

STAFF REPORT
TO THE
MICHIGAN JOINT LEGISLATIVE COMMITTEE
ON
REORGANIZATION OF STATE GOVERNMENT

PERSONNEL ADMINISTRATION IN MICHIGAN GOVERNMENT

MICHIGAN JOINT LEGISLATIVE COMMITTEE ON
REORGANIZATION OF STATE GOVERNMENT

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LETTER OF TRANSMITTAL

February 7, 1951

Rep. Robert M. Montgomery, Chairman
Michigan Joint Legislative Committee
on Reorganization of State Government
Lansing, Michigan

Dear Rep. Montgomery

In accordance with the instructions of your Committee, I herewith transmit to you a Staff Report on "Personnel Administration in Michigan Government."

This Staff Report was prepared under the direction of Dr. Louis L. Friedland, Department of Public Administration, Wayne University. Although the University made his services available to the Committee, Dr. Friedland devoted much of his own time to the study. The cooperation of the University and the energy devoted to the study by Dr. Friedland are gratefully acknowledged.

Assisting Dr. Friedland in his work were Dr. Charles Adrian and Miss Josephine Sclafani of the Department of Government, Wayne University; Dr. E. R. Raney, Department of Personnel Methods, Wayne University; H. C. Bergman, K. S. Hogg, and E. I. Wylie of Michigan Bell Telephone Company; and Irvin L. Malcolm of J. L. Hudson Company. Acknowledgement is made to all of these persons and the organizations with which they are associated for their assistance. Dr. Arthur Flemming, President of Ohio Wesleyan University, member of the Hoover Commission, and former member of United States Civil Service Commission, served as a consultant to the Project Director.

The helpful counsel and interest of the Advisory Committee is also acknowledged, although the members of this Committee bear no responsibility for either the findings or recommendations of the Staff Report. This Committee consisted of Harry Hogan, J. L. Hudson Company; Miss Q. Johnstone, Standard Accident and Insurance Company; James A. Kennedy, Ann Arbor; H. F. Lange, Michigan Bell Telephone Company; Eugene C. Mathivet, Wayne County Civil Service Commission; John Rapparlief, U. S. Rubber Company; Donald J. Sublette, Detroit Civil Service Commission; and Joseph Sullivan, Detroit Edison Company.

Very truly yours

/s/ Loren B. Miller
Director

January 30, 1951

Mr. Loren B. Miller, Research Director
Michigan Joint Legislative Committee on
Reorganization of State Government
810 Farwell Building
Detroit 26, Michigan

Dear Mr. Miller

In accordance with the resolution of the Joint Legislative Committee on Reorganization of state Government and transmitted to me by your letter of February 25, 1950, I herewith submit the completed study on personnel administration in Michigan's state government.

In a study of state governmental organization and practices, the problems of personnel administration loom as issues of primary concern to its practitioners as well as the research worker. The present study is thus designed to meet an important need for information. Much of the information basic to the study has been developed or appraised by personnel experts from private industry, educational institutions, and the several levels of government. Many officials in this state as well as others have been interviewed and have provided various types of statistical and other data which those officials were in a position to furnish.

The staff of the state Civil Service Commission has been of invaluable assistance in furthering the progress of this study. During its course, frequent discussions concerning the operation of the personnel program conducted by the Commission have been held with members of its staff. Many requests have been made for information, all of which have received careful attention and action. Also, all associated with the Project are deeply grateful for the full cooperation and courteous attention provided by officials and employees of the various state agencies, too numerous to mention.

In reviewing the Michigan pattern of personnel organization and administration, the authority possessed by the Civil Service Commission, because of its constitutional basis, immediately comes sharply into focus. Comprehensive review, appraisal, and whatever remedial action that may be necessary are, of course, impossible without the positive cooperation of the Commission and its staff, as well as the Legislature and the executive departments.

The present study and its findings should prove exceedingly helpful to the Legislature, the Governor, and to other public officials and interested persons in their efforts to secure legislative and administrative action for the improvement of the state's personnel system and practices.

Mr. Loren B. Miller—2
January 30, 1951

It is necessary to point out that the suggestions which are mentioned in this study are made with full cognizance of the history of civil service reform in Michigan as well as accepted principles of sound and equitable public personnel administration.

Very truly yours

/s/ Louis L. Friedland

Project Director

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PERSONNEL ADMINISTRATION IN MICHIGAN GOVERNMENT

I. The Personnel Problem in State Government

The quality of governmental service rendered the people of a state depends to a large extent upon the competence of public personnel. During the last two or three decades the activities and influence of all levels of government have been widely extended in scope. This has greatly increased the points of contact between members of the community and governmental employees.

At the same time there has been a quickening of pace and an intensification of effort in all fields of human activity. These developments have led to a raising of efficiency standards to meet popular demand. These trends can be expected to continue, and the civil service is likely to be called upon to assume new tasks and to apply a higher level of performance to the old tasks. Like other organisms, the civil service has, to a considerable extent, already adjusted itself to changing conditions. These adjustments have not been complete, however, having been brought about under the compulsion of events rather than by deliberate intent.

The basic problems of personnel administration in Michigan are similar to those confronting all governments. Differences, however, exist in the progress made in solving these problems. In the State of Michigan, contrary to the situation existing in many other states, a sound basis has been laid for personnel administration. To an extent, however, efficient personnel administration may be affected by many conditions other than those involved in its basic authority and organization.

The aspects of personnel administration considered in this report are those believed to be of major importance. The general plan has been to consider each topic in relation to the overall civil service program and the general personnel conditions and practices that exist in state administrative agencies.

The term "merit system" has, since its inception, meant the selection of employees on the basis of fitness as demonstrated in open competition with other applicants. In a general sense, the term is also used to signify the application of high standards to all phases of personnel administration. This broad usage is followed in the present study. While merit systems have not been equally successful in operation, the achievements of the stronger systems afford conclusive evidence of the value of merit standards.

"Most comprehensive merit systems make provision for the performance of at least four types of functions. These are: (1) Quasi-legislative functions, such as the adoption of rules, classification, and compensation plans, and other general programs and procedures; (2) Quasi-judicial functions, such as the hearing of appeals by employees; (3) Duties closely related to points one and two above, which involve investigating and reporting matters pertaining to the personnel system, with power to administer oaths and to subpoena witnesses; (4) Administrative functions, including the direction, coordination, and control of the operation of the system."*

* Frederic, K.A., "Studies in Personnel Administration," (Report of Advisory Committee on Education); Governmental Printing Office, Washington, D.C. 1938, p. 10.

The quality of personnel administration in state government depends upon a number of factors. The legal basis for civil service authority, the sentiment prevailing in the legislature, the attitudes of the political parties, public opinion in general, and the interest or lack of interest of particular groups of citizens all help to stimulate or retard the development of sound personnel policies. Although these factors affect, to some extent, the day-by-day administration of personnel matters, certain officers and agencies of the government can exert a much more direct influence.

In Michigan, as a result of the vicissitudes of civil service in terms of partisan influence, comprehensive authority of a constitutional character was vested in a Civil Service Commission over which the Governor and the Legislature have had very little direct influence.

In the light of this historical background and the comprehensive scope of the Commission's authority, it has also appeared necessary to examine, however, briefly, the meaning and implications of the civil service amendment and its judicial interpretations. This discussion will be found in Chapter III.

II. Summary of Findings and Suggested Improvements

Purpose and Procedure

The purpose of this section is to: (1) present the important features of each of the areas of personnel administration in the state service as determined by this study; (2) appraise the elements of strength and weakness in the administration of personnel matters; and (3) suggest ways of improving the personnel situation as found in 1950.

The Legislature, the Executive, the Civil Service Commission, and the operating departments are charged with responsibilities of great magnitude and diversity. Under the constitutional amendment setting up civil service in Michigan, the Civil Service Commission has been directed to maintain a high standard of personnel practices. Germane to this directive is a consideration of the nature of the Commission's authority and the policies and practices adopted thereunder.

