1960; and personal competence

ranking in 1972), the principles established in 1923 have, for the most part, remained unchanged.

The next section demonstrates how these principles were applied to the development of classification in Montana state government in 1973 - 1975. Succeeding chapters discuss in more detail some of the conflicts caused by the application of these principles and how these principles are applied in two different job evaluation methods that have gained acceptance around the country.

Development of a Classification and Pay System in Montana

The present classification system in Montana state government grew out of the necessity and desire to establish a uniform and centralized personnel management system. Nationwide issues and laws regarding employment discrimination, affirmative action, and equal pay demanded that state government insure equal and uniform treatment to all of its employees and potential employees. In addition, the state had recently adopted a new constitution and had effected a sweeping reorganization of state government. One of the last steps to this modernization and reform movement was the creation of a sound personnel management system.

Prior to 1975, no statewide personnel system existed. Each state agency was on its own in operating classification and pay plans, performing recruitment and selection, and maintaining personnel budget

planning and control functions. As a result the state, as the employer was paying different salaries for the same jobs, which meant that some agencies suffered to the benefit of others. The governor and legislature were unable to consistently and effectively deal with important personnel functions such as collective bargaining, equal employment opportunity, affirmative action and budgeting for personal services.

The Classification and Pay Act directed the Department of Administration to design, implement, and maintain a classification system and to submit a pay plan to the 1975 legislative assembly. The plan was implemented in January, 1975, when the legislature approved the first pay plan for the 1975-77 biennium. Subsequent legislative approvals of a pay plan for each biennium has continued up to the present time.

The purpose of the Classification and Pay Plan was to provide a statewide uniform pay plan that would insure among other things, "equal pay for equal work." The designers of the system also provided assurances that the classification system would improve employee motivation and training and career development opportunities, foster standard recruitment and selection procedures, provide more effective budgetary planning and control, and assist in accomplishing performance evaluation and collective bargaining (8).

Following is an explanation of how the classification plan was developed and the methods used. Pay plan development is also briefly explained to provide additional background and as a point of reference for succeeding parts of the paper.

How the Classification of Positions was Accomplished

The enabling act provided the following guidelines for classifying positions (2-18-202, MCA).

"Guidelines for classification. (1) In providing for the classification plan, the department shall group all positions in the State service into defined classes based on similarity of duties performed, responsibilities assumed, and complexity of work so that:

- (a) similar qualifications of education, experience, knowledge, skill and ability can be required of applicants for each position in the class;
- (b) the same title can be used to identify each position in the class;
- (c) similar pay may be provided, under the same conditions, with equity to each position within the class."

With these guidelines, and following recognized classification principles and practices, the department proceeded to develop methods and procedures and to classify positions. The first step in the classification process was to gather information by having employees and supervisors prepare position descriptions and by auditing a sample of employees to gain additional information about the kinds of jobs. The next step was to group similar positions together under a common title

to form a class. As classes were identified, they were evaluated to determine a grade or skill level. The final step in the process was the preparation of class specifications. The specification provides a general description of the kind and level of work performed by positions in the class and contains the minimum qualifications necessary to perform the work of the class. Upon completion of the classification process, a pay plan was developed to provide a pay range for each grade level in the system.

Throughout the development of the system, the department worked with agencies to insure that results within each agency were reasonable and valid and to allow input by knowledgeable agency officials. Once all positions were classified, employees were notified of the results and were given an opportunity to disagree with their classification by filing an appeal. The results of the classification effort were that 14,000 positions were grouped into 1500 classes and the classes were assigned a grade within a 25 grade structure.

Determining the Grade Level of Each Class

As mentioned earlier, the process used to determine relative ranking of one job against another is called job evaluation. The essential part of job evaluation is the choice of factors to measure the contents of a job. Job evaluation methods that use factors are of two types, quantitative and non-quantitative. The job evaluation method that the

State of Montana chose to use was a quantitative method called the Classification Grading Schedule (see Appendix I).

The grading schedule included eight factors to rate job content. The factors were: education, experience, physical demands, working conditions, supervision received, supervision exercised, authority exercised, and responsibility. Each factor was defined by various degrees and a point value was assigned to each degree. Each position or class was evaluated by each factor to arrive at a total number of points. Total points were then converted to a grade or skill level.

It was the purpose of the Classification Grading Schedule to provide an objective evaluation of job content in order to arrive at pay relationships that were fair and equitable regardless of the kind of work performed. As mentioned earlier, one of the objectives of the classification plan, as well as a legal requirement, was to insure that jobs that performed the same or similar work were paid the same. In addition, the designers of the system also adopted the traditional governmental objective of internal equity. Internal equity is based on the concept that all job classes that are similar in terms of skill, effort and responsibility should be paid the same. To say it another way, it was the desire of the state to insure that fairness in pay existed between all kinds of jobs within the system. This was a major feature of the Classification Grading Schedule. It was designed to

evaluate all jobs by the same evaluation method to insure internal equity. The result of job evaluation done in this manner is that it gives employees assurance that relative to others, they are paid fairly. However, this internal equity objective ran afoul of two forces: market comparability and collective bargaining.

Once it was determined what the pay range for each grade or skill level would be, problems quickly appeared. The grade assigned for some job classes did not provide sufficient salaries to reflect either the current pay of employees or a sufficient salary to attract and retain employees. This was especially true with highly skilled technical and professional jobs and certain jobs in high demand in the market place. To solve this problem, adjustments were made in the grades of some classes of positions. As an example, the grade level of a physician, which "factored" out as a grade 17, was changed to grade 22.

The grading schedule also did not take into account collective bargaining. In 1973, the Collective Bargaining Act was passed (9). This allowed employees to organize and bargain collectively over wages and conditions of employment. In addition to this, bargaining had taken place in years prior to 1973 with certain long-established unions who represented craft workers in the institutions and university system. In order to bargain over wages, the law required that anything related to classification was negotiable. The result of the bargaining that took

place during this implementation phase of the pay plan in early 1975 was the adjustment of the grade level for several major job classes. This included Highway Patrol Officers, Highway Maintenance Workers, and the craft classes (carpenters, plumbers, etc.) In subsequent years, the bargaining process resulted in the development of separate classification and pay plans for blue collar jobs, teachers, and liquor store clerks. This situation will be discussed in a later section of this paper.

The Pay Plan

The enabling act provided the following guidelines for developing a pay plan. (Chap 440, Sec 7, L 1973)

"In developing the wage and salary plan, the department shall consider all factors, including the results of meetings with employees and employee organizations, that are necessary to ensure that the plan will continuously enable the state service to attract and retain an adequate number of professional, technical, and administrative personnel."

The department proceeded to develop a pay plan by first conducting a salary survey. The purpose of the survey was to determine the range of salaries paid in the private and public sector for positions similar to various key classes in the state service. Key classes were selected from each salary grade 3 through 25 to be used as "benchmark" positions. These benchmark positions were surveyed in the applicable recruitment area to determine the going rate for each grade level. This would

provide an idea of how much the state must pay to "...attract and retain...personnel."

Besides the salary survey information, other criteria used to design a pay plan included: uniformity in salary steps and grades; standard salary advancements within each grade, and extended service with the state. The pay plan approved in April, 1975, by the legislature contained 13 steps with 2.1 percent increase between steps. Employees were to advance a step on a yearly basis based on performance. In practice, all employees advance one step each year regardless of performance because no uniform performance appraisal system was developed. In addition, a separate longevity formula was provided that amounts to \$10 or more per month for each five years of service.

The pay plan structure has remained unchanged since 1975. However, each year the schedule has been increased based on collective bargaining agreements and executive branch recommendations.

Significant Changes to the Classification and Pay Plan Since Implementation

Shortly after the classification plan was implemented, significant changes began to take place. These changes included abandonment of the original job evaluation method and adoption of a new method and the development of additional classification and pay plans. These changes were brought about for two major reasons. The original methods and

procedures were poorly designed, inadequately documented and were difficult to explain. In addition there was the pressure brought about by collective bargaining, which had also been implemented in 1975.

The Classification Grading Schedule

In 1976, the grading schedule was dropped altogether as a job evaluation tool. The classification staff found that the grading schedule was too imprecise an instrument to use in making classification decisions. After using it for over a year to operate the system and as a means of defending classification decisions in the appeals process, the staff found that it was poorly designed and difficult to explain. There were at least three reasons why the grading schedule failed.

The first reason was the choice of factors. Employees and supervisors quickly discovered that in order to have a position upgraded, all one had to do was increase the education and/or experience necessary to do a job. Although the classification analysts attempted to compensate for inflated qualifications, there was no sound and effective way to challenge what the supervisor felt were necessary qualifications. The classification analysts were never thoroughly trained in how to analyze duties and responsibilities to determine valid minimum qualifications. As a second example, the authority exercised factor, which gives points for supervising a section, bureau or division, did not take into account the wide variation in these

organizational units. A division with 10 employees and one small program was given the same points as a division with hundreds of employees and large multi-faceted programs.

Secondly, the grading schedule failed because of a lack of clear documentation as to how to use the factors and what the factors meant. As an example, when using the supervision exercised factor, it was never clearly understood amongst the classifiers whether supervision meant the number of employees directly supervised or the number of employees that a position is organizationally responsible for. One particular division administrator could be credited with supervising six bureau chiefs and a secretary or all 1100 positions in his division. In my experience in working with the system, this particular problem was never completely solved.

The lack of documentation and understanding of the grading schedule created the third major problem: inconsistency in application by the classifiers. Although they worked closely together in factoring jobs, all was lost when one quit and a new classifier was hired. Use of the grading schedule was soon based on oral tradition instead of written instructions and formal training. It was almost impossible to carry over any consistency when one heard conflicting views of how to apply each of the factors.

In defense of the designers of the grading schedule, it must be said that it was never intended to be the primary classification tool. It was originally intended to be used "in-house" as a guide to help in the ranking process. However, department management decided that it looked "scientific" and would be useful in explaining to employees how their job was classified. As soon as it was made public in late 1974, it was only a matter of a few days before the Personnel Division was flooded with employees' own versions of how their job should have been factored. So, the quantitative job evaluation method was abandoned and a less "scientific" non-quantitative method was adopted.

The Factor Comparison Method

The primary job evaluation method now used to operate and maintain the classification plan is called the Factor Comparison Method. It was developed and implemented in 1977 shortly after the grading schedule was abandoned. This method was developed by rewriting the eight factors of the Classification Grading Schedule into five broad and general factors. The major distinction between the two methods is that the Factor Comparison Method does not use quantitative point values. The five factors, which are nature of work, supervision exercised, supervision received, public contact, and scope and effect of actions and decisions, serve as a basis for comparing jobs to each other. Positions or classes are compared to each other and a series of qualitative judgments are made as to the relative strengths and

weaknesses of a position or class in each of the five factors. The cumulative judgments are expressed in a grade or skill level. This method is relied upon to make classification decisions that come about with the addition of new positions and changes in the duties and responsibilities of existing positions. In addition, this method is also used to defend decisions in the appeals process, many of which were classification decisions based on the Classification Grading Schedule.

In order for this method to work correctly, the classification analyst must rely on existing positions being correctly classified and on the fact that the relationships established under the grading schedule are correct. To avoid the chance of comparing a position against misclassified positions (and thus, compounding the error), various anchors have been established at various points in the classification hierarchy. For example, grades 9-11 are where most technical and paraprofessional positions are allocated; grade 11 and 12 represent entry level professional positions and at grades 14 and 15, are found first level professional supervisory positions and senior level specialist positions. In addition to these anchors, benchmark positions are also established for various classes. These benchmark positions assist in the comparisons process by insuring that the same positions are used over and over to make comparisons. The benchmarks are primarily for the large general classes that have a variety of slightly different positions. They represent typical positions

allocated to the class and serve as a back-up to the class specification.

Further refinement of the Factor Comparison Method was undertaken in 1979 and 1980. As an effort to develop the system into a more precise job evaluation method, the five major factors were used to develop a set of specifically defined factors to evaluate managerial and executive jobs. But, in a departure from the qualitative nature of the Factor Comparison Method, a point system was added to the specific factors.