This appraisal has been based upon: (1) analysis of operating data; (2) consultation with a large number of operating and personnel officials both within and outside state government; and (3) a review of other studies of the personnel function in the public service. No claim is made that this study is final or definitive. It does reveal, however, a number of problems which are of great concern to the public, the administrator, and the employee. These problems include the following: (1) A career service has not been developed to the extent desired or to the extent possible; (2) the current rate of personnel turnover is preventing the development of a strong career service; (3) the relationship of the Civil Service Commission to the Chief Executive and the Legislature requires redefinition; and (4) the costs of personnel management, which do not appear to be excessive on a comparative basis, cannot properly be appraised in the absence of reliable indices related to personnel management activities.

However, there is no doubt, as the Hoover Commission found in considering Federal personnel practices, that the fundamental causes underlying most of these problems are to be found in the policies and practices of the Civil Service Commission in “procuring, developing, compensating, and supervising personnel.”*

In order to provide a consolidated summary of findings each of the areas studied is outlined in the same order they are presented in the text.

Findings on the Bases for Civil Service Authority in Michigan

The review of the bases for civil service authority in Michigan, presented in detail in Chapter III, may be summarized as follows:

1. The intention of the framers of the civil service amendment was to provide a permanent and strong civil service system which could not be emasculated by legislative action or inaction, as had been the experience with the Civil Service Act of 1937. Although the amendment was drafted so as to enumerate the powers of the Civil Service Commission, their specific content and scope were not clearly defined.
2. Since civil service in Michigan has an unique constitutional basis, not comparable to that in other governmental jurisdictions, earlier Michigan court decisions and those of other states' courts are not controlling in resolving legal controversies which arise in the application of the amendment. (*De Maggio v. Attorney General*, 300 Michigan 251, (1942))
3. The Michigan civil service amendment, while not completely self-executing in nature, is more so than in any other system. (*Civil Service Commission v. Department of Administration*, 324 Michigan 714, (1949))
4. As a result of the power of the Commission to classify positions in state service and the provision of the amendment that “No removals from, or demotions in, the state civil service shall be made for partisan, racial, or religious considerations,” the Michigan Supreme Court holds that the Commission must approve all abolitions by administrative agencies of positions in the state civil service. (*Kunzig v. Liquor Control Commission*, 327 Michigan 474, (1950))
5. Because the amendment vests the Commission with power to fix rates of compensation, the Legislature may not change the salaries as provided in the Commission's compensation plan. The compensation plan of the Commission, however, is not self-operative; a legislative appropriation for the salaries is required. (*Civil Service Commission v. Brown, Auditor General*, 302 Michigan 673, 686, (1942))
6. The provision of the amendment that “the legislature shall appropriate.... for each and every subsequent fiscal year a sum not less than one per cent of the aggre-

* Federal Personnel—Task Force Report (Appendix A), The Commission on Organization of the Executive Branch of the Government, January 1949, p.95.

gate annual payroll of the state service for the preceding fiscal year as certified to by the commission” is mandatory on the legislature, but not self-executing in the event of legislative inaction. (Civil Service Commission v. Department of Administration, 324 Michigan 714, (1949))

7. According to an opinion of the Attorney General, when the legislature creates an agency without specifying that there are to be two exempt positions within it, such agency is not automatically entitled to the exempt positions mentioned in the civil service amendment: The civil service commission has power to grant or withhold those exempt positions. (O.A.G. #729, March 9, 1948)

8. The Supreme Court will look behind the legislative or administrative designation of an agency as a board to determine whether the real purpose and function of the board brings it within the classification of the boards and commissions whose members are exempt from civil service by terms of the civil service amendment. (Case v. Liquor Control Commission, 314 Michigan 632 (1946))

9. Concerning the provisions of the amendment directing the commission to “determine by competitive performance, exclusively on the basis of merit, efficiency, and fairness, the qualifications of all candidates for positions in the state civil service,” very little controversy of a legal nature has arisen.

Findings on the Organization for Personnel Administration— the Civil Service Commission, Legislature, Executive, and Operating Departments

The review of the organization for personnel administration in Michigan, including the structure, role, and relationships of the Civil Service Commission with the Legislature, Chief Executive, and the operating departments, which is presented in detail in chapter IV, may be summarized as follows:

1. Considered in the light of the circumstances which brought about the adoption of the constitutional civil service agency in Michigan, its autonomous, centralizing authority, so comprehensively interpreted by the State courts, is readily understandable.
2. The Michigan Civil Service Commission has emphasized its “control” function because of the very nature of its authority, which has served to isolate it effectively from “management” in the state service.
3. Communication in the larger sense has not taken place between the Commission or its staff and the Legislature, Chief Executive, and the operating departments. Although there is evidence that the Commission has reversed its aloofness in this regard to a considerable degree, the acceptance of its “staff” responsibilities as a part of the management team has not taken place to the fullest extent possible.
4. Recent surveys of both the Federal government and several state governments reached the consensus that there is considerable room for improving the role of the central agency as the executive’s advisor on personnel policy and as the channel for

developing a modern approach to human relations in government. This role would emphasize the fact that "public purpose is more important than procedure" and would encourage innovation and flexibility in agency personnel programs.

5. A device which has been found helpful as a means of insuring central civil service and departmental agency integration so as to achieve more effective personnel management is the personnel council on which both are represented. No such integrating medium has been created nor is operative in Michigan state government.

6. The State Administrative Code, in order to be comprehensive in scope, should contain, in the interests of sound public relations, provisions relating to civil service administration. This is not the case in Michigan, with the result that it is difficult for the general public, or even the administrator at times, to be cognizant of the latest and most authoritative policy determinations of the Commission. Further, the failure to provide an annual report of its activities has also contributed to the "curtain" between the Commission, state officials and the public.

7. In view of the comprehensive authority of the Civil Service Commission for personnel management, the number of meetings held during the year (approximately 10) makes it obvious that the major share of the responsibility devolves on the Commission's staff for the formulation, interpretation, and application of personnel policies.

8. Key administrative officers seldom participate in the formulation of personnel policy. Obviously, the attitudes of such executives and their subordinates leaves a great deal to be desired in terms of adherence to personnel policies decided upon a unilateral basis. Thus, these officials may tend to disregard even the most enlightened and progressive personnel policies.

9. The central personnel agency should undertake, as a major responsibility, the formulation of performance standards and efficiency criteria in conjunction with the operating departments. Although some effort has been made to do this, in general, there has been little systematic activity by the commission's staff or the operating agencies along these lines.

10. An analysis of the Civil Service Commission's staff (a total of 143) in terms of clerical as contrasted with "professional" personnel reveals that only 48 employees are in the latter group, of whom 22 are at the entering class level. This dearth of technically qualified personnel must be considered in the light of the Commission's comprehensive scope of responsibility for personnel management affecting over 22,000 employees in a public jurisdiction. Nevertheless, the total number of employees engaged in the personnel function, including operating agencies' personnel staff, shows a ratio of one to every 65 employees in state service.

11. A close working relationship between the staff of the Commission and those of the operating agencies does not exist except in occasional instances. The gap is to a considerable degree, a simple matter of attitude. The operating agency looks to the Civil Service Commission staff for protection and service, and, at the same time, is

tempted to resent the central controls and to insist upon greater freedom of action. The Civil Service Commission staff expects from the agency compliance with rules, regulations, and central policies, and finds it easier to extend controls than to respond to the changing and pliable problems of administrative management.

12. There is little evidence of a working relationship between the Civil Service Commission and the Department of Administration. As they are both control and auxiliary "service" agencies, playing an important part in state administrative management, this lack of close coordination points up a real weakness.

Findings on Staffing the State Agencies

In many respects, those aspects of personnel administration in the State of Michigan herein summarized, and presented in detail in Chapter V, constitute the central point of interest in this study. Unless recruitment and selection policies are soundly conceived, there can be little hope of building a first rate staff. It is also difficult to see how a sound personnel program can be developed without an effective position-classification structure and administration.

The major findings in these areas include the following:

A. Recruiting:

1. Through force of circumstances, the operating agencies, either by delegation from the Commission, or on their own initiative, have taken the lead in recruiting for their specific personnel needs.
2. Recruiting personnel for the "work-level" jobs in the state civil service seems to have been done in a fair, impartial, and realistic manner. The filling of supervisory and staff positions presents an entirely different story. Here, too often, seniority has governed selection, with inadequate concern for basic qualifications.
3. Efforts to utilize educational and technical institutions for recruiting managerial and technical personnel have been unsystematic and desultory. Such relationships as do exist have, in the main, been developed by the operating departments.

B. Selection:

1. A measure of the effectiveness of the Commission in selecting and appointing qualified personnel to the state service is the manner in which the "provisional appointment" procedure is utilized. In Michigan, the provisional procedure, in effect, assigns to the operating agencies the responsibility for selecting personnel. The record of appointments by the Commission over the period 1945-50 shows that 93% of all appointments (as of the date of appointment) have been provisional in nature.

2. As temporary appointments constitute one-fourth (24%) of the appointments made by the Commission, it would appear that the Commission should set up a special certification program for this group.
3. Only three out of ten provisional appointees are removed from their jobs by the Commission, while six out of ten are certified. One out of ten is given a new appointment before being examined for the first appointment.
4. As the record disclosed that a sizeable percentage of high level personnel had not been certified at lower levels before being promoted, there is a strong possibility that personnel who are not qualified are being promoted. This is entirely possible in some instances, since it is improbable that qualified personnel will take the lower level positions initially. Such personnel are being qualified in many cases as a result of the Commission's policy of allowing experience on the job, obtained through provisional appointment, to be used as a qualification for the job.

C. Examination Procedure:

1. Although "desirable" qualifications for jobs have been set up, the candidate is not required to meet these qualifications in order to be certified to a job.
2. Examining procedures have not been validated against performance on the job. Instead, the Commission assumes that the candidates who do well on a test are the best candidates for the job.
3. Too much emphasis is placed on oral examinations for which objective standards are lacking.
4. Too much weight is attached to service ratings for promotional examinations, and they are also applied on a variable basis. This could easily give the "provisional" an unfair advantage.
5. Heavy emphasis is placed on reading skill in determining qualifications of candidates, especially for jobs of a manual nature not requiring a high level of verbal facility.
6. Test items are such that candidates already employed by an agency (provisional, etc.) may have an undue advantage.
7. In most instances where promotional exams are given, open competitive exams are given also. However, the registers established from the open competitive exams are seldom used because of the Commission's policy of giving preference to the provisional incumbent if he is within certifiable range (one of the top three).

D. Certification and Appointment:

1. Requests from the operating agencies for authority to hire “provisionals” are necessary in many instances because of the 3-year “life” of eligible lists. This is further aggravated by the nature of the labor market in recent years.
2. “Certifying against” incumbent provisionals who have not placed within certifiable range, has been held up in many instances by the Commission for a variety of reasons.

E. Job Evaluation and Classification:

1. There were, on June 30, 1950, over 1500 position titles for the 22,126 employees in the state service. Of these, 599 position titles covered a single position. This markedly increased the difficulty of administering the civil service program with particular reference to the examining process involved.
2. Many of the position titles appear to be non-essential, inappropriate, or duplicative, relating to what is essentially the same kind of work. This condition, therefore, contributes to an unwieldy and unscientific job structure.
3. Responsibility for classification is completely centralized. While there is a continuing backlog of approximately 100 requests for specific job-classification studies, this in itself is not too serious. The major issue involved is the desirability of operating agency participation in this basic personnel function.

F. Veterans' Preference:

1. As applied in Michigan, the 10 point preference for Veterans and the 15 point preference for disabled Veterans is added to the earned rating rather than to passing marks on examinations. This means that a veteran may fail a part of an examination or all parts of one and yet receive a passing grade. In other respects, the Michigan civil service veterans' preference policy does not depart from the generally accepted provisions of other civil service jurisdictions. However, except for Ohio, California, and Kansas (all of which require passing grades before the preference points can be added), Michigan's preference point allowance exceeds that of other state governmental jurisdictions.

Findings on Personnel Practices Affecting Employees in the Service

Personnel policies and practices, their effect on the employee, and their application to the state service are summarized here. (Chapter VI gives the detailed report on this phase.) These survey findings, together with those concerning recruitment, selection, and placement (Chapter V), constitute the major portion of this personnel study.

A. Compensation and Wage Administration in the Civil Service:

1. The policy of the Michigan Civil Service Commission (which has the authority to set wage rates under the constitutional amendment) is to pay equal wages for the same job through the state.
2. From the wage data analyzed, it appears that the policy of paying the same rates throughout the state cannot be successful in satisfying the employees, the public, or other employers, because of the difference of market levels in wages, which is an established fact (see Chart 8). Wages therefore, cannot be brought into line in one area without putting state wages out of line elsewhere.
3. The wage rates for administrative, technical, and professional personnel present an even more difficult problem. The maximum annual rate in Michigan is \$10,380 which is paid to 25 executives. Eighty-seven are paid an annual maximum of \$9,600, and 189 an annual maximum of \$8,760.
4. A feature of the Michigan pay plan is the fact that all grades from the I level up reach the maximum of the salary range in two years. (This was changed to a four year period in December, 1950.) There is considerable evidence that this led to an increase in the number of classifications and to demands for reclassification.
5. Employees, unqualified for promotion, who perform satisfactorily at their current grade, have little incentive to maintain or increase work output or quality. Longevity pay, or other bonus incentives, have not been established.

B. Training of Employees in the Service:

1. The training division of the Civil Service Commission, which is comprised of a supervisor and one staff assistant, acts as both a staff and a service unit to the state agencies and to the Commission itself.
2. It appears that the central training division is required to spend considerable time on actual training rather than on "training trainers." Such activity seemed to be concentrated in one or two state agencies.
3. A better job of selling training to management in the operating agencies is necessary.
4. Although training materials are maintained for distribution, programs which have been successful in industry are not kept on file nor utilized to any extent.
5. There is no periodic publication on training circulated to training supervisors or other officials concerned with training.

6. Evidence was lacking of any comprehensive application of training in the following areas:

- a. Work-simplification.
- b. Human relations.
- c. Supervisory techniques.
- d. Customer courtesy.
- e. Telephone usage.

7. An annual meeting of personnel supervisors is sponsored by the central training unit, at which an attempt is made to demonstrate training techniques and to introduce new programs. However, there is no systematic participation of the agencies in the development of training materials or programs on a statewide basis.

8. The central training division is at times involved in providing administrative services, i.e., developing a service rating system, preparing employee manuals, etc.

9. Two major state agencies were surveyed in some detail; one disclosed little systematic training, the other had developed effective visual aids for its moderately successful training program. In neither instance had the central training unit been of much assistance.

10. In general, effective training programs are being used in certain areas, but a much wider and more positive application of training is needed. Especially important is the lack of enthusiasm displayed by the "top echelon" in the state agencies.

C. Performance Evaluation:

1. While it is frankly recognized that rating systems, to date, have provided only a relatively imperfect means of evaluating performance, they appear to be better than scattered and unrecorded judgments of individual officials.

2. More than two-thirds of the state employees have been rated above average. (see Table I, Chapter VI)

3. The Michigan service rating system is deficient in at least two important essentials:

- a. Employee development: A periodic review, between superior and subordinate, of the weaknesses which the employee should seek to overcome is a part of an effective rating system. In Michigan, higher reviews and appeals, together with penalty actions, militate against such use.
- b. Employee growth potential: The present rating system is an evaluation of performance during a past period. It does not attempt to evalu-

ate employee growth or to project the potential growth of the employee toward higher positions in the organization.

4. In at least one state agency, a “promotional-potential” has been introduced on an experimental basis, which provides for a committee made up of supervisors to evaluate the growth potential. This rating is being given some weight in promotional examinations by the Commission. An approach such as this, while desirable, is subject to the same abuses and weaknesses of rating plans in general. This is especially true in Michigan, which uses numerical summary ratings, has inadequate performance item-analysis, and lacks supervisory interest and understanding.

5. Inasmuch as a candidate for promotion will receive points from his weighted service rating in a varying degree, depending on the percent of the total score attributed to such rating, and the fact that his total score is all that counts, he may do poorly on the written portion of a test and still acquire eligibility.

D. Promotional Policies and Practices:

1. The commission is to be commended for the adoption of a policy requiring competitive examinations for promotion. It is one of the few civil service jurisdictions which had done so.

2. The fact that personnel in the state service can qualify in many instances for promotion by using experience on the job, obtained through provisional appointment, raises serious questions concerning the administration of the policy. (The average length of current provisional appointments is 18.6 months, which is approximately equivalent to the additional amount of experience required by the Commission for most promotions.)