The task involved in developing this system included a thorough study of executive and manager positions between grades 15 and 22 (bureau chiefs, division administrators, deputy directors.) The five factors were rewritten into specific language to describe the job characteristics of these positions. The "new" factors are: nature of work -- complexity, variety, public contact; accountability -- freedom to act, nature of impact, size of impact; and supervision -- staff mix, staff size, nature of supervision. The format and technique for writing the factors and assigning points was patterned after the Hay method and the Factor Ranking System (10), which are discussed in a later portion of this paper. The result of this effort was the implementation of the Executive-Manager Evaluation System (EMES). The EMES is now used to determine the grade level of positions that meet the definitions of

manager and executive and that should be allocated to grades between 15 and 22.

Given the success of the EMES, the Personnel Division has also developed other point factoring methods under the umbrella of the five major factors that comprise the Factor Comparison Method. These include a lawyer evaluation method and an evaluation method for clerical positions in the university system.

Additional Classification and Pay Plans

Another significant change to the statewide Classification and Pay Plan has been the addition of several different and separate plans. The first of these to be established was the Blue Collar Plan. This plan was developed as a result of a collective bargaining process that began in 1976 and culminated with legislative approval in 1977 of a separate pay matrix for the positions covered by this plan. Positions included in this plan are labor, trade, and craft positions in the Departments of Highways and Institutions.

The Blue Collar Plan consists of a point factoring job evaluation method. This method works similarly to the old Classification Grading Schedule except that jobs are evaluated using 11 factors instead of the eight in the grading schedule. There are 800 positions in 70 job classes ranked within a 12 grade pay plan. The pay plan contains only

one step per grade, except probationary employees are paid slightly less for a period of six months.

All aspects of the Blue Collar Plan are based on negotiated settlements. This includes the factors, how jobs are evaluated and ranked, and the pay assigned to each grade. However, not all labor, trade, and craft positions are in the Blue Collar Plan. Only positions that are in bargaining units are placed in this plan. This results in some jobs that are the same being in two different pay plans with different pay.

Another pay plan that resulted from the collective bargaining process is the Liquor Store Clerks Plan. The state had negotiated pay grades within the statewide plan during implementation in 1975. In 1977, the state and the union agreed to place these positions on their own separate pay schedule. This plan has two levels of clerks and six levels of managers. The distinction between the levels is based on volume sales as determined by bottle counts. Like the Blue Collar Plan, the Liquor Store Clerks Plan has one step for each grade level.

The last classification and pay plan added as a result of collective bargaining is the Teacher Plan. All teachers working for the Department of Institutions are placed on a salary matrix that is very similar to most teacher pay plans found around the country. Teachers are paid according to their education and experience. There are six "grades"

through which a teacher can advance for each 15 credits of additional education beyond a bachelor's degree. In addition, a teacher can advance through 11 steps based on years of experience. Unlike the other plans, teachers may advance to a higher pay grade without a change in duties and responsibilities.

In addition to the plans established through the collective bargaining process, the state has added a separate pay plan for physicians employed by the Department of Institutions. Under this plan there are two pay grades for physicians. One is for physicians, full credential, and one is for physicians, specialized. Each pay grade has four steps to recognize longevity. The state was authorized by the 1979 legislative assembly to establish this plan to recognize the fact that the salary ranges in the statewide plan are not sufficient to attract and retain physicians.

To summarize, the classification and pay plans consist of the following:

The Statewide Plan

Covers 12,500 positions in 1500 job classes. Each class is described by a class specification.

Jobs are evaluated with the non-quantitative Factor Comparison Method except for specific sub-systems for managers, executives, and lawyers.

The pay plan consists of 25 grades and 13 steps per grade.

The Blue Collar Plan

Covers 800 positions in 70 job classes.
Jobs are evaluated with a point factoring system through the negotiations process.
The pay plan consists of 12 grades and one step per grade.

The Liquor Store Clerk Plan

Covers 220 positions in 10 job classes.
No formal job evaluation method is used.
The pay plan consists of 7 grades and one step per grade.

The Teacher Plan

Covers 52 positions.
No formal job evaluation system is used.
The pay plan is a two dimensional matrix that allows individuals to advance through 66 different salary rates.

The Physician Plan

Covers 16 positions in two job classes.
No formal job evaluation method is used.
The pay plan consists of 2 grades and 4 steps per grade.

This chapter has dealt with the basic principles and procedures of position classification and has provided a history of the development of classification in Montana. Various components of Montana's classification plans and the principle methods used have also been explained. This overview of the plan provides the necessary background to proceed with an evaluation of the plan. However, an evaluation of all of the "plans" that make up the Montana position classification system would be an overwhelming task. The focus of the rest of this paper will be on the major component of the system - the statewide classification plan.

CHAPTER III

EVALUATION OF THE CLASSIFICATION PLAN

This chapter of the paper is an evaluation of how well the statewide classification plan has functioned in carrying out two major operations: the grouping of positions into classes and the ranking of classes in the grade hierarchy. The pay plan will be discussed briefly as it relates to the classification plan. The other classification plans discussed in the preceding chapter are not included in this evaluation since they cover relatively few positions and are part of the collective bargaining process.

This evaluation will be based on the observations and opinions of two groups: agency managers, the major users of the system, and the classification staff, the operators of the system. The evaluation will not include rank and file employees because of their limited perspective of the plan. Employees' knowledge about the plan is typically limited to their own position and a few others. Managers play a key role by serving as a point of explanation to the employee. They must have a greater level of knowledge about the plan in order for them to work with it in directing a work unit. The evaluation will attempt to answer the following questions:

1. Does the classification plan have the support of managers?

2. Does the classification system meet its objectives of insuring that employees who perform the same (or nearly the same) work are paid the same, and of insuring that employees are equally and fairly paid according to the difficulty and responsibility of their work?
3. Are the classification methods used by the state technically sound and easy to use and understand?

These questions or evaluation criteria are based on the most commonly acceptable ways of measuring the problems and successes of a classification system that are found in classification and personnel management literature (11).

A Survey of Managers

In order to determine what state government managers think of the classification system, the Personnel Division conducted a survey in February, 1982. The survey was designed to ask participants to give their assessment of how well each of the classification operations meet its objectives. The survey also had questions about pay plan operations, but this part of the survey will not be fully discussed in this paper.

The first step in the survey process was to pre-test the survey with a small sample of managers to be sure the questions were clear and understandable. Based on the results of the pre-test the questionnaire was put into final form and administered.

The basic criteria in selecting participants was to survey those people who serve in a management role. These are the people who must work with the classification system on a regular basis as they administer personal services to accomplish their program objectives. These managers were identified by title and job duties. Those asked to complete the survey included all department directors and deputy directors, division administrators, bureau chiefs, some section supervisors, institution superintendents, and some university system managers.

Personnel Division staff administered the survey by hand delivering or mailing the questionnaires to an agency contact person who in turn delivered the questionnaire to each participant. Participants were asked to return the questionnaire to the agency contact person or to mail it directly to the Personnel Division. Time constraints did limit the opportunity to administer the survey to every manager around the state. However, an effort was made to administer the questionnaire to every manager in the Helena area and to a selected sample at the University of Montana, Montana State University and the institutions in the Deer Lodge Valley. Follow-up was done with the agency contact person to insure that as many questionnaires as possible were returned. A definitive reason cannot be given as to why some questionnaires were not returned. It can be assumed that some respondents were gone and others were not interested or did not have time. Following is a

breakdown by title of the number of questionnaires returned out of 370 administered:

12	Directors
13	Deputy Directors
71	Division Administrators
138	Bureau Chiefs
19	Section Supervisors
38	Other (Superintendents, University, etc.)
291	

The response rate of 79% is a very good return and indicates a high level of interest in the classification system. Following is a discussion of the responses. (The complete survey is included in Appendix II.)

Grouping Positions

Survey participants were asked to rate how well the classification plan was doing in meeting the objective to group positions with similar duties and responsibilities into the same class. The table shows the responses for each possible answer:

Very well	- 2%
Reasonably well	- 58%
Not very well	- 34%
Very Poorly	- 6%

A review of the comments provided by those who indicated "not very well" or "very poorly" showed that the biggest problem seemed to be that classes are too general and do not take into account unique or different

positions. Other reasons given included lack of understanding of jobs by the classification staff, manipulation of the plan with the use of inflated position descriptions, and inability of the plan to recognize factors such as work load and performance. (See Appendix II for summary of comments to question #7.) These comments are common criticisms of the classification plan and sometimes indicate a misunderstanding of the principles and uses of a classification plan or indicate frustration with certain aspects of the pay plan such as lack of performance pay.

Ranking Classes

Survey participants were asked to rate how well the classification plan is doing in meeting the objective of assigning pay grades to classes so that employees are paid equitably and fairly according to the difficulty and responsibility of their work. The table shows the responses for each possible answer.

Very well	- 3%
Reasonably well	- 61%
Not very well	- 30%
Very poorly	- 6%

Respondents were also asked this same question again, but instead of relating it to their agency, they were asked to relate it to the state as a whole. The table shows the number of responses for each possible answer.

Very well	0%
Reasonably well	- 55%
Not very well	- 38%
Very poorly	- 7%

However, 28% of the respondents did not answer this question because many said that they had no information on which to base an opinion.

A review of the comments of those indicating "not very well" or "very poorly" indicated that this operation or the question was not understood by a number of the respondents and seems to be confused with direct pay plan operations. Many comments were directed at the lack of competitive salaries, lack of advancement and lack of performance pay. Although these are legitimate comments they are not directly related to the process of assigning pay grades to insure equity and fairness. There is the possibility that the question may have been confusing and misunderstood. Great care was taken in structuring the questions to avoid this confusion. Unfortunately, there was not time to construct a correlation between these responses and the "level of knowledge" question that was in the survey.

Those comments directly related to the question indicated that this objective was not being met because of the emphasis of certain factors over others (e.g. too much emphasis on supervision, not enough on responsibility, etc.), lack of understanding about jobs by the classification staff, pressure or manipulation by agencies and lack of

money to ask for reclassification. (See Appendix II for summary of comments to questions 8 and 8(a).)

Conflict Between Classification and Pay

One of the criticisms frequently heard about the classification and pay plan is that salary levels for certain jobs are not sufficient. Maintaining a classification plan that insures internal equity and providing a pay plan that offers competitive salaries are not necessarily compatible objectives. Grades are assigned to job classes based on the job evaluation system and not on the basis of salary. The pay range assigned to a grade is based on a salary survey of the relevant job market. Key job classes from a particular grade level are surveyed and the results are combined to produce an average pay range, which is then the recommended pay for that grade level. Thus, some jobs are paid more than the market place requires and some are paid less.

To bridge the gap between these two conflicting objectives, the pay plan allows for pay exceptions. When a difficult recruiting problem exists, agencies can be authorized to hire beyond step one of the pay grade (current pay rules require that new employees start at step one of the assigned grade.) Survey participants were asked whether granting this type of pay exception adequately solves the more severe recruitment problems. They were also asked whether pay exceptions create more

problems than they solve. The two tables show the responses for each possible answer.

...Pay exceptions adequately solve the more severe recruitment problems?

Yes	- 38%
No	- 62%

...Pay exceptions create more problems than they solve?

Yes	- 48%
No	- 52%

An examination of the comments relating to these questions indicated that many managers believe that the proper solution is to change the grade of the position or class instead of giving the pay exception. Other solutions suggested included increasing the amount of money in the pay plan for all grades (especially professionals and managers) to make it more competitive, providing a merit pay system, and using all of the available grades in the system. Problems created by a pay exception are that morale is affected when current employees do not receive the pay exception and hiring beyond step one reduces the number of steps available to that employee. Some of the survey comments indicate either a lack of knowledge of or disagreement with the internal equity objective or frustration with the overall pay system.