3. Wide variations are to be found in the weights established for different parts of promotional examinations. In addition, there is the added difficulty of considering the validity of performance ratings.

4. The promotional policy, in some instances, also restricts employees otherwise eligible for promotion throughout the service to consideration for a position available in their own department and no other. Promotional examinations in the personnel officer series held in December, 1950 are examples of this interpretation.

5. There was little evidence that the Civil Service Commission applied systematically a policy of transfers in accordance with the requirements of adjustment-placement necessary in any large scale organization.

6. The giving of promotional examinations, in many instances long after “provisionals” have been appointed, for many positions does not appear to meet the requirements of the promotional policy stipulated by the Commission.

7. Michigan, by restricting its appointive positions to two in each agency, provides maximum opportunities for career employees. This policy, however, is criticized by many officials (both appointive and “classified”) in the state service on the grounds that the formula is both too rigid and inequitable. No distinction is made between an agency with several thousand employees and one with several hundred. No distinction is made as to the character of the office, such as that of the chief executive, etc.

8. An inescapable conclusion is that planned career promotion or adjustment placement programs do not exist in the individual agencies, nor are they sponsored systematically by the Civil Service Commission.

E. Leaves:

1. The leave provisions of the state, although not as liberal as those of the Federal government, compare favorably with those of other states and with private industry.

2. Both as to policy and administration, the annual (vacation) leave program requires no further inquiry at this time.

3. Sick leave provisions are being abused, and there is need for more uniformity in the application of the policy by the operating departments. In one department alone, the total cost of sick leave in 1949 was \$73,758.96. Although sick leave data were not maintained by each department in terms of estimated cost, at a lost time estimate of 2% of the total man hours worked (which appeared to be the case in several departments), and with approximately 6,000,000 man-days annually involved, the cost to the state in 1949 was approximately \$1,300,000.

F. Disciplinary Actions; Appeal Policy and Procedure:

1. It is generally accepted by officials in the state service that it is relatively difficult to “fire” unsatisfactory employees. (Unsatisfactory because the employee is unable or unwilling to meet the requirements of the job.)

2. There are differences of opinion as to the reasons for the difficulty. The points of view expressed are:

- a. The rules, regulations, and the statutory provisions which govern removal, demotion, and other disciplinary actions are unduly restrictive. The number of appeal levels, and the need for thorough documen-

tation of an action taken by the administrator are but a few of these restrictions.

- b. The Civil Service Commission has made it exceedingly difficult to establish in a particular case that an employee should be removed or otherwise disciplined.
 - c. Neither the rules nor the Civil Service Commission, however, presents an obstacle to the administrative officials who really wish to purge their agencies of unsatisfactory employees and are willing to go about that task in a careful and systematic fashion. For example, the Civil Service Commission reports that out of 577 dismissals which were appealed from January 1, 1941, to July 1, 1949, 491, or about 85%, were decided in favor of the dismissing authorities.
3. The appeal procedure involves a complicated and time-consuming process. The appeal boards, composed of individuals from outside the service, especially seem to be an unnecessary appeal level, in spite of the fairness they have evidenced.
 4. Provisional employees also have the right to appeal, as the appeal policy does not distinguish between status and non-status employees. Many appeals which reach the hearing boards involve provisional employees.
 5. The basic question as it relates to the Michigan policy concerns the giving of wide latitude to the administrator in dealing with the employees. This supposedly is necessary in order to develop a good working force, but, at the same time, the employee needs protection from unwarranted injury and discrimination.
 6. A key reason why employees who are incompetent remain in the state employ is that administrative officials are not under sufficient compulsion to identify and take action against such employees.

G. Turnover Ratios and Their Implications:

1. The original Civil Service Study Commission in Michigan, reporting in 1935, found the annual turnover rate for the state personnel to be 25%. This commission also calculated that the state was spending an average of \$937,500 each year merely for replacements. In 1949 the turnover rate for the state's personnel was 25.5%. Some state institutions accounting for several thousand state employees had turnover rates over 50%. Computing the cost of "breaking-in" a new employee on the same basis used by the Michigan Civil Service Study Commission in 1935 (one-fourth of the first year's annual salary), the state spent approximately \$3,500,000 in 1949 for this purpose.

2. While the causes are generally known, detailed analysis and attempts to provide solutions for the specific classes and units most affected have not taken place on a systematic or an effective basis.
3. The largest number of separations, insofar as “ascertainable” reasons are concerned, result from resignations. Of the 14,631 separations in 1949, there were stated reasons for only 4,384. Even for the 3,640 who resigned no specific reason was recorded.
4. Although the turnover rate in the “pre-civil service” year of 1935 and the turnover rate in 1949 are similar, it is not possible to arrive at any conclusions because of the great difference in economic conditions. The Hoover Commission, in commenting on the 25% turnover rate which it found in the Federal service, considered it to be excessive and a reflection on management. Therefore, emphasis is placed on the inadequate attention given to turnover ratios and their implications by the operating agencies and the Civil Service Commission.

H. Employee Relationships:

1. Measurement techniques, such as those used in industry to determine group performance and, at the same time, the effectiveness of the supervisor, seem to be lacking in the state civil service.
2. The Civil Service Commission and its staff provide only occasional assistance to the state agencies insofar as employee relationships are concerned.
3. A need was voiced for instructional materials in the form of a personnel manual in which the rights, duties, rewards, and incentives could be presented to the employees.
4. Each department has been forced to adopt individual policies and procedures to apply in the face of employee union aspirations.
5. A need was expressed by several of the agencies, which have a majority of their employees located in Lansing, for recreational and activity programs and the facilities necessary to carry out these programs. Many employees are from distant points within the state. This may be a factor in turnover.

I. Personnel Research:

1. Personnel research involves test validation studies, attitude surveys, personnel work-load studies, appraisal of supervision, development of job performance standards, and wage studies. These constitute only a partial list of necessary areas of study.
2. The research unit, consisting of two staff members, has been engaged mainly in conducting wage surveys, although it has endeavored to act as a clearing house for information and records on state employment and personnel activities.

3. In the absence of adequate funds with which to staff the research function, more frequent resort could be made to outside assistance, such as the state colleges and universities.

J. Federal Standards for a Merit System in the State Grant-In-Aid Agencies:

The federal government exercises a certain amount of supervision over personnel policies in some state agencies receiving federal grants-in-aid. This supervision varies from the Highway Department, where no personnel controls are in evidence, to the Department of Social Welfare, where the closest observation and the strongest effort to comply with federal regulations are to be found.

This control is considered by competent public personnel administrators to be in compliance with good personnel practice. The federal agency representatives have not sought to be arbitrary or unreasonable. Their function is merely to safeguard federal moneys through insuring professional administration by qualified persons.

The federal requirements are not considered by departmental personnel officers, or state Civil Service Commission officers, as burdensome, onerous or unduly "bureaucratic." In fact, because the state has a well established civil service system, changes to fit the requirements of federal government agencies have been essentially minor adjustments with which the affected state agencies have easily complied.

Suggested Improvements

In both the general discussion and the discussion of findings, attention has been focused on the principal elements of strength and of weakness in the state personnel organization, its policies, and its practices. Indication has already been given of some of the specific points where improvement is needed. The intent here is to analyze the problems of personnel administration from two points of view: (1) the changes in organization of the personnel function which appear to be necessary; and (2) those policies and practices which should be altered, strengthened, or dropped.

Organization of the Personnel Function

A great deal has been written and said about the desirability of having a merit basis for personnel administration in government. This study has disclosed nothing which would challenge that contention. Nevertheless, the relationship of the agency charged with the responsibility of administering the merit program (in Michigan the Civil Service Commission) with the Chief Executive and with the Legislature has received little attention. In addition, the activities of the State Civil Service Commission have left much to be desired in terms of showing a recognition of the problems of a large scale administrative organization.

The primary question here is whether a plural body, such as the commission, can manage effectively and, at the same time, resist political and other pressures. This issue has been highlighted in recent years by the recommendations contained in the report of the President's Committee on Administrative Management (1937) and the report of the Hoover Commission (1949).

The earlier report recommended a single personnel administrator responsible to the chief executive. The latter report compromised this issue by suggesting the retention of the Commission for rule-making and appeal functions with its chairman solely responsible for administration. This latter distribution of authority is also advocated in the model law, which was drawn up by the National Municipal League and the National Civil Service League, and is supported by the Civil Service Assembly.

It is therefore recommended that serious consideration be given to:

1. Administration of the state's personnel program by a single, qualified individual. This individual should be directly responsible to the chief executive and should be selected on a competitive basis in accordance with the merit provisions.
2. The continuation of a Commission or Personnel Board with its authority encompassing rule-making, appellate functions, payroll certification, audit and investigation, fix rates of compensation for all classes of positions, and with power necessary to compel compliance with the merit provisions.
3. The organizing and operating of the central personnel office so as to permit and stimulate closer cooperation with the other staff agencies. Emphasis here should be placed upon the development of performance standards, personnel research, and audit and inspection.
4. Revision of the constitutional authority conferred upon the Civil Service Commission in accordance with the above points. Responsibility for the establishment and abolition of positions is a necessary management function of all agencies. As such, the role of the Commission in this regard should be simply to determine whether individuals were selected or removed in accordance with merit standards.

No change is recommended in the provision for financing the Civil Service Commission except that the percentage involved would obviously be subject to change in view of the funds necessary to finance the personnel office to be created which would also come out of the 1% of payrolls.

5. Bringing about a closer alignment of the Civil Service Commission's responsibility for personnel administration with the chief executive, the legislature, and the operating officials. This is necessary in view of the fact that revising the Civil Service Amendment may be undesirable pending further consideration of Executive-Legislative relationships.
6. The creation of a Personnel Council composed of the representatives of the chief executive's office, operating department personnel, and the central personnel agency of the Civil Service Commission. This is a basic requirement, especially important because of the lack of a vital tying-in of the executive power with the personnel program.

7. The desirability of increasing the appointive authority of the chief executive and the operating officials, insofar as key staff personnel are concerned. It is recommended that, (a) the number of exempt positions should be increased proportionately in the larger departments, and (b) personnel assigned to the Executive Office and bearing a "top level" relationship to chief executive should be placed in the exempt category.

Personnel Policies and Practices in the State Service

No attempt will be made to prescribe remedies for all the alleged weaknesses uncovered in this study of the personnel policies and practices that are promulgated and applied by the Civil Service Commission and the operating agencies. Only the broad outlines of suggested revisions or innovations will be made here.

A. Recruitment, Selection, Examination, and Certification:

1. The operating agencies, in the light of demonstrated need for the exercise of recruiting authority, should be delegated responsibility for the recruitment, examination, and selection of personnel to the fullest extent possible. This should be subject to the considerations of economy and control necessary for the protection of the merit system.

2. A more flexible examination and certification procedure should be developed by the Civil Service Commission in conjunction with the operating agencies. This should be done in order to insure both quality of personnel and greater latitude of selection on the part of the administrator.

3. Recruitment and selection policies and practices in Michigan, as well as in many other public jurisdictions, seem to have leaned disproportionately on the props of tests and meticulously defined procedures. While the need for these is manifest, there has developed an expectation that the "right" procedure or test will automatically produce a given result. More emphasis needs to be given to the differences between individuals. One method would be the adoption of individualized procedures through counseling, with all of the implications for recruitment, selection, and examining processes that this approach has to offer.

4. Careers in civil service must be planned as they are in industry or the military. This means more qualitative entrance examinations based on future responsibilities rather than initial assignment; adequate wage policies to meet the competitive market; a training and development program designed to bring out the best in each individual; and advancement based on merit. During the first few years, the pay treatment and work assignments of a promising individual probably have to be handled on a special basis. Planned rotational assignments should be made to give well-rounded experience. An expedient recommended here is the adoption of a common class title

for all beginners who have been selected for executive development, such as staff assistant, student engineer, etc.

5. In view of the abuses inherent in an extended use of “provisional” appointments, a re-evaluation of the policy which grants credit for experience gained “on-the-job,” and a recasting of the “desirable” minimum requirements policy are in order.

With the decentralization of hiring responsibility, it should be possible for the Commission to anticipate, in a large degree, the need for open-competitive and promotional examinations.

6. Validation of examinations and more standardization, of criteria for weighting the various parts of the examining process should be developed. In fact, the entire examining process needs overhauling to make use of more recent developments in the field of testing. This is especially true as it affects the “work-level” positions.

7. Even though abuses are possible, more flexible examining and certification standards can insure high-quality candidates and, at the same time, give the appointing authority greater leeway in making selections. The selective certification procedure recommended by the Hoover Commission, the essential elements of which have been in use for many years at the Tennessee Valley Authority (generally acclaimed by merit system sponsors), are considered as practical and economical.

B. Job Evaluation and Classification:

1. A detailed study of the actual duties of all positions in the state’s classified service and a review of the classification of positions will be necessary. Once criteria are established, consideration should be given to the feasibility of decentralizing the administration of the classification function.

2. A re-examination of positions in the classified service can and should be accomplished without any substantial impairment of the status of any permanent civil service employee whose services are needed in the performance of essential state functions.

c. Veterans’ Preference:

1. It is recommended that, as a minimum standard, a passing grade should be required before preference points are added. Consideration should also be given to adding preference points to a passing score on the basis of a graduated scale determined from the length and character of the military service.

D. Compensation and Wage Administration:

1. Rates of pay for all jobs except top managerial and technical positions

should be fixed and adjusted in relation to prevailing locality or industry pay differentials.

Outlined below is a method that could be used to insure, year after year, that civil service rates were in the desired relationship to outside jobs in each community.

The first step would be to divide jobs into groups or families, such as clerical, craft, professions. These should be grouped in such a way that the jobs have rather close relationships with all others in the same group. In each group, the jobs should be ranked according to relative value, since internal administration demands that the ranking of related jobs be uniform throughout the organization.

The second step would be to make a survey of all wages in all the principal towns and in a reasonable percentage of the others in which civil service employees are located. By means of this survey, the community wage level for each town could be determined as shown in Chart 9.

The town with the most civil service employees should be selected as the key town, and wages should be geared to the market in that town. From there, the wages for any job in any town could be obtained by multiplying the wage in the key town by the community wage level factor.

Wage studies must be made periodically to find out how the level is changing, and if the relationships between jobs, job families, or cities, are changing. In this way, a constant control can be maintained.

2. The period in which the maximum wage level is now reached should be dropped; and a five year period adopted for most positions.
3. "Longevity" pay and other bonus incentives should be considered for adoption in accordance with the provisions for performance criteria.
4. A formula for incentive awards to state executives should be devised in order to stimulate economy and efficiency of operation in the state service. This program could be administered by the Civil Service Commission or an Award Board specially created for that purpose.

E. Training Employees:

1. A Training Advisory Council should be formed to assist the training division in programming state-wide activities. This council should be composed of officials high in key state agencies. The council would accomplish two objectives: (1) greater acceptance of training values by the operating agencies, and (2) utilization of the experience of the operating officials in formulating training programs.

2. A standard system of preparing training outlines that could be used by the supervisory staff should be developed. Training aids, principally visual aids, should be developed and their use encouraged.

3. State personnel should be urged to acquire external training which would have a vocational value when applied to their respective state jobs. In order to stimulate employee interest in external training, reasonable time off, other opportunity for study, and the payment of fees in some cases should be considered.

The initiative in non-vocational education should rest mainly on the individual employee, although the state might give encouragement by cooperation in the necessary arrangements.

F. Performance Evaluation:

1. Although there is general dissatisfaction with performance ratings, it is generally agreed that they are a necessity and there is value to be derived from them. It is recommended that the Michigan rating system should drop the numerical rating and substitute the three categories of "outstanding," "satisfactory," and "unsatisfactory." There is a major need for the development of performance standards with which individual performance is to be appraised on a continuing basis.

G. Promotional Policy and Practices:

1. It is desirable for the good of the state service that the competitive promotional examination policy continue. This recommendation is valid only if a planned career program on a comprehensive basis is inaugurated and administered. Careful attention should be given to the requirements of a career group in terms of capacity, training needs, and the participation of administrative officials. The policy of allowing credit for experience gained on-the-job should be re-examined and used only in conjunction with minimum stipulated prerequisites for the job.