The Personnel Division does recognize the problems with the conflict between internal equity and competitive salaries. In the past year the

division has established criteria for adjusting the grade of a class based on a market factor. In one case, the division has authorized a pay exception by increasing the grade of a class instead of giving additional steps.

What is Most Important: Classification Objectives
or Pay Plan Objectives:

Participants were asked to rank five objectives of the classification and pay system in an effort to determine which objective is the most important and which is the least important. The results showed the following:

1. to provide a sufficient level of pay over time to retain experienced employees (2.57);
2. to provide performance-based pay with which to encourage superior performance and retain superior employees (2.71);
3. to insure that employees are equally paid according to the difficulty and responsibility of their work (2.78);
4. to provide sufficient step 1 compensation for each pay grade or grant sufficient pay exceptions to attract qualified applicants (3.33);
5. to insure that employees performing the same (or nearly the same) work are paid the same (3.54).

The number in parentheses indicate the average ranking for all respondents based on a scale on one to five with one being the most important.

These objectives are difficult to rank because they are all important. However, it is interesting to note the pay plan operations are on the minds of managers more so than classification plan operations. This may indicate that if improvements are made to pay plan operations then the combined Classification and Pay Plan may be better accepted and subject to less criticism. As indicated by responses to the questions on classification plan operations, this could also result in less criticism of the classification plan since many managers appear to criticize the classification plan for failings in the pay plan.

Overall, the survey of managers indicates that there is a significant number who have a poor opinion of how well the classification plan functions. However, the survey also suggests that many managers who expressed a negative opinion do not understand the difference between classification and pay. They appear to view the two functions as having the same objectives. This situation will present some difficulty in determining the extent of the problems with the plan. As conclusions are made regarding problems with the plan, it must be determined whether the lack of management support is due to technical inadequacies with the plan or whether it is a matter of perception. Can there be internal equity and fairness if no one understands how it is determined? Or that it is an objective?

The next section continues the evaluation of the plan from the perspective of the classification staff. This includes further discussion about the level of management understanding and suggests reasons for misunderstanding.

Classification Bureau Evaluation

The Classification Bureau of the Personnel Division is responsible for administering the classification plan. The bureau is divided into three sections: the agency liaison section works with agencies on a daily basis in processing requests for classifying new positions and reclassifying existing positions; the appeals section investigates appeals and represents the Bureau before the Board of Personnel Appeals (BPA) in appeal hearings, and the standards and methods section is responsible for the writing and revision of class specifications and for developing and modifying classification procedures and methods. In carrying out its tasks, the bureau staff has considerable contact with managers and employees. The bureau exercises significant authority in administering the plan in that all classifications must be approved by the bureau -- an agency has no authority to make classification decisions except in specific circumstances.

The bureau staff members have been asked to provide their own evaluation of the classification plan to the Personnel and Labor Relations Study Commission. The bureau submitted a report to the

Commission in January, 1982 regarding the classification appeals process (12). This report pointed out problems that the bureau has had in defending classification actions in the appeals process. It also gave the bureau perspective on the problems caused by the Board of Personnel Appeals, the agency responsible for administering the appeals process. A further bureau evaluation of the plan is provided below. This evaluation is based on my own observations and experiences as a bureau employee since 1974 and discussion with several of the bureau staff.

Class Specifications

A major area of concern for the bureau staff is the inadequacy of class specifications. The class specification is the primary document used by agencies in using the classification system. It is also the primary written account of the results of the classification process and is used to explain how positions are classified.

Many of these class specifications are imprecise and unclear. They do not distinguish sufficiently the difference between classes in a series (e.g. Secretary I, II, III) or the differences between class series (e.g. Clerk Typists, Clerk Stenos, Clerk General Office.) (See Appendix III for sample specifications.) This leads to misunderstanding and confusion by employees and managers. This also makes it difficult to explain and defend classification decisions to managers and to the BPA.

A related problem is that some class series contain too many levels (e.g. most states have three levels of Clerk Typists, Montana has four.) Additionally, there may be too many class titles in some occupational groups and not enough class titles in others. Whether to have general classes or more specific classes is a technical matter which considers the needs of agencies, the convenience of operating the plan, and accepted classification practices. In the survey of managers, some commented that some classes are too broad and do not recognize unique or different positions. However, sometimes it is appropriate and sufficient to place a position in an existing class rather than create a new class for one or a few positions.

The problems with classes and class specifications are caused by an attempt to make too fine a distinction in levels of work or by insufficient time spent in studying the positions and writing the specification. These reasons point out the major disadvantage of the class concept and of class specifications - to be viable they must be written very precisely, yet generally enough to insure that there is not a class for every position. The problems pointed out above are solvable. The bureau is currently conducting a major study of 70 clerical job classes with the intention of combining some job classes and reducing the number of levels in some series. Also, a major revision of mid-management classes is nearly complete. Finally, the bureau is undertaking a major class specification project in which the

objective is to bring all class specifications up to date by December of this year.

Level of Management Understanding

Another area of concern for the classification staff is the lack of understanding by agency managers of classification objectives, methods and practices. The survey of managers included questions to find out if they had received any instruction in understanding and utilizing the Classification and Pay Plan and what their level of knowledge is about the plan. The results indicate that not enough managers have received formal instruction (only 32%), nor are enough managers familiar with the classification criteria and how they are applied (17%). In addition, the comments by some respondents indicated a misunderstanding about the basic operation of the classification plan or as a few commented, the operation is clouded in secrecy. (See survey in Appendix II.)

These results indicate that the Classification Bureau can do more to inform managers about the plan and what their role should be in working with it. In several workshops presented in the past year, the bureau has found that increased understanding increases acceptance for the plan. It is a well-stated fact that regardless of what methods are employed in operating a classification and pay plan, the key to success is that the users of the plan understand it. If a classification plan does not enjoy complete management support, it will not be successful in

meeting its objectives (13). A general impression of the survey results is that there are a significant number of managers who do not support the current plan nor do they understand it. It goes without saying that the bureau must increase efforts to educate managers about the plan and gain their full support. At the same time, it is the obligation of each manager to seek out information about the plan so that he can successfully work with it.

Job Evaluation Methods

The major aspect of the classification plan that the Commission will be addressing is the job evaluation method. The bureau believes that the Factor Comparison Method of job evaluation is sound and workable. The bureau has found that as long as staff members are properly trained and supervised and have sufficient experience, that accurate and objective classification decisions can be made. However, a problem with the method is that it is difficult to explain to those who do not work with it on a daily basis and who do not have classification experience.

As an indication of how well the Classification Bureau has been able to explain the job evaluation method, the success rate in appeal hearings was examined. Whether bureau decisions are upheld or overturned by the hearings examiner is often an indication of how well the bureau has been able to explain how the method is used. A review of bureau records indicates that there have been over 50 appeals filed

between 1975 and April, 1981, in which the issue was the grade assigned to the class (in 1981, the law was changed to disallow these appeals.) Of these appeals, 17 have been litigated through the hearings process before the BPA. The bureau was successful in having six of these appeals upheld. This is a success rate of 30%. In contrast to this, the bureau has had a success rate of 65% in individual appeals where the issue is allocation of a position to a class. The 30% statistic suggests that the bureau has been relatively unsuccessful in showing how the Factor Comparison Method is used to assign the grade to a class. However, the reasons for this poor record of success are not all attributable to the job evaluation method. The nature of these kind of appeals makes them very difficult to defend regardless of the job evaluation method used because arguments usually center around comparing one kind of job against another (e.g. engineers vs chemists). This has been referred to as comparing apples to oranges. It is not like comparing a clerk typist to another clerk typist to decide if the two positions should be grouped into the same class. Still the fact remains, the bureau has trouble explaining an important aspect of the plan.

The difficulty in explaining the ranking of job classes is due to the nature of non-quantitative job evaluation methods. This approach to job evaluation depends heavily on the experience and judgment of the classifier. Even though the evaluation process is guided by the use of

the factors, the end result is a single judgment concerning the appropriate grade or skill level. The line of reasoning that the classifier uses in arriving at that single decision is difficult to document and thus appears to be subjective and personal. From an outsider's point of view, only the classifier knows how much weight a particular factor was given in making the decision and often times it appears that for two similar jobs the same factor was judged differently. This situation makes it easy to challenge and second guess the decision.

The ability of managers to understand and accept the classification plan and the ability of the Classification Bureau to document and explain classification decisions are essential ingredients that insure a sound classification plan. The answers provided to the questions presented at the opening of this chapter indicate that the plan is not as sound as it should be. Interpretation of the statistics provided in the survey of managers indicate that 40% have problems with the plan and do not believe that positions are classified correctly or classes correctly ranked in relation to each other. However, there is evidence to suggest that this 40% statistic would be lower if more managers were better informed about classification objectives and practices. The Classification Bureau staff, the operators of the system, also point out there are problems with the technical adequacy of classification methods.

The obvious question that must be answered is, "How should these problems be corrected?" The next chapter offers a number of options available to solve the problems pointed out in this evaluation.

CHAPTER IV

OPTIONS FOR SOLVING CLASSIFICATION PLAN PROBLEMS

This chapter examines four options for solving current problems with classification plan operations. This discussion will focus primarily on solving the problem associated with the job evaluation methods and processes used in the plan. Job evaluation is the most elusive problem because it is the most difficult process in operating the plan and because the ranking of classes results in the most controversy. The grouping of positions into classes is an important operation, but as was pointed out in the preceding chapter, many of these problems are currently being addressed by efforts to review and update class specifications.

The criteria that will be used to evaluate the options include:

1. How much effort is required, e.g. time, money, expertise?
2. What improvements to the current plan can be expected?
3. What problems might be created?
4. Will it meet the needs of Montana state government?
5. Will it have the acceptance of all parties concerned?

The first two options to be examined will be two of the leading quantitative methods of job evaluation. Quantitative or point methods are the best accepted method of doing job evaluation in both the private and public sector. Point methods are more popular because they appear to be more objective, scientific, and easily understood in comparison to

non-quantitative methods. They permit a more precise comparison of dissimilar jobs that not only identify differences in value, but measure the extent of differences. By its nature, job evaluation is a very judgmental process. The guide to these judgments as provided by a quantitative method greatly tempers the more subjective nature of non-quantitative methods. Point methods tend to take the mystique out of job evaluation by forcing scrutiny of all job factors and placing the judgments of the classifier out in the open for everyone to see.

Most point methods operate in a similar fashion. A set of factors is chosen and a scale is devised for each factor to represent increasing levels of worth. Each level is assigned a given number of points. Each job is rated on each factor separately and is assigned the corresponding number of points for the chosen level on each factor. The points are then totaled to yield the job-worth score or grade.

The two methods chosen for examination are the Hay Guide Chart Profile Method and the Factor Ranking/Benchmark/Guide Chart System (Factor Ranking System.) The Hay method was chosen because it is the most widely used system in the private and public sector. The Factor Ranking System (FRS) was chosen because it is a new approach which represents the most significant change in job evaluation concepts in the public sector in recent years.

The third option to be examined would be an effort to modify the current plan by borrowing some of the practices and techniques available in the quantitative methods discussed in options one and two. This may provide the plan with the benefits of quantitative job evaluation but avoid the turmoil caused by completely abandoning the current plan.

The fourth option to be examined would be an effort to make the current plan work as was intended. Current improvements being made to the plan may well solve the basic problems facing the classification plan. This option may be the easiest and least disruptive and would give the plan a chance to work itself out of its own problems. After all, the processes and techniques used in the current plan are over 50 years old.

The Hay Guidechart Profile Method

The Hay system is a proprietary classification and pay methodology developed by Hay Associates, an international consulting firm. This methodology provides specific techniques for analyzing positions on the basis of factors and guidecharts for assigning numerical values to each of the factors to the degree that they are represented within a job or group of jobs.

A major feature of the Hay system is that it uses the same set of factors to measure the value of all jobs in an organization from the lowest clerk or laborer to the highest official or board chairman. The

content of each position is studied within a framework of four major dimensions and 10 factors. Point factors are then assigned to each aspect of job content. The four dimensions and their factors are (14):

I. Know How:

- a. managerial demands
- b. technical knowledge required
- c. human relations skills

II. Problem Solving:

- a. thinking challenge
- b. thinking environment

III. Accountability:

- a. freedom to act
- b. impact on end result
- c. size of impact

IV. Working Conditions:

- a. physical effort required
- b. environment

With the Hay system, either individual positions or a class may be evaluated with the guidechart. In either case, it is essential to have a thorough understanding of job content. The first step is to gather information about the jobs to be evaluated.

The second step is to evaluate each position or class against the degree definitions provided by the factors. When Hay does this evaluation, it relies on a committee to thoroughly discuss the job and decide on the appropriate point values. At various times during the evaluation process, the committee will reconcile a number of evaluations with each other to be sure that the factor definitions are being applied consistently. This practice insures that jobs are being compared to each other through the intermediary of the factor definitions. This comparison is also necessary because the definitions are stated in

general terms. This practice also points out the nature of factor definitions: they are not intended to stand alone, but are supported and further defined by the jobs that are assigned to them.

At the completion of the evaluation process, all positions or classes will have a point total that is the ranking value of the position in relation to all others. Typically, cut off points have to be determined to separate groups of jobs into grade or skill levels (ex. 190 - 200 points = grade 11). Pay is then assigned to each grade.

Critique of the Hay Method

The Hay method has met with notable success. In the 30 years that it has been in use it has been implemented in over 5000 organizations around the world. It is presently the most widely used method in the public and private sectors. The Hay method, like other job evaluation methods, has applications in personnel management besides compensation. Because the application of this method requires inquiry and study into organization objectives, hierarchies, relationships between positions and the duties, responsibilities and requirements of positions, it has proven beneficial in organizational analysis, performance appraisal, career ladder identification and EEO compliance. It is significant to note that the Hay method has been successfully used in court proceedings and EEOC administrative hearings to defend against discrimination complaints.

A major selling point of the Hay method is the claim of internal equity. By applying a single set of factors to all jobs, it determines the relative skill levels of all jobs so that they can be compensated accordingly. Although internal equity is not currently required by law, advocates of "comparable worth" are attempting to change that. The advocates feel that jobs of equal worth or jobs at equal skill levels should be paid the same. If jobs are paid according to the prevailing wage rather than according to their relative skill or responsibility levels, wages for traditionally female jobs will be lower than wages for traditionally male jobs at the same skill level. A number of labor organizations are now advocating comparable worth.

Hay consultants testified in favor of management in one significant comparable worth case, Lemmons vs. City/County of Denver. They also provided assistance in reaching a solution between the city of San Jose and its employees when they went on strike over the comparable worth issue. Hay's beliefs on the issue of comparable worth are summarized below (15):

The ultimate answer to the elimination of pay discrimination is free and open access to all positions to qualified persons, regardless of age, race or sex.

Internal equity is the most important variable in establishing compensation opportunity among positions in related job families and plays an important role in establishing relationships among various job families.

A number of legitimate and non-discriminatory variables exist which affect the establishment of compensation opportunity. These include competitive market factors, supply/demand cycles, the organization's economic ability to pay, and historic collective bargaining agreements and relationships.

The proper blending of internal equity with external market factors will eliminate discriminatory practices within the bounds of economic reasons and the necessity of flexibility for the effective management of an organization's human resources.

Criticism of the Hay method has centered around the findings of some researchers that it reflects an orientation toward executive and professional jobs (16). The factor definitions have a strong executive and professional flavor and do not appear to permit much distinction among lower level jobs. Also, the language used in the factor definitions emphasizes subjective judgments to an even greater degree than most job evaluation systems because they are more general. It should also be noted that very little weight is given for the working conditions factor. This would lead one to believe that blue collar positions would not rate very high in comparison to some blue collar job evaluation methods that place more emphasis on this factor. However, this criticism of the working conditions factor is made more in light of the effect the Hay method, and other methods as well, have on clerical positions. It is the belief of some practitioners and critics of job evaluation that appropriate recognition is not given to clerical positions for working conditions such as: stress, tedium, hazards from electronic equipment, prolonged sitting or standing, etc.

Implementing the Hay Method in Montana

During the summer of 1981, Hay Associates provided the Personnel Division with a proposal and some basic instruction for adopting its method. Its proposal follows the following basic outline:

1. A team of Hay consultants would train one or two evaluation committees in the use of guidecharts.
2. The committee would evaluate about 200 job classes, relying on the information contained in present class specifications and position descriptions.
3. The remaining job classes would be evaluated by Hay consultants in their home office.
4. Hay would conduct a salary survey, perform various salary practice analyses, develop a pay plan proposal and implementation plan following Personnel Division direction.
5. The proposed new pay plan would be submitted to the legislature for approval.

It would take 90 days to do this work and would cost at minimum \$75,000. The job information the evaluation committee works with must be current in order for this effort to be successful. This means that class specifications must be up-to-date and that position descriptions must be up-to-date and readily accessible. Otherwise it would take additional time and cost additional money for Hay to direct a job analysis effort. When the State of Idaho adopted the Hay method, that legislature held up the implementation because employees felt the job information used in the evaluation process was not current. An

additional year was needed to collect more information and reevaluate a number of jobs.

If Montana were to adopt the Hay method, two questions would need to be resolved: Would the Hay system encompass the five separate pay plans now used or will it be applied only to those job classes under the statewide plan? What would be the role of collective bargaining and employee representation in the implementation and operation of the Hay system?

Factor Ranking/Benchmark/Guidechart Job Evaluation System (FRS)

The Factor Ranking System of job evaluation is an outgrowth of the work performed by the federal Job Evaluation and Pay Review Task Force that existed between 1970 and 1972. The task force, chaired by Phillip M. Oliver, conducted a very thorough study of job evaluation methods used in government and industry. This task force concluded that the most modern and sophisticated job evaluation practices are utilized by industrial establishments in the U.S. The FRS combines features of the whole job ranking, point rating and factor comparison methods of job evaluation. It is tailor-made for government jurisdictions because it was developed using typical governmental positions. Jurisdictions with the most experience in using this system are the federal government and the State of Indiana. The federal government has been slowly

implementing this system since 1974. Indiana adopted the system in 1976 under the direction of a task force headed by Phillip Oliver.

The Factor Ranking System consists of the following components (17):

1. Factors appropriate to measure the positions covered by the plan.
2. Guidecharts that define various degrees of each factor and provide a point value for each degree. These charts are the basic peg points for the entire job evaluation process.
3. Occupational guidecharts, each prepared in terms of a particular occupation. This type of guidechart is used only in large jurisdictions and/or when many different types of positions are found within an occupation.
4. Benchmark position descriptions for key or representative positions. A benchmark position description covers the major duties of a typical kind of position and provides information about each factor as it exists in that job. The benchmark position description contains the appropriate point value for each factor. Point values are determined by comparison with other benchmark position descriptions with the guidecharts.
5. Completed position description questionnaires. These documents set forth the duties and responsibilities of an individual position and contain specific information about each factor.
6. A conversion table. This table is used to convert total point values of an individual position to a grade or skill level or to a pay range.

Up to this point it appears that the FRS is similar to the Hay system. However, there is a major difference. Under FRS the same factors are not used to evaluate all jobs. The Oliver Task Force concluded that the array of positions existing in most public jurisdictions requires more than one job evaluation and pay plan. As an

example, they concluded that different factor treatment is required for white collar as compared to blue collar positions. Physical demands and working conditions are of major importance in the blue collar areas but are of little importance in most white collar positions. Under the FRS, positions are grouped in broad categories to recognize that different factors should be used to evaluate job worth and also to recognize different treatment for pay and other personnel practices. For example, the Fair Labor Standards Act (FLSA) defines exempt and non-exempt positions. Non-exempt positions, which are subject to the Act, are non-supervisory, non-managerial positions such as: clerical, trade, craft and labor jobs and are often covered by union contracts. Exempt positions, which are not covered by the Act, are supervisory, managerial, professional and administrative positions and are generally not covered by a union contract. The major categories used by both the federal government and Indiana are as follows (18):

COMOT Clerical, Office Machine Operators and Technicians. This category includes all non-supervisory positions that perform work subordinate to, and supportive of, professional, administrative or technological work. In the private sector these jobs are considered to be non-exempt under the FLSA. The guide charts contain the following factors:

- I. Job Requirements and Difficulty of Work
 - a. nature of required knowledge, skills and ability
 - b. complexity and diversity of work
 - c. amount, complexity of technical or specialized knowledge

II. Responsibility

- a. opportunity to make choices
- b. usual consequence of error

III. Personal Relationships

- a. nature of persons contacted
- b. purpose and nature of contacts

IV. Working Conditions

- a. physical demands
- b. work environment

LTC Labor, Trade and Crafts. This category includes all non-supervisory positions concerned with unskilled, semi-skilled or skilled duties, primarily manual in execution, for which specific training is required through on-the-job training or apprenticeship positions. The guide charts contain the following factors:

I. Skills and Knowledge

- a. nature and level of knowledge
- b. kind and amount of skill

II. Responsibility

- a. nature and degree of responsibility for making judgments and decisions
- b. complexity of work
- c. scope of work

III. Physical Effort

- a. nature and degree
- b. frequency and duration

IV. Working Conditions

- a. nature of working conditions
- b. hazards

PAT Professional, Administrative and Technological. This category includes non-supervisory positions that typically require either a baccalaureate, graduate school or professional level of education or

an extensive body of specialized knowledge acquired through on-the-job training and experience. These jobs are similar to the exempt category as defined in the FLSA. The guide charts contain the following factors:

I. Job Requirements

- a. level of knowledge and abilities required
- b. nature and extent of knowledge

II. Difficulty of Work

- a. complexity of assigned work
- b. nature of guidelines

III. Responsibility

- a. supervisory participation and control
- b. impact of work

IV. Personal Relationships

- a. nature and purpose
- b. scope of work contacts

POLE Protective Occupation/Law Enforcement. This category includes non-supervisory and supervisory positions in protective types of occupations. Positions in this category are concerned with the protection of life and property, the maintenance of order, the policing and enforcement of laws and regulations, the prevention and suppression of fires and related support positions. No guide charts are used in this category, instead, the traditional rank structure is used and whole job ranking is used to determine the relationships between job classes, e.g. building security guards are lower than police patrol officers, with prison guards between the two.

SAM Supervisory and Managerial. This category includes all positions that direct the work of employees in the other categories except POLE. The guide charts contain the following factors:

- I. Base Level of Work Supervised - the highest grade level of subordinate non-supervisory line employees.
- II. Supervisory Functions Performed - e.g. planning, directing, reviewing, etc.

III. Supervisory Accountability - guidance and review provided by higher levels of management.

IV. Scope of Work Operations - number of employees supervised.

In addition to these major categories, the federal government also has the Federal Executive Service and Special Occupations Evaluation Systems. These special evaluation systems are for such positions as attorneys, selected health occupations, scientists and engineers in research and development, teachers, and the foreign service. These kind of jobs are not readily evaluated by normal techniques of job evaluation because the experience, creativity and judgment of individuals in these occupations result in highly personal and substantial contributions to their jobs. The federal government uses a personal competence ranking system to determine the pay for these positions. The State of Indiana also uses an Executive, Scientific and Medical (ESM) category for highly specialized positions.

The Factor Ranking System: How It Works

Under the Factor Ranking System an individual position is evaluated by a comparison of each factor specified on a position questionnaire or description with one or more benchmark position descriptions. If the position being evaluated contains the same degree of each factor as a single benchmark position, the factor points from that benchmark are assigned to the position. If equivalent degrees of each factor are not found in a single benchmark, the position is compared with a combination

of benchmark positions. For each factor, the position is given the same number of points as that benchmark position that has an equivalent degree of that factor. If no comparable benchmark position or combination of positions is found, the position can be evaluated with the appropriate guide chart and point values can be assigned to the factors. The point total for the position can then be converted to a grade, skill or pay range level with the conversion table.