The transfers from one type of work to another can only be made when the entire system is operating on the same basis. As long as promotions have to come from within a small unit, there is no way to provide a background of varied experience for a promising career person. The fact that a certain group lost a promotional opportunity by having someone come in from the outside is more than offset by the fact that everyone has a wider field in which to grow and develop.

H. Leaves:

1. Consideration should be given to the adoption of a policy concerning sick leave which would add a portion of the employees unused sick leave to his

vacation leave, which is compensable. Results to date in the jurisdictions which have adopted such a policy disclose a net savings in the budget for personal services.

I. Disciplinary Actions and Appeal Policy:

1. The hesitancy of administrative officials to “fire” or otherwise discipline unsatisfactory or insubordinate employees should be dissipated to the maximum extent possible by the adoption of less burdensome and less time-consuming procedures. It is strongly urged that the appeal boards be eliminated. In their place should be established a hearing examiner with an investigatory staff to make recommendations directly to the Commission.

2. The right of non-status (provisional or other temporary appointment) personnel to appeal should not be granted. The action of the administrative official should be final in all disciplinary actions affecting such employees, except where discrimination for race, creed, color, or political beliefs is concerned.

J. Employee Relationships:

1. A uniform policy toward employee unions in the state service should be formulated with special emphasis on procedures for consulting with management.

2. The central personnel agency should provide all state employees with a personnel manual, embodying the obligations, duties, rights, rewards, and incentives of state employment.

K. Personnel Research:

1. The research staff should be enlarged to encompass the basic requirements of a research program as briefly outlined elsewhere in this study. These basic requirements are inherent in an effective personnel program. Collaboration with the colleges and universities of the state would not only provide an excellent source of personnel, but would also be of assistance in the training of personnel.

The success of merit administration in the state, regardless of constitutional safeguards, depends to a marked degree upon public interest and support to insure administrative integrity and quality of performance. Such support is particularly necessary in the light of a desire to allow maximum administrative leeway in the selection and retention of (public) personnel, and yet to insure adherence to merit principles which have proved so necessary in this state as well as in other public jurisdictions.

PART II

III. The Bases for Civil Service Authority in Michigan

History of the civil service movement in Michigan prior to adoption of the constitutional amendment includes the following major developments: the appointment of a Civil Service Study Commission by Governor Fitzgerald, the adoption by the legislature of the bill recommended by the Study Commission, initiation of the civil service system in state government, and the passage of a subsequent revision emasculating the original act.

In tracing these various developments, this review will be limited to showing how they culminated in the movement for a constitutionally-derived civil service program.*

That the spoils system proved to be an unsatisfactory method of selecting public personnel has become so wide-known as to preclude further discussion in this report of its drawbacks. However, its effects on governmental administration in the state of Michigan deserve attention since it is helpful to know the particular situation which the civil service act and the subsequent constitutional amendment were designed to remedy.

With the task of studying the problem of the spoils system and recommending a suitable system of civil service, the Civil Service Study Commission was appointed by Governor Frank D. Fitzgerald on October 14, 1935. The five persons appointed to serve on this commission were James K. Pollock, chairman, Mrs. Siegel W. Judd, Haskell L. Nichols, Edmund C. Shields, and Lent D. Upson. The personnel for the survey included advisors from the Public Administration Service of Chicago, Dr. Joseph Pois, Mr. David Robinson, loaned employees from the different state departments, and a group of National Youth Administration workers. A total sum of \$10,000 was appropriated from the State Emergency Fund to cover the expenses of this research.

As a result of its surveys, the Commission reported that during the years from 1925 to 1935, an average of 64-1/2% of the operating expenses of Michigan state government were for payroll purposes, thus emphasizing the importance of personnel in modern state government.

The relationship between state personnel and political parties was brought out in the data collected and tabulated in chart form. Examination of the chart reveals that during the years studied, 1926 to 1935, the number of employees on the state payroll fluctuated to a large degree following each gubernatorial election. That this had an unfavorable effect on state service is evidenced in the study made of the length of continuous service for state employees. On the basis of questionnaires submitted by 87% of all state employees, it was

* Extensive use was made of correspondence; the reports of the C-S Study Commission (1936); the C-S Act (1937); and C-S constitutional amendment (1940); which provide the basic materials for this study. In addition to these, State Supreme Court decisions and the opinions of the attorney general have been reviewed to shed additional light on the grant of authority to the C-S-C.

found that among those reporting, 40.8% had one year or less service, with a total of 63.4% having under five years service, and 36.6% five years or more.

The amount of turnover, which is a sensitive indicator of the effectiveness of a personnel system, was found to be quite high, as might be expected from the election changes. The average number of new employees each year during the ten year period from 1926 to 1935 was 25% of the total. Estimating that one-fourth of the first year's salary represents the cost of "breaking in" a new employee, the Study Commission reported that the state was spending an average of \$937,500 a year for this purpose.

The disadvantageous position of Michigan was pointed out in the comparison of turnover rates with other governmental units; the reports of the Municipal Year Book showed that during the year 1935, the average turnover in 635 cities was 6%.

The legislative bill which was drafted by the Study Commission to remedy the patronage system provided for a Civil Service Commission, a Personnel Director, a Civil Service Department, examining classification and compensation systems, disciplinary procedures, and rule making authority with regard to hours of work, leaves of absence, vacations, sick leaves, and related subjects. In 1937 the bill was introduced into the Michigan legislature but because of the broad scope of powers given to the Civil Service Commission there was general opposition to it. After much controversy and pressure from citizen groups and Governor Murphy, the act was passed by a one vote margin on the last day of the session— but in a weaker form than that originally proposed. (Public Act 346, 1937 Session)

Although the law was not to come into effect until January 1, 1938, promptly after its passage the Governor appointed the members of the Civil Service Commission and the Personnel Director, so that by September 25, 1937, the plans of organization were under way.

In an evaluation of the early work of civil service, Dr. James K. Pollock, chairman of the Civil Service Study Commission and governmental personnel authority, viewed the progress of the classification and compensation plans, the examining program for qualifying approximately 16,000 state employees in service, and the establishment of eligible lists based on competitive examinations with a quite favorable impression. Of course, there were difficulties to be met, particularly the development of a satisfactory method for estimating the amount of money necessary for operating a civil service system, and the establishment of a career service in Michigan, but confidence was expressed by this critic in the gradual solution of these and other problems through the experience of operating the system.

The introduction of several amendments to the Civil Service Law for the purpose of narrowing the scope and jurisdiction of the merit system revealed a growing tide of opposition, subsequently leading to the adoption of the "ripper" amendment of 1939 (Act 97, P. A. of 1939), the effect of which was to remove a large number of positions from the classified service. Thus, the way to political appointments was again opened.

* J. K. Pollock, "Michigan's First Year of the Civil Service," National Municipal Review (January 1939) Vol. XXVIII.

It is at this point that the plan for the establishment of civil service by constitutional amendment originated. An intensive campaign ensued, culminating in the adoption of the amendment at the November 1940 election by more than a sixty thousand majority; a vote which the Michigan Supreme Court has interpreted to signify overwhelming approval of civil service.

In the light of this historical background the meaning and scope of the civil service amendment will be examined. Heavy reliance will be placed upon the interpretations made by the courts; in addition, the opinions of the Attorney General will be taken into consideration.

As a basic premise in the legal interpretation, it is to be noted that civil service in Michigan started out with a clean slate in terms of application of its previous statutory experience and of civil service in other state governments. "The new Commission had to look only to the amendment for its powers, duties, and limitations. All previous legislative acts were superseded. Previous commissions and their official acts were wiped out." (Reed v. Civil Service Commission, 301 Michigan 137 (1942)) Corollary to this ground floor approach is the fact that the experience of civil service in other governmental jurisdictions could not be expected to serve as a reliable basis for guidance on problems arising in Michigan civil service since, even in those states which have established civil service by constitutional provision, none has adopted a comparable amendment as broad and inclusive in nature. (De Maggio v. Attorney General 300 Michigan 251 (1942)) This does not mean, however, that all precedents in civil service would be disregarded, but rather the weight normally accorded decisions concerning like situations whether made by Michigan or other states' courts, would not be granted—in other words, there were no controlling court decisions.

When the civil service amendment was drawn in its final form, it was summarized by one of its drafters in the following terms; "it sets up the personnel agency, grants the agency its powers, defines the classified service, makes the appropriation for the agency's operation, and restrains all officers from making salary disbursements unless the provisions of the amendment have been complied with."*

More specifically, the amendment defines the powers of the Commission, which is to be a bi-partisan board of four members appointed by the Governor for overlapping eight-year terms, as follows: (Michigan Constitution, Art. 6, sec. 22, par. 3)

1. to classify all positions in the state civil service;
2. to fix rates of compensation for all classes of positions;
3. to approve or disapprove disbursements for all personal services;
4. to determine by competitive performance the qualifications of all candidates for positions in the state civil service;
5. to make rules and regulations covering all personnel transactions;
6. to regulate all conditions of employment in the state civil service.

* Letter of Dr. Edward Litchfield, University of Michigan, to Dr. Lent D. Upson, March 29, 1940.

When the research organization of Griffenhagen and Associates was called in to assist the Commission in drafting the original set of rules to implement these functions, it was commented by E. O. Griffenhagen: "We are beginning to see . . . that this is a far reaching amendment. The power, and hence the responsibility, of the commission is rather overwhelming. Particularly in the matter of responsibility for personal service disbursements and for the setting of pay rates it goes very much further than any civil service law anywhere ever has gone."*

Because of the extent of enumerated powers and the additional provision requiring the legislature to appropriate annually a sum of not less than 1% of the total personnel expenses for the administration of civil service, the amendment has often been referred to as "self-executing" in nature. "The Civil Service Amendment is clearly a self-executing amendment because it became operative without the aid of supplemental or enabling legislation." (Opinion of Attorney General, No. 19620, April 9, 1941)

Caution must be taken, however, in interpreting the meaning of "self-executing" for while the amendment may thus be described in comparison with other civil service systems, it is not to be assumed that an independent, self-sufficient agency was set up, a point of view which has been a source of difficulty particularly in matters concerning legislative relationships. (Civil Service Commission v. Department of Administration, 324 Michigan 714 (1949)) In order to have a frame of reference in which to view the general nature of the civil service amendment, it will be conceded that the amendment is as "self-executing" as possible within the existing machinery of Michigan state government.

As noted in the study by Griffenhagen, the powers with regard to personal service disbursements and the setting of pay rates are the most outstanding features of the amendment. This pre-eminence has certainly been borne out in the application of these powers together with the closely related power of classification. In particular, this phase of civil service has led to problems concerning what specific functions are included. The problems arise, in part, because in Michigan the meaning of the enumerated powers as interpreted in other governmental jurisdictions is neither controlling nor as persuasive as is usually the case. Thus, the courts and the Office of the Attorney General are left open to persuasive arguments for novel legal interpretations.

In addition, the relationships of the commission to the legislative and executive departments have been the subject of controversial theories with reference to the enumerated powers. Since the amendment is recent in comparison to other provisions of the Michigan Constitution, only a limited number of the problems have been crystallized by judicial determination. As a result there still exists a considerable degree of doubt about the relationships.

Development of the legal formulas will be traced in the decisions of the Michigan Supreme Court and in the opinions of the Attorney General.

* Letter of E. O. Griffenhagen to George J. Burke, Civil Service Commissioner, January 31, 1941.

Judicial Interpretations

In the most recent civil service case, *Kunzig v. Liquor Control Commission* (327 Mich. 474, (1950)), the extent of the classification power and its implications for the administrative and legislative branches of government were open to litigation. Many issues involved in this case were raised only in the briefs of the parties and in the minority opinion. Because of their importance they will be presented in this report.

The Liquor Control Commission put into effect its reorganization plan without having secured the prior approval of the Civil Service Commission. The abolition of the position of Executive Director, which occasioned the court proceedings, was included in the plan. After a hearing on this matter, the Civil Service Commission issued an order invalidating the abolition and requiring the Liquor Control Commission to reinstate Mr. Kunzig in his position. The latter agency contested the order by resort to the courts.

In its brief, the Civil Service Commission argued that the amendment should be interpreted to give it "the duty and power to approve the establishment of all positions and every position in the classified civil service, and after establishment of positions to approve any abolishment of any position." (Intervenor's brief, Civil Service Commission, (*Kunzig v. Liquor Control Commission*) p. 2) This interpretation assesses the nature of the abolition power to be a corollary of the classification power since the amendment itself made no specific provisions regarding abolitions.

In the contention of the Civil Service Commission, the power of classification of positions embraced the power to determine the type and number of positions needed by administrative agencies to perform their functions. The reason given for the control sought was the Commission's conviction that "Without restriction by a central agency upon the number of employees in any particular state agency there would be a marked variation in the level of related positions in other state agencies and the entire system of central classification would fall." This did not mean, the Commission insisted, that it could establish positions, but that no positions could be established without its prior approval.

If this argument of the Civil Service Commission is accepted, it follows that the Commission would be exercising not only the power to classify positions but also the power of substantive review to determine the necessity of the position.

This very broad interpretation of the classification power has a precedent in the opinion of the Attorney General of December 30, 1946. At that time the Director of Agriculture questioned the right of the Civil Service Commission to deny the creation of positions which the Agricultural Commission deemed necessary to carry out the work of the department. The Attorney General upheld the Civil Service Commission on the following grounds:

"The Civil Service Director must ascertain whether the appropriation is large enough to provide for the extra personnel and also bear the cost of the expanded service or function. He is also concerned whether there are other

positions already existing in the particular agency, the holders of which could take over a portion of the proposed service or work in the event that their services were not fully utilized in their present positions.

“In my opinion the mandatory power of the Civil Service Commission to approve or disapprove all disbursements for personal services carried with it the right to approve the establishment of new positions in which personal service is utilized.

“It is my conclusion that the creation of new positions is dependent upon the action of the State agency or board desiring the same and the approval of the Civil Service Commission. The positions must be necessary and that necessity must depend upon the facts. The approval of the director is needed in order to properly classify the positions and to preserve comparable duties and responsibilities for like positions in the State civil service and to determine from civil service standards the number of positions needed with respect to the additional work, service, or function desired by the agency.”

Opinion of the Attorney General #0-5211, December 30, 1946

Before discussing the consequences of such a broad interpretation as that presented in the opinion of the Attorney General and the brief of the Civil Service Commission, the experience of the former Commission may be noted.

In the Civil Service Act, No. 346, P.A. of 1937, sec. 10, the Civil Service Director was specifically empowered to conduct investigations to determine the need for all existing positions in the state service and to make recommendations to the Commission concerning the personnel organization of the departments. The Commission, in turn, would review the plan and with the approval of the governor and the administrative board, decide upon its adoption. In this function the injection of civil service into administrative management through the means of personnel research seemed to have been intended. This experience might be regarded as an historical basis for the Commission's insistence upon investigating the need for positions in the state service, a function which would result in its determining the number and type of positions, a responsibility which the Commission has already claimed.

The Civil Service Commission has denied the assertion that its claimed power to approve the establishment of positions would lead to interference in the management of the administrative branch of the government. It likewise denied the assertion that its claimed power would limit the policy determining function of the legislature to establish programs and determine the positions necessary for their operations. The position determinations normally are made either by the legislature itself or in an increasing number of instances by the administrative agency. These two vital questions— (1) policy and program determination and (2) administrative management— have been drawn into the controversy as a consequence of the claiming of the power.

To support the assertion of invasion of legislative and executive power the Liquor Control Commission and the Attorney General argued (1) that while the amendment gave the

Civil Service Commission plenary authority in its own sphere, it did not give it unlimited authority, (2) that the amendment did not set up a fourth branch of government independent of the executive branch or the courts, 3) that the intention of the amendment was not to abrogate the power of the legislature to create or establish positions, and (4) that, since such power was not expressly given to the Commission nor implied by necessity from the amendment, the power was still possessed by the legislature.

They argued further that the express amendment provision that no removal or demotions may be made for partisan, racial, or religious considerations was the only legal basis for review by the Civil Service Commission of administrative action. (Defendant's brief, Liquor Control Commission, pp. 40-42, Kunzig v. Liquor Control Commission)

With regard to this last argument it should be noted that the order of the Civil Service Commission, unanimously decided upon after the hearing on Kunzig's appeal, did not invalidate the abolition on the basis of the above considerations. But on the grounds as stated in the order, that:

"The Civil Service Commission denies the legal right of the Liquor Control Commission to abolish the position in question for any administrative reason, (and particularly for any reason disclosed in the testimony), without the prior approval of the Civil Service Commission.