Implementing the Factor Ranking System

The experience of Indiana in adopting the FRS illustrates the process of implementation in a state government with about 30,000 classified employees. Indiana's Task Force placed a heavy emphasis on educating all parties affected by the new system. Understanding the system was seen as the essential ingredient for garnering support for the new methodology. Numerous formal orientation sessions were held and feedback from management and employees was solicited and evaluated at each stage in the implementation process.

Implementing the FRS in Indiana included the following steps:

1. Identification of job categories and development of guidecharts. (Indiana used guidecharts developed by the federal government.)
2. Collection of position information.
3. Allocation of positions to one of the job categories.

4. Selection of positions to be used as benchmarks and preparation of benchmark descriptions.
5. Evaluation of the benchmark positions with the guidecharts to determine point values.
6. Comparison of all other positions with the benchmarks to determine point values.
7. Conversion of point values to ascertain the skill level of the positions.

Pay plan development with the FRS is similar to other job evaluation systems. Salary surveys are conducted and salary ranges are determined for each skill level. The effort needed to develop and implement the FRS in Indiana took about one year. It would take this same time period or longer to implement the system in Montana.

Critique of the Factor Ranking System

Indiana classification specialists have reported outstanding results from the FRS. They have been able to solve a number of problems that had plagued their classification effort prior to 1976. Some of these prior problems were: a high turnover rate; non-competitive salaries; a lack of distinction between jobs; inadequate flexibility with the class specification system, and difficulty in maintaining the linkage between the job evaluation system and pay system. A report on the Indiana system prepared by Indiana University stated that the FRS also offers several additional benefits. These benefits are: provisions for a more objective basis for performance reviews; a more simplified way to

develop production standards needed to get work accomplished;
development of a more effective affirmative action program;
identification of career ladders and ease in carrying out staffing and
budgeting plans.

The Factor Ranking System, like other quantitative methods of job evaluation, has the advantage of reducing the mysticism about particular classification decisions. When qualitative judgments are expressed as pre-defined numerical values, classification rationale is easier to explain and defend. An attitude survey of managers and employees at various levels of the federal service indicated that both groups found decisions arrived at by FRS to be more highly acceptable than decisions based on qualitative judgments (19). Also, the explicitness of the quantified system and the greater acceptability of decisions can improve communication and break down the traditional "them or us" barrier between the centralized classification function and the agency managers.

Quantitative systems reduce the amount of training required of classification analysts. When qualitative decisions are required, analysts may require considerable experience to apply the methodology correctly. But with guidecharts and benchmarks available, an analyst can gain proficiency in a relatively short time.

There is also evidence that the Factor Ranking System may produce more accurate results. The evaluation process requires a series of

judgments rather than the single judgment found in whole-job position classification. Errors thus tend to offset each other without seriously affecting the final point total. Psychological studies have suggested that a series of subjective judgments tend to produce more valid results than does a single judgment (20).

The use of benchmark descriptions may offer an advantage over the class specification system. Benchmark descriptions are relatively easy to develop and issue, thus the classification system can rapidly respond to program and technology changes reflected by the addition of new jobs and occupations to the government service. In addition, benchmark descriptions avoid the problem of class specifications pointed out earlier. Since they describe only one position they are easier to write in precise language and avoid having to be written in general terms to describe a number of slightly different positions.

The major selling point of FRS, the use of specialized factors for different job categories, is also responsible for a major criticism. Different evaluation systems preclude the comparison of relative worth of jobs across the job categories. This makes internal equity among all jobs in a jurisdiction difficult to measure. The justification for the use of several plans is two-fold (21). First, it is sometimes argued that different factors are relevant to the evaluation of different types of jobs, and that plans that attempt to cover all jobs must describe

factors in highly abstract terms, making them difficult to apply to specific jobs. Writing factors tailored to particular types or families of jobs presumably results in more reliable ratings. And applying different weights to factors intended for the evaluation of, say, manual and non-manual jobs presumably results in more valid ratings. Second, job evaluation schemes are usually designed to enhance internal equity while at the same time conforming as closely as possible to the hierarchy implied by the relevant external wage structure. Some would argue that the only way to create a job hierarchy that simultaneously conforms to external wage hierarchies and enhances internal equity is to restrict questions of internal equity to those subsets of jobs that can be said to fall within the same labor market.

It appears that the federal government has overcome this criticism by doing two things. The several sets of guidecharts that it developed are based on a set of nine primary factors. The nine factors are used to measure and describe in general terms the kind and level of work for each of the skill/grade levels in the 18 grade General Schedule. Secondly, it uses the same salary plan for most of the job categories (there is a different pay schedule for blue collar positions.) This insures that there is at least a general comparison of the level of work between different kinds of jobs.

Another disadvantage, at least for Montana, is that the state would have to abandon the work that has gone into the development of class specifications. Although there appears to be great similarity between class specifications and benchmark descriptions, there is a conceptual difference. There is no longer the practice of trying to describe a group of positions, even though they may all have the same title and be at the same level.

Results Expected in Adopting a Different Job Evaluation Method

If Montana adopts a different job evaluation method such as the Hay method or FRS, the ordering of jobs with respect to worth will not be the same. Job evaluation systems all use basically the same factors and there are widely shared norms about the hierarchical ordering of jobs. For example, clerks will be ranked lower than managers and laborers lower than machinists. There are however slight differences from one system to another because of variation in factors, how factors are applied, and the weight applied to each factor. The relevant question is not how great the similarity is between systems, but how large is the departure from perfect agreement?

A comparative study between the Hay method and the Factor Ranking System used by the federal government was conducted in 1976. The correlation between the Hay points and the GS grade levels was found to be .94, indicating a high degree of similarity in the way jobs are

evaluated in the two systems. However, the researcher noted that certain jobs, mainly those in the Personnel Management Specialist series, are evaluated quite differently by the two systems (22).

To illustrate this point further, the first sample of jobs listed below shows how the same jobs are ranked in Montana and in Idaho. A second sample shows a similar comparison between Montana and Indiana. The number in parentheses indicates the pay grade or pay level for the respective states. No correlation between the pay grades of the states is intended other than to show the sequencing or ranking of the jobs.

MontanaIdaho (Hay System)

Social Worker (11)

Social Worker (25)

Game Warden (12)

Game Warden (26)

Drug Counselor (12)

Drug Counselor (28)

Communications Tech (12) Communications Tech (26)

Nurse (13)

Nurse (28)

Librarian (13)

Librarian (28)

Programmer/Analyst (13) Programmer/Analyst (30)

Planner (13)

Planner (30)

MontanaIndiana (FRS)

Social Worker (11)

Social Worker (I)

Forester (11)

Forester (II)

Nurse (12)

Nurse (I)

Disability Claims

Disability Claims Exam. (II)

Exam. (12)

Librarian (13)

Librarian (II)

Chemist (13)

Chemist (III)

Forester (13)

Forester (III)

These comparisons represent the same jobs based on brief descriptions acquired from each state. These are not exact job matches. The content of the jobs may vary slightly between the states

These comparisons indicate that some existing relationships in the Montana system would change if the current system were replaced with either the Hay method or the FRS. This would lead to dissatisfaction by those employees whose relative ranking is lower even though they may not lose money if such change were to be made.

Although some of the existing relationships could be incorrect because of collective bargaining or an error in the evaluation process, employees are now used to the established relationships and have for the most part accepted them. When the existing system was implemented in 1975, a large part of the controversy and dissatisfaction that arose was the changing of relationships in those agencies that had well established classification plans. It took several years to work through the resultant appeals and to gain employees' acceptance of the new system. It is reasonable to expect the same turmoil if a new job evaluation method is implemented.

Modification of Current Methods

The third option for solving the problems with Montana's job evaluation method is to modify it using some of the techniques of the

Hay method and the FRS. Various techniques that could be adopted include: revising existing factors so that point values can be assigned to them; using a job evaluation committee to determine grade levels; using different evaluation methods for different job categories.

The development of quantitative methods for certain categories of jobs in the statewide plan has already been accomplished. In addition, there is a well established quantitative method for blue collar jobs. Experience so far with the Executive-Manager Evaluation System and the Blue Collar plan indicates that they have gained acceptance and are easy to use and understand. Additional effort could be expended to develop one or more quantitative methods for the remaining job categories of clerical, technical, professional, law enforcement, etc. This effort would involve the following basic steps:

1. Determine how many different job evaluation methods to use.
2. Define the specific job categories and identify the job classes to be included in each category.
3. Develop factors for each category either by rewriting the existing factors used in the Factor Comparison Method or using the factors and guidecharts from the FRS. (Since these were developed by a public agency, there would be no copyright problems.)
4. Collect job information and evaluate all jobs with new job evaluation methods.

In addition, it would be easy to establish a job evaluation committee made up of managers, employees and classification analysts. A

committee would provide consensus about appropriate job relationships and would reduce the possibility of inequitable findings.

The advantages of modifying the current method instead of replacing it are:

1. recognition of the existing collective bargaining situation
2. continuation of the direction that has emerged
3. offers a starting point to consider alternate methods of pay plan administration
4. could be done with existing staff without having to hire a consultant
5. offers the advantages of quantitative methods mentioned previously while allowing development of a system to meet the state's own particular needs.

Any modification of methods and reevaluation of jobs will lead to the realignment of jobs. This will create some of the turmoil that was discussed previously. In addition, it will take longer with outside assistance. The best estimate at this time is that it would take a concerted effort of at least a year to modify present methods and reevaluate each job.

Maintain the Current System

The fourth option for solving problems with the job evaluation method is to leave it basically intact and continue existing efforts to make improvements. The process of grouping positions into classes and

ranking classes with a non-quantitative factor guided ranking method has been in use since the early 1900's. This process, which is generally known as the position classification method in personnel management literature, has been a durable management tool and has withstood the test of time. Currently 28 states use this method of classification and job evaluation (23).

Montana's classification plan has enabled the state to accomplish what was intended by the 1973 Legislature. There is a system to insure similar pay for similar work and fair salary relationships have been established between all kinds of jobs. In addition, the plan has provided a sound base for budgeting, recruitment and selection and other important personnel management functions. The plan has also provided sufficient flexibility to meet the changing needs and challenges found in a large and multi-faceted organization such as Montana state government. By changing to a quantitative method, some of this flexibility may be lost. Quantitative methods have been considered too inflexible because they lock the classification of positions into points and point spreads.

Admittedly, there are problems with the plan, but these are more the result of growing pains and the relative inexperience of state government in working with a centralized classification plan. The greatest asset that the plan has is that the turmoil and unsettledness

due to implementation is now over. In a short time, the backlog of appeals that has been a drain on the resources of the Personnel Division and that has tried the patience of everyone, including the legislature, will be completed and up-to-date. The appeals process will then be able to function as it was intended, i.e. employees who are assigned more difficult work or given additional responsibility will have an avenue of recourse if proper recognition is not given by management.

If the plan is allowed to progress as it was intended it will only be a matter of a short time before the major problems are solved. Currently an effort is underway to revise and update many of the specifications. This will solve the most pressing problems and will insure that the plan operates effectively on a day-to-day basis. It will also go a long way in making it more credible, understandable and easier to use.

It is not necessary to completely replace the job evaluation method because in many respects it is not critical once all job relationships are established and the plan has been explained and accepted. It is only necessary to use it to determine the grade of a class when there is a change in the work of a class or when a new class is added to the system. All of the basic job relationships are established and the great majority of them have not changed since implementation, nor is there a need to change them now. The job evaluation method does need to

be further documented and explained to managers and employees. However, this is considerably easier and cheaper than replacing it.

Leaving the current methods and practices intact would be the least disruptive to state government. Allowing the plan to work itself out of its problems by following the basic design and intent of the plan should in the long run be the quickest and easiest way to have a viable classification plan.

Summary of Options

The four options presented in this chapter represent a hierarchy of solutions permitting selection based on the perceived depth of the problem. If the basic design of the current plan is perceived to be faulty, it should be replaced or substantially altered. If the problems are perceived to be relatively minor, slighter alterations or current improvement programs might suffice.

Following is a summary of the options and their advantages and disadvantages:

Option 1 - Replace the present job evaluation method with the Hay Guidechart Profile method. Advantages of this method include:

- quantitative methods are more understandable and easier to use
- all jobs are evaluated by the same set of factors
- benefit of 30 years of Hay experience in job evaluation and pay administration
- a well-accepted system used by over 5000 organizations around the world

- existing position information can be used

Disadvantages of this method include:

- realignment of job relationships, which may lead to dissatisfaction and turmoil among employees
- consultant fees of at least \$75,000
- factors appear weighted toward professional and managerial jobs

Option 2 - Replace the present job evaluation method with the Factor Ranking System. Advantages of this method include:

- quantitative methods are more understandable and easier to use
- specifically designed for government jobs
- different set of evaluation factors for different job categories
- little or no expense for consultants, can use existing staff

Disadvantages of this method include:

- realignment of job relationships, which may lead to dissatisfaction and turmoil among employees
- possible criticism for inability to fully assess internal equity
- more thorough and time consuming effort needed to collect new job information and implement this system
- loss of effort already expended on class specifications

Option 3 - Change current method into a quantitative method using practices and techniques of Hay and FRS. Advantages of this method include:

- quantitative methods more understandable and easier to use
- can be specifically designed to fit the needs of Montana state government
- can use those parts of the current system that are already quantitative
- can use existing staff

Disadvantages of this method include:

- greater time required to go through design and implementation phases without benefit of outside help

- in-house systems may not be as credible as those designed by consultants

Option 4 - Maintain the current system and proceed with existing efforts to improve it. Advantages of this method include:

- can use existing staff and is the least expensive
- will be the least disruptive
- all work done to this point will not be lost

Disadvantages of this method include:

- more difficult to sell to managers and employees who feel that the existing system is totally inadequate and should be replaced
- non-quantitative job evaluation methods are more difficult to explain and understand.

It is ultimately up to the Personnel and Labor Relations Study Commission to decide the severity of Montana's classification problems and to make a recommendation to the governor and legislature on how best to solve them. The most important factor that the Commission must judge is the tradeoff between the perceived severity of the problems versus the cost of solving them. If the classification plan requires significant improvement, will the expenditure of a large amount of money and effort improve the state's ability to classify positions and meet the objectives of the classification plan? Or, can the same improvements be acquired with current efforts and existing methods and techniques? These are difficult questions to answer.

The final chapter provides a summary and conclusions of what has been presented in this paper and offers a recommendation for the

Commission to consider. This recommendation is based on an extended study of Montana's classification plan and the combined experiences of several classification practitioners in Montana state government.

CHAPTER V

CONCLUSIONS AND RECOMMENDATIONS

This paper provides information to judge how the state's position classification plan is operating.

Montana's classification plan has been in operation for over seven years. It was designed to accomplish two objectives: the grouping of like positions into classes and the equitable ranking of classes into a grade/skill hierarchy. This ranking determines what jobs will be paid more or less than others. It does not determine how much the pay will be nor does it determine the difference in pay between jobs. The assignment of pay ranges is a separate operation.

The classification plan was developed following the principles of position classification established by the federal government and private industry in the early part of this century. Subject to growing pains and problems, which result from a major change in the operations of any organization, various changes have been made to the plan. These changes were brought about because of inadequacies in the original design and implementation of methods and practices and because of the special interest pressures of collective bargaining. Despite or because of these changes, the plan has some persistent problems that must be dealt with if it is to survive as a viable tool of personnel management.

Problems identified through a survey of managers, an evaluation by the classification staff, and issues up-coming include: a lack of support for the plan by many managers; continued technical inadequacies with methods and practices, and the possible inability to face new challenges, such as comparable worth, and to address old problems such as the interrelationship of classification and pay. The irony of the situation facing the Montana classification plan is that the problems that the plan has been subject to in over seven years of existence are the same ones that have plagued other states and the federal government for 60 years. If Montana has failed in carrying out a classification plan, it is because it has not learned from the mistakes of others.

Options were presented that provide the Commission with solutions to problems ranging from a complete replacement of classification methods and structure to letting the plan continue to develop on its present course. There are at least two methods of classification available that are quite different from the methods presently used in the Montana plan. The first of these, the Hay Guidechart Profile Method, is a very successful and well-accepted methodology. But, it is expensive to install. The second method, the Factor Ranking System, is newly developed and has yet to meet the test of time. It appears to be well-suited to government, but it would take much time and effort to install. The Commission can also choose to encourage the Personnel Division to borrow the techniques and practices of these two methods to modify and

build upon current methods. This would allow the retention of the best aspects of the current plan and benefit from the experiences of others. Finally, the Commission can conclude that the current plan can survive given time and hard work. With the state's current experience and efforts already expended, it may not be too far away from being a good classification plan.

A Recommendation

Change is needed in the state of Montana's classification plan. The evidence is overwhelming that some basic mistakes were made when the plan was developed in 1974. The first mistake made was a failure to seek and maintain the active involvement of managers in the classification process. Without their involvement they did not have adequate knowledge of the classification process and criteria. They were not able to support or suggest changes in the way jobs were originally classified. As a result, classifiers were not able to use them as a source of support and, in fact, they turned out to be some of the greatest detractors of the plan.

It is recommended that the Personnel Division establish several committees of managers to participate in the classification process. The committees would represent and work with the various occupational categories. This practice, which is used in the Hay system, would

insure input into the process and result in increased understanding and support for the classification plan.

The second mistake made was in the design of classification methods and practices. Given the history of classification and the number of different methods available from consultants and other government entities, the state chose to develop its own methods. The classification staff made many errors in implementing the plan due to inexperience and lack of expertise. This relates to one reason why the state has changed and modified classification methods -- as staff expertise has increased, better ways of doing things have been found.

It is recommended that the state continue the present course of revising the Factor Comparison Method of job evaluation into quantitative evaluation methods for broad occupational categories. This should be done at a slow and deliberate pace to allow current improvement activities to be completed and to allow careful study and planning before implementing major work efforts. With assistance from other states and from selected use of consultants, it would be relatively easy to develop separate evaluation methods for several other categories such as clerical and technical classes, professional classes, law enforcement classes, etc. This approach, which is similar to the FRS approach, best relates to Montana's collective bargaining situation. In addition, it would strengthen the state's ability to explain and

defend classification decisions and would provide additional flexibility needed to develop pay plans and perform other important personnel management activities. Any turmoil brought about by changes in the classification of positions can be overcome by careful implementation, insuring involvement of managers and through explanation to all concerned.

It is not necessary to completely replace present classification methods. The net results of a complete changeover will not greatly increase the accuracy of how classification decisions are made. To spend a large amount of money and effort to implement a completely different plan can only be expected to marginally improve the state's ability to meet a very limited objective -- pay equity. Although the judgments made to determine what equity should be for each job in the state service will never be completely objective, acceptance of a classification plan is a goal that can be accomplished.

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APPENDICES

APPENDIX I

 STATE OF MONTANA DEPARTMENT OF ADMINISTRATION PERSONNEL DIVISION		CLASSIFICATION GRADING SCHEDULE		GRADING SCHEDULE APPLIES TO CLASSIFICATION REQUEST 		Agency Use 		Location Use 	
GRADING FACTORS			▼ Specify Discipline ▼	Point Available other than Professional	Point Available Professional	Agency	County	Therapeutic	Division
1. Minimum Educational Requirement	A.	Post doctoral or equivalent			11-19				
	B.	Ph. D.; M.D.; Veterinarian; Attorney			10				
	C.	Masters; Engineer; Architect			9				
	D.	B.S.; B.A.			8				
	E.	2 years college		5	5				
	F.	2 years technical school		5	5				
	G.	High school graduation		3	3				
2. Minimum Experience Requirement	A.	6 years or more		10	10				
	B.	5 years		9	9				
	C.	4 years		8	8				
	D.	3 years		6	6				
	E.	2 years		5	5				
	F.	1 year		3	3				
3. Physical Demands	A.	Heavy (50+ pounds continuous)		5	5				
	B.	Moderate (25-49 pounds continuous)		3-4	3-4				
	C.	Light (5-24 pounds continuous)		1-2	1-2				
	D.	Sedentary		0	0				
4. Working Conditions	A.	Poor		5-6	5-6				
	B.	Moderate		3-4	3-4				
	C.	Marginal		1-2	1-2				
	D.	Good		0	0				
5. Supervision Received	A.	Policy guidance only		8	10				
	B.	Works independently and work is reviewed		6-7	8-9				
	C.	Priorities are assigned and work is reviewed		4-5	6-7				
	D.	Specific instructions are provided and work is reviewed		2-3	4-5				
	E.	Works closely with supervisor (immediate/direct)		0-1	0-3				
6. Supervision Exercised	A.	Large professional or mixed staff		10-20	10-20				
	B.	Medium staff (10+) technical or professional		6-9	6-9				
	C.	Small staff (4-9) clerical, technical or professional		3-5	3-5				
	D.	Small staff (3 or less) clerical, technical or professional		1-2	1-2				
7. Authority Exercised	A.	Overall responsibility for an institution or major activity			4-5				
	B.	Administrator of a division or equivalent			3				
	C.	Chief of a bureau or equivalent		2	2				
	D.	Supervisor of a section or equivalent		1	1				
8. Responsibility Level	A.	Total discretionary		5	9-10				
	B.	75% discretionary		4	7-8				
	C.	50% discretionary		3	5-6				
	D.	25% discretionary		2	3-4				
	E.	Less than 25% discretionary		0-1	0-2				
9. Other (specify)	A.								
	B.								
	C.								
TOTAL POINTS									
CORRESPONDING GRADE LEVEL									

APPENDIX II

Section I.

Background Information

1. Of the occupational titles listed below, please indicate the one into which your present job falls.

12 Director
13 Deputy Director
71 Division Administrator
138 Bureau Chief
19 Section Supervisor
38 Other (Specify title only _____)
291

2. Montana's present classification and pay system was implemented in 1975. For how long have you worked under this system?

15 0-1 years
24 2-3 years
34 4-5 years
215 6 years +
288

3. Have you ever received any instruction which enabled you to better understand and utilize the present classification and pay system? (Check just one.)

9% - 25 Yes, I have received formal instruction (i.e. classes, workshops, etc.)
47% - 128 Yes, I have received informal instruction (i.e. instruction from supervisor, colleagues, Personnel Division staff, etc.)
23% - 63 Yes, I have received both formal and informal instruction.
4% - 11 Yes, I have received other instruction. (Please specify: _____)
17% - 46 No, I have not received any instruction.
273

4. Which statement below most accurately reflects your level of knowledge about Montana's present classification and pay system?

17% - 48 I am very familiar with the system, including the criteria used in classification and how they are applied.
67% - 193 I am familiar with the system as a whole and the basic concepts of classification, but not with the specific criteria or how they are applied.
9% - 26 I am familiar with the basic concepts of classification, but I know very little about Montana's present system.
5% - 15 I am only vaguely familiar with the system and the basic concepts of classification.
2% - 5 I am not at all familiar with either the system or the basic concepts of classification.
287

5. Considering only your agency, estimate the per cent of turnover within each of the following categories for the past year. (Example: 5 clerical workers, 4 turnovers = 80%, 3 professionals, 1 turnover = 33 1/3%)
Do not include RIFs or layoffs.

Managers/Administrators	-	<u> </u> %
Professionals	-	<u> </u> %
Technicians/Para-Professionals	-	<u> </u> %
Protective service workers	-	<u> </u> %
Clerical workers	-	<u> </u> %
Skilled craft workers	-	<u> </u> %
Service and maintenance workers	-	<u> </u> %

6. For each occupational category listed on the left, please indicate the one reason most responsible for turnover in the category. (Do not include RIFs, layoffs, etc. as part of your turnover.)