"Another question presented is whether as an economy measure the saving of the salary of the incumbent would outweigh the originally claimed necessity for the creation of the position. The fact that the then claimed situation within the Liquor Control Commission has been clarified and the alleged abuses corrected, instead of precluding the necessity for a continuation of the position, may possibly be an argument for its continuance."

It might also be noted in this connection that the rules of the Commission permitted layoffs for only two specific reasons; lack of funds or lack of work. This claim of the Commission for maintaining control of abolitions through the approval process brings up the same controversy over its consequences on the legislative and administrative branches as does the matter of approval of new positions. While, as explained previously, case law on civil service in other governmental jurisdictions is not controlling in Michigan such law does provide a standard for comparison. It is useful to find out the general rules of judicial construction concerning abolition of positions. O. P. Field in a study of this subject in the national and state levels concludes that:

"The fact that a position may seem to be of the greatest importance to the effective functioning of a government unit is not determinative. Whether there is legal power to abolish the position and whether the abolition is in good faith, and not for the purpose of accomplishing an otherwise prohibited removal, are the pertinent questions in abolition cases." In determining the legal basis for the power of abolition, he observes that, "It is a general rule that the power which creates a position has the power to abolish it, unless the law provides to the contrary." Furthermore, "The power to reorganize a department carries with it the power to layoff some members and retain others."

With regard to the role of the courts in abolitions, in most jurisdictions it is the function of the court to determine whether an abolition has been in good faith, and in this determination the courts generally presume good faith unless the contrary is borne out by the facts of the case.

How would these general rules apply to the situation in Michigan? To begin with, the decisive question of where the power to create positions is lodged has not been clearly settled. The additional provision of the general rule— “unless the law provides to the contrary”— raises the question whether Michigan has provided for abolition by some other power than that creating the position. Specifically the question here involves the different interpretations as to whether the amendment by implied power or by intention of its framers meant to establish a rule in this matter different from that generally practiced.*

With regard to administrative reorganization, the Civil Service Commission insists that no resultant abolitions may take place without its approval. This approval partakes of the nature of a substantive review and raises administrative questions as to the necessity of the abolition, as well as the motives of good faith. The administrative agencies, on the other hand, claim that this power remained within the area of administrative management, even under the civil service amendment.

The Role of the Michigan Court in the Development of the Civil Service System

It is helpful to survey the relationship of the court to the civil service system. Since the present role seems to be the pattern of probable development, its desirability should be examined in advance by the groups concerned with the existence of a good personnel system.

Discussion and review of the dissenting opinion of Justice Dethmers in the Kunzig case will be used in this survey as an approach by which the problems surrounding the location of the power to abolish positions may be clarified.

His opinion supported the principle that administrative organizations could abolish positions without the approval of the Civil Service Commission, provided the abolition was made in good faith and not to achieve purposes prohibited by the amendment. In upholding this principle he replies to the arguments presented by the Civil Service Commission. He discounts as an academic distinction the Commission's denial that it demands the authority to establish or abolish positions because he believes that the implications of the approval authority claimed by the Commission produces the same effect as the disclaimed authority.

The effect he rejects as undesirable because: “Inherent in such veto power is the power to control administrative policies.” To show how this control would result, he cites the following example:

“Assume that the defendant (Liquor Control Commission) desired as a matter of policy, to tighten enforcement of its liquor control regulations and, for that purpose, to double its field force, or, vice versa, to relax enforcement, to

* Advice of Dr. Lent D. Upson reported from personal conversations.

remove certain restrictions and, in consequence, to cut its field force in two. Would not the power of the intervenor to approve or disapprove the increase of such positions on the one hand, or the decrease on the other, give intervenor the final say on a question of liquor control policy?" (327 Mich. 474, 485)

With regard to abolitions by the legislature, he also rejects the intervention of the Commission, since such action is embraced in the policymaking function of the legislative branch of government.

The further arguments of the Civil Service Commission that it is in favor of economy in state government and that it has never in the nine years of its existence refused to approve the abolition of a position and the consequent layoff of an employee where its rules were complied with, is also rejected this opinion because of the qualifying condition added by the Commission "as long as it (the abolition) is commensurate with the rendition of efficient service." This qualification appears to him to be clear evidence that the approval power carries with it the authority to determine the kind and amount of service to be performed by an administrative agency.

The reply of the Commission that it would not be the final arbiter in such abolitions but that they would be subject to review by the courts does not, in Justice Dethmers' opinion, mitigate the effects of this situation but would only produce a dilemma since the court may not interfere in administration questions:

"Under such theory, given a situation in which an appointing authority, in good faith and without fraud or subterfuge, determines, for reasons of economy, to abolish a position and the intervenor, equally in good faith, but because it feels the efficiency of state service would be impaired, decides to disapprove such abolishment, this court would find itself in the position of being called upon to determine the administrative policy question of whether the ends of economy on the one hand, or efficiency, on the other, should be served. This would amount to the exercise of non-judicial powers and duties by this court and be in violation of the Michigan Constitution of 1908, art. 4, sec. 2."

In reviewing the historical circumstances leading to the amendment, the opinion observes that since there was no expression on the part of the public to change the general rules applicable to civil service, then it must have been intended that the terms used, such as "classification", were meant to include only the functions normally agreed upon. The terms were not meant to be construed as a means of subjecting administrative policies to the approval or disapproval of the Civil Service Commission. Using the judicial rule of "Expressio unius est exclusio alterius" he rejects that interpretation which would enlarge the powers of civil service outside of those specified and enumerated in the amendment.

“Had it been the intention of the people to grant to intervenor (Civil Service Commission) the power here contended for, it would have been easy to do so in express terms. In view of the general practice to the contrary in civil service systems then existing, it would seem that had the people intended such a departure from accepted practice in civil service, they would have expressed it in plain language and that, having failed to do so, they did not so intend.”

Finally, the charge of the Commission that the abolition of positions without its approval would result in fraud and subterfuge is rejected as a reason for placing this power in the Commission. The grounds of this rejection are (1) that such attempts to circumvent the amendment would be invalidated through court review, particularly in the court's determination of good faith, and (2) that the fact that a legitimate power may be exercised for illegal purposes is not, under judicial construction, a valid basis for denying such a power.

From the foregoing, it is concluded in the opinion that the abolition of the position of executive director by the Liquor Control Commission should be upheld and that Mr. Kunzig's relief should be in the form of a court proceeding to discover whether his layoff resulted from a bona fide abolition.

The majority opinion of the Michigan Supreme Court set forth the present controlling principle in this problem. It upheld the order of the Civil Service Commission for the reinstatement of Kunzig as within constitutional bounds. The court in effect held that the Civil Service Commission has the authority to review abolitions made by appointing authorities using its own criteria for approval or disapproval in this determination. Before reaching this conclusion, the court outlined its view of the nature of the problem which it conceived to be the sole question of whether the Liquor Control Commission could abolish a position in the State classified service without reference to any power conferred upon the Civil Service Commission by the amendment. The implications of this question on administrative powers were discarded as irrelevant.

“The authority of the liquor control commission to reorganize its department, assign specific functions to its employees, formulate policies for the liquor business, and exercise complete control of the alcoholic beverage traffic in this State, including the retail sales thereof, subject to statutory limitations, is not involved.”

On the other hand, neither were the powers of the Civil Service Commission believed to be involved except where in the application of these powers conflict resulted. To resolve the particular conflict in this case, the court adopted the rule that the latest expression of the public will should control and restrict the former provision insofar as is necessary. Since the civil service amendment was adopted at a later date than the liquor control amendment, the former was given preference by the court under this rule.

The court then interpreted the provision of the amendment that “No removals from or demotions in the state civil service shall be made for partisan, racial, or religious consideration” (Michigan Constitution, Art. 6, Sec. 22, par. 3) as endowing supervisory control upon the Commission over removals or demotions. In order to exercise this control, the court concluded that the Commission must approve all abolitions in the classified civil service. This conclusion is somewhat disturbing for the court first established the principle that the basis for the Commission’s supervision was to restrict removals for “partisan, racial, or religious considerations” and yet, in the hearing of the Kunzig appeal and in the briefs