	Promotion within state govt.	Higher paying job outside of state govt.	Decision to quit working	Other (Specify)
Managers/ Administrators				
Professionals				
Technicians/Para- Professionals				
Protective service workers				
Clerical workers				
Skilled craft workers				
Service and Main- tenance workers				

Section II.

Assessment of Classification and Pay Operations

OPERATION 1 - GROUPING POSITIONS INTO CLASSES:

In grouping all positions with similar duties and responsibilities in the same class, the objective is to insure that employees performing the same (or nearly the same) work receive the same pay.

7. How well is the objective currently being met?

2% - 6 Very well
 58% - 166 Reasonably well
 34% - 96 Not very well
 6% - 17 Very poorly
 285

If you selected either of the last two responses, please take the time to state your reason(s) and comment on those areas where you think problems exist. _____

Comments Attached

 _____ (Use back of page for more space.)

OPERATION 2 - ASSIGNING JOB CLASSES TO PAY GRADES:

In assigning job classes to pay grades, the objective is to rank classes so that employees are paid equitably according to the difficulty and responsibility of their work; that is, classes requiring greater levels of skill, ability and responsibility should be paid appropriately more than classes requiring lesser levels of skills, abilities, and responsibilities.

8a. How well is this objective currently being met within your agency only?

3% - 8 Very well
 61% - 174 Reasonably well
 30% - 87 Not very well
 6% - 16 Very poorly
 285

If you selected either of the last two responses, please take the time to state your reason(s) and comment on those areas where you think problems exist. _____

Comments Attached

 _____ (Use back of page for more space.)

8b. How well is this same objective being met on a statewide basis?

0 Very well
 55% - 115 Reasonably well
 38% - 79 Not very well
 7% - 15 Very poorly
 209

If you selected either of the last two responses, please take the time to state your reason(s) and comment on those areas where you think problems exist. _____

Comments Attached _____

OPERATION 3 - PREPARING THE PAY PLAN:

There are currently two objectives of the pay plan with a third one being proposed.

Current objectives:

- A. To provide sufficient entry or Step 1 compensation for each page grade to attract qualified applicants.
- B. To provide a sufficient level of pay over time to retain experienced employees.

Proposed Objective:

- C. To provide performance-based pay with which to encourage superior performance and retain superior employees.

9. For each occupational category listed on the left, please indicate how well Step 1 salaries within the category meet the objective of attracting qualified applicants. (Note: If Step 1 salaries in a category have little or no influence on the quality of applicants, then check the last box.)

	Very well	Reasonably well	Not very well	Very poorly	Step 1 salaries have little influence on the quality of applicants	
Managers/ Administrators	2%	39%	26%	18%	15%	268
	5	105	69	49	40	
Professionals	3%	33%	32%	21%	11%	278
	9	91	90	58	30	
Technicians/Para-Professionals	5%	51%	25%	8%	11%	256
	13	131	65	20	27	

(continued)

	Very well	Reasonably well	Not very well	Very poorly	Step 1 salaries have little influence on the quality of applicants	
Protective service workers	9%	56%	21%	4%	10%	125
	11	70	26	5	13	
Clerical workers	12%	58%	19%	3%	8%	264
	32	153	50	9	20	
Skilled craft workers	8%	48%	29%	6%	9%	143
	11	68	42	9	13	
Service and Maintenance workers	17%	44%	17%	8%	14%	116
	20	51	20	9	16	

What factors besides Step 1 salaries tend to influence the quality of applicants for positions in your agency? _____

10. Occasionally, certain hard-to-fill positions in Montana are filled by offering to start a qualified individual at some step on the pay scale higher than Step 1. Do you feel this granting of pay exceptions adequately solves the more severe recruitment problems?

38% - 105 Yes
62% - 170 No
275

- 10a. In your opinion, do pay exceptions create more problems than they solve?

48% - 131 Yes
52% - 144 No
275

- 10b. Whether Yes or No, please take the time to suggest any modifications or alternatives to this procedure you feel should be instituted.
- _____
- _____
- _____

11. For each occupational category listed on the left, please indicate how adequate the overall level of pay within the category is to meet the objective of retaining experienced employees.

	Very adequate	Fairly adequate	Not very adequate	Very inadequate	Salary is <u>not</u> an important factor in re- taining exper- ienced employees	
Managers/ Administrators	3% 7	47% 126	33% 87	13% 35	4% 11	266
Professionals	2% 5	28% 75	48% 131	19% 52	2% 6	269
Technicians/Para- Professionals	3% 7	49% 125	39% 98	8% 20	2% 4	254
Protective service workers	6% 8	52% 68	31% 41	8% 10	3% 4	131
Clerical workers	14% 38	49% 133	30% 81	5% 14	1% 3	269
Skilled craft workers	10% 14	49% 71	34% 49	7% 10	1% 1	145
Service and Main- tenance workers	15% 22	56% 81	17% 25	8% 12	2% 3	145

12. Do you agree or disagree that merit pay awards should be granted to reward employees for sustained superior performance?

85% - 241 Agree
15% - 41 Disagree (Go to question #13)
282

- 12a. What form of merit pay award would you most prefer to use?

54% - 131 Step increases
35% - 85 Lump sum bonuses
5% - 13 Time off (comp time, vacation time, etc.)
6% - 14 Other (Please specify): _____
243

- 12b. Once you administer a merit award, it will be necessary to perform a thorough, on-going evaluation of the employee's work to ensure that the exemplary level of performance is maintained. Would you be willing to conduct this evaluation?

96% - 223 Yes
4% - 10 No
233

13. In the left-hand column below are listed the three major classification and pay operations. The middle column contains the objective(s) of each operation, numbered accordingly. Please use the right-hand column to rank each objective in terms of its importance to the successful operation of your agency. (Rank the five objectives against each other; that is, assign "1" to the objective that is most important to the successful operation of your agency and "5" to the objective that is least important, letting the others fall in between.)

<u>Operation</u>	<u>Objective(s)</u>	<u>Ranking of Importance</u>
1. Grouping positions with similar duties and responsibilities into classes.	1. To insure that employees performing the same (or nearly the same) work are paid the same.	<u>3.54</u>
2. Assigning job classes to appropriate pay grades.	2. To insure that employees are equally paid according to the difficulty and responsibility of their work.	<u>2.78</u>
3. Preparing a pay plan.	3a. To provide sufficient Step 1 compensation for each pay grade or grant sufficient pay exceptions to attract qualified applicants.	<u>3.33</u>
	3b. To provide a sufficient level of pay over time to retain experienced employees.	<u>2.57</u>
	3c. To provide performance-based pay with which to encourage superior performance and retain superior employees.	<u>2.71</u>

14. Montana currently uses a qualitative classification methodology which classifies jobs by means of experienced, systematic judgment. Differences of opinion can and do occur.

To decrease these differences and reduce doubts about the present classification operations, the Personnel Division is making two changes:

1. Plans are being made to move toward a quantitative classification methodology. Several states now using a quantitative method have found that it reduces the number of disagreements over proper classification of positions.

2. A new program is being started to write or re-write all inadequate class specifications. Accurate, up-to-date class specifications are required for most classification methods.

Two options for implementing the first change above are being considered. Please read these options and put a check by the one you think the state should adopt. We ask that you explain the reasons for your choice in the space following the options.

47% - 128 Option A: Modify the present classification method to a quantitative point factoring method. This option would involve an in-house effort using current staff as well as input and assistance from all agencies. It would result in the adjustment of the grade level of some classes within the present 25-pay-grade structure.

38% - 104 Option B. Replace the present classification method with a quantitative point factoring method obtained from a private consulting firm. Using outside experts as well as input and assistance from all agencies, this option would require a new and different evaluation of all classes in the current statewide plan. The result would be more grade changes than in Option A. An additional result might be a pay plan with more or fewer grades than exist in the present plan.

15% - 41 Neither Option A nor Option B.

²⁷³
Reasons for your choice: _____

Comments Attached _____

Thank you for completing the questionnaire. If you have any further comments or recommendations concerning any part(s) of the classification and pay system, please make them here. (Attach an additional page if necessary.)

SUMMARY OF QUESTIONNAIRE COMMENTS

Question #7: Grouping Positions - not very well/poorly

classes to general
 unique/different positions not considered
 lack of clear criteria, criteria applied too broadly
 lack of understanding of jobs by analyst
 insufficient time spent in gathering information
 analyst is not objective
 insufficient comparisons between agencies
 equal work is too difficult to define
 insufficient comparisons between agencies
 workload nor performance is considered
 technical supervision not recognized
 inflated position descriptions; depends on how well written it is
 position descriptions don't match what job really is
 depends on passive or aggressive agency
 tried but no luck
 my division not evaluated properly
 give management more discretion, there is too much control
 costs involved in getting reclassifications

Question #8 + 8a: Ranking classes - not very well/poorly

amount of pay for some classes especially professionals not enough
 no performance pay
 bargaining groups increase pressure
 same standards not applied in filling jobs by various agencies
 unqualified people hired
 support staff is not high enough compared line staff
 salaries not competitive
 my division not properly evaluated
 insufficient information, lack of understanding about work
 inflated position descriptions
 too much emphasis on supervision of others
 lack of advancement
 lack of ongoing review to recognize changes to positions
 too costly to upgrade when there is a problem, dept. hasn't pushed
 too much emphasis on skill vs responsibility
 some employees are maxed at step 13
 we need different pay plans for different occupations
 depends on who analyst is
 can't devote time to learn about jobs
 job difficulty not recognized
 non general funded agencies are higher paid

Question #8 + 8 a (continued)

inadequate/inflated position descriptions
 system is abused/manipulated by agencies
 too many exceptions
 depends on "who" is pushing for upgrade
 larger agencies are better off than smaller agencies
 more assertive employees benefit
 reclassifications are pursued to recognize performance
 pay those responsible for human life more
 pay matrix is compressed
 volume of work not recognized
 preconceived ideas are used in evaluating process
 female jobs not properly recognized
 engineers are underpaid
 overqualified people tend to get upgraded

Question #14: A. Modify the current system

no consultants, too costly, waste of money, we've tried consultants
 before
 will be less confusing, will allow for more agency input
 will maintain stability, less turmoil
 there is sufficient in-house expertise, use existing experience we
 know best
 current system can be effectively modified
 closer control
 keep present system, its better than what we had
 present system hasn't been around long enough to prove worth
 don't throw baby out with the bath water
 it is easier to modify
 a new system would take too long for people to become familiar with

B. Replace the current system

get rid of biases with present staff
 outsider is needed, is more objective
 too much secrecy with present system
 current system too rigid, need flexibility
 more grades needed
 no faith in present system
 incorporate strengths of present system into new system
 new system would be too difficult/would be easier
 new system would be more objective, would not accept current inequities
 need a complete overhaul
 need fresh blood
 current system not meeting needs of agency
 current system too bastardized
 nothing sacred about current system
 results of current system speak for themselves
 Legislature might view an outsiders recommendations more favorable
 given their skepticism of the executive branch

APPENDIX III

	STATE OF MONTANA DEPARTMENT OF ADMINISTRATION PERSONNEL DIVISION		CLASS SPECIFICATIONS		CLASS CODE	201001							
					GRADE	7							
					LAST UPDATED	3-14-75							
OCCUPATIONAL GROUP	Secretaries												
MONTANA CLASSIFICATION TITLE		Secretary I											
DESCRIPTION OF WORK GENERAL DUTIES: Performs a variety of routine secretarial and clerical duties for the head of an organizational unit or board. SUPERVISION RECEIVED: Works under close supervision of an administrative superior. SUPERVISION EXERCISED: Exercises supervision over personnel as assigned. EXAMPLE OF DUTIES Types correspondence, reports, and a variety of other material; arranges appointments, interviews, and travel schedules for supervisor; composes routine correspondence and answers routine inquiries and questions; establishes and maintains files; performs primary screening of callers and visitors; maintains and prepares bookkeeping, payroll, and other records and reports; maintains small budget for supplies and services; handles clerical details of projects and events for supervisor; reads and routes incoming mail; may take and transcribe dictation; performs related work as required. MINIMUM QUALIFICATIONS KNOWLEDGES: Some knowledge of office practices and procedures; business English, spelling, composition, and bookkeeping. SPECIAL SKILLS: Skill in the use of office equipment. ABILITIES: Ability to compose routine correspondence; to establish and maintain effective working relationships with employees, other agencies, and the public; to communicate effectively verbally and in writing; to follow oral and written instructions. EDUCATION: One year of secretarial coursework at a college or technical school. EXPERIENCE: One year of experience in general office work. OR Any equivalent combination of education and experience.													
USER AGENCIES	All					* As Noted Below		All Except Those Noted Below					
	3101	3107	3501	4107	5102	5103	5104	5105	5106	5109	5115	5120	5401
	5706	5801	6101	6405	6407	6408	6409	6412	6415	6505	6601	6602	6702
	6702	6827	6901										
NOTE: Duties described above are not necessarily all inclusive for this class.													

	STATE OF MONTANA		CLASS SPECIFICATIONS		CLASS CODE	201002							
	DEPARTMENT OF ADMINISTRATION				GRADE	8							
	PERSONNEL DIVISION				LAST UPDATED	3-14-75							
OCCUPATIONAL GROUP	Secretaries												
MONTANA CLASSIFICATION TITLE													
Secretary II													
DESCRIPTION OF WORK GENERAL DUTIES: Performs a variety of secretarial and clerical duties of average difficulty for the head of an organizational unit or board. SUPERVISION RECEIVED: Works under general supervision of an administrative superior. SUPERVISION EXERCISED: Exercises supervision of clerical personnel as assigned. DISTINGUISHING CHARACTERISTICS: This class differs from lower level secretaries by the number and/or class of personnel supervised and/or difficulty and importance of duties and responsibilities as found in more complex composition of correspondence, more important public contact and/or confidential nature of the work performed. EXAMPLE OF DUTIES Types correspondence, reports, and a variety of other material; arranges appointments, interviews, and travel schedules for supervisor; reads and routes mail; composes correspondence and answers general inquiries and questions; performs primary screening of callers and visitors; maintains files and prepares bookkeeping, payroll, and other records and reports; maintains budget for supplies and services; handles clerical details of projects and events supervisor; may take and transcribe dictation; may supervise duties of clerical personnel; performs related work as required. MINIMUM QUALIFICATIONS KNOWLEDGES: Working knowledge of office practices and procedures; business English, composition, and bookkeeping. SPECIAL SKILLS: Skill in the use of office equipment. ABILITIES: Ability to compose correspondence; to establish and maintain effective working relationships with employees, other agencies, and the public; to communicate effectively verbally and in writing; to handle clerical details of office projects and events. EDUCATION: One year of secretarial coursework at a college or technical school. EXPERIENCE: Two years of experience in general office and secretarial work. OR Any equivalent combination of education and experience.													
USER AGENCIES	All		* As Noted Below		All Except Those Noted Below								
	3101	3102	3103	3105	3401	3501	4102	4103	5103	5104	5105	5106	5107
	5108	5109	5110	5119	5201								
NOTE: Duties described above are not necessarily all inclusive for this class.													

	STATE OF MONTANA		CLASS SPECIFICATIONS		CLASS CODE		209002						
	DEPARTMENT OF ADMINISTRATION				GRADE		5						
	PERSONNEL DIVISION				LAST UPDATED		7-1-74						
OCCUPATIONAL GROUP		Stenography, Typing, Filing, and Related Occupations											
MONTANA CLASSIFICATION TITLE		Clerk Typist II											
DESCRIPTION OF WORK GENERAL DUTIES: Performs typing and clerical work of moderate difficulty. SUPERVISION RECEIVED: Works under close supervision of an administrative superior. SUPERVISION EXERCISED: None. EXAMPLE OF DUTIES Types statistical, medical, legal, scientific and other moderately difficult material from draft or transcribing machine; types letters, memorandas, reports and other narrative material; composes routine material; answers telephone; greets visitors; makes appointments; explains rules and regulations to the public; accepts cash and checks, registrations and other documents; maintains less complex bookkeeping, financial, cost, time and attendance and other records not requiring detailed knowledge; checks computations for accuracy and makes moderately complex calculations, adjustments and tabulation; operates a variety of office machines and equipment; performs related work as assigned. MINIMUM QUALIFICATIONS KNOWLEDGES: Working knowledge of business English, spelling, arithmetic; office machines and equipment; office practices and procedures. SKILLS: Skill in the operation of a typewriter. ABILITIES: Ability to follow written and oral instruction. EDUCATION: High school graduation. EXPERIENCE: One year of typing and general clerical experience. OR Any equivalent combination of education and experience.													
USER AGENCIES		All				* As Noted Below				All Except Those Noted Below			
	3201	3401	3501	5102	5103	5104	5105	5106	5201	5301	5401	5501	
	5603	5706	5801	6101	6201	6401	6402	6405	6412	6413	6505	6602	
	6603	6701	6702	6901									
NOTE: Duties described above are not necessarily all inclusive for this class.													

	STATE OF MONTANA		CLASS SPECIFICATIONS		CLASS CODE	209003													
	DEPARTMENT OF ADMINISTRATION				GRADE	6													
	PERSONNEL DIVISION				LAST UPDATED	7-1-74													
OCCUPATIONAL GROUP	Stenography, Typing, Filing, and Related Occupations																		
MONTANA CLASSIFICATION TITLE	Clerk Typist III																		
DESCRIPTION OF WORK GENERAL DUTIES: Performs typing and clerical work of moderate difficulty. SUPERVISION RECEIVED: Works under general supervision of an administrative superior. SUPERVISION EXERCISED: Exercises supervision over personnel as assigned. EXAMPLE OF DUTIES Types drafts of letters and narrative reports from written notes or oral instructions; reviews drafts for clarity and punctuation; may read and route incoming mail and respond to requests that can be resolved at a clerical level; may compile and type complex technical, statistical and financial reports; designs and maintains filing system for correspondence and documents; may schedule and assign clerical work to other employees and recommend procedural changes to the supervisor; may receive visitors and answer incoming phone calls; performs related work as required. MINIMUM QUALIFICATIONS KNOWLEDGES: Considerable knowledge of general office procedures and use of office machines. Working knowledge of business communications, report writing, grammar and spelling. Some knowledge of commercial arithmetic. SKILLS: Skill in the operation of a typewriter. ABILITIES: Ability to plan and produce well-balanced and attractively arranged type written matter; to learn rapidly; to maintain moderately complex clerical records and to prepare detailed reports from such records; to meet with and deal effectively with the public. EDUCATION: High school graduation. EXPERIENCE: Two years of typing and clerical experience. OR Any equivalent combination of education and experience.																			
USER AGENCIES	All						*	As Noted Below						All Except Those Noted Below					
	3201	3501	4102	4103	4104	4107	5103	5104	5106	5107	5108	5105							
	5201	5301	5401	5501	5706	5801	6101	6201	6401	6406	6408	6409							
	6412	6415	6602	6603	6827	6901													
NOTE: Duties described above are not necessarily all inclusive for this class.																			

	STATE OF MONTANA		CLASS SPECIFICATIONS		CLASS CODE	219007													
	DEPARTMENT OF ADMINISTRATION				GRADE	7													
	PERSONNEL DIVISION				LAST UPDATED	3-14-75													
OCCUPATIONAL GROUP	Computing and Account Recording																		
MONTANA CLASSIFICATION TITLE																			
Clerk, General Office IV																			
DESCRIPTION OF WORK																			
GENERAL DUTIES: Performs a variety of routine clerical duties of considerable difficulty requiring knowledge of particular procedures, rules, or regulations and the exercise of independent judgment and action. SUPERVISION RECEIVED: Works under general supervision of an administrative superior. SUPERVISION EXERCISED: Exercises supervision over clerical personnel as assigned.																			
EXAMPLE OF DUTIES																			
Performs involved clerical procedures in the preparation, processing, auditing, or analyzing of records, reports, claims, bills, transcripts, vouchers, applications, orders, tax returns, or other documents which require utilizing special knowledges and the application of rules and regulations; composes letters to request information and assists in important but routine public contacts to apply and explain rules, procedures, and results; establishes and maintains files of documents and correspondence; prepares material for data processing; maintains accounting and financial records not requiring special accounting training; assists in the collection and preparation of data for special reports; may supervise and train other clerical personnel and assist in establishing office procedures and routines; performs related work as required.																			
MINIMUM QUALIFICATIONS																			
KNOWLEDGES: Working knowledge of office practices and procedures, business English, spelling and commercial arithmetic, bookkeeping and recordkeeping procedures. Some knowledge of accounting procedures and some knowledge of specialized procedures; rules and guidelines relating to particular function. SPECIAL SKILLS: Skill in the use of a typewriter and other office equipment. ABILITIES: Ability to make difficult arithmetic computations; to make decisions in accordance with laws, rules, and regulations; to set up and maintain difficult and varied records and to prepare reports from these records; to communicate effectively verbally and in writing; to establish and maintain effective working relationships with employees, other agencies and the public. EDUCATION: High school graduation. EXPERIENCE: Two years experience in general office and clerical work.																			
OR																			
Any equivalent combination of education and experience.																			
USER AGENCIES	All										*	As Noted Below				All Except Those Noted Below			
	3401	3501	5103	5105	5106	5113	5301	5401	6101	6402	6406	6409	6411						
	6413	6603	6701	6702	6901														
NOTE: Duties described above are not necessarily all inclusive for this class.																			

	STATE OF MONTANA		CLASS SPECIFICATIONS		CLASS CODE	219008
	DEPARTMENT OF ADMINISTRATION				GRADE	08
	PERSONNEL DIVISION				LAST UPDATED	3-14-75
OCCUPATIONAL GROUP	Computing and Account Recording					
MONTANA CLASSIFICATION TITLE						
Clerk, General Office V						
DESCRIPTION OF WORK						
GENERAL DUTIES: Performs a variety of routine and non-routine clerical duties of unusual difficulty requiring knowledge of special procedures, rules or guidelines and the exercises of independent judgment and action. SUPERVISION RECEIVED: Works under general supervision of an administrative superior. SUPERVISION EXERCISED: Exercises supervision over personnel as assigned.						
EXAMPLE OF DUTIES						
Performs difficult and involved clerical work in preparing, maintaining processing, auditing or analyzing records, reports, claims, bills, vouchers, permits, applications, orders, tax returns, or other important documents or forms which requires the application of a large number of rules and regulations and the use of specialized knowledges in such areas as payroll, special permits, licenses, inventory or account receivables; prepares material for processing by coding; establishes and maintains files; composes letters to request information and assists in important but routine public contacts to apply and explain rules, procedures and results; maintains accounting and financial records requiring some special accounting training; assists in the collection and preparation of data for special reports and budgets; assists in establishing procedures and routine; supervises and trains clerical personnel; performs related work as required.						
MINIMUM QUALIFICATIONS						
KNOWLEDGES: Considerable knowledge of office practices and procedures; business English, spelling, and arithmetic. Working knowledge of bookkeeping and record keeping procedures; accounting procedures and specialized procedures, rules, and guidelines relating to the particular function. SPECIAL SKILLS: Skill in the operation of a typewriter and other office equipment. ABILITIES: Ability to make difficult arithmetic computations; to apply agency policies and procedures; to establish routine office procedures; to supervise the activities of others; to establish and maintain effective working relationships with employees, other agencies and the public, to communicate effectively verbally and in writing. EDUCATION: One year technical training in office and business practice. EXPERIENCE: Two years of experience in a variety of office and clerical work. May require some supervisory experience.						
OR						
Any equivalent combination of education and experience.						
USER AGENCIES		All	*	As Noted Below	All Except Those Noted Below	
	3201 3401 3501 5104 5110 5301 5401 5706 6201 6602 6603 6901					
NOTE: Duties described above are not necessarily all inclusive for this class.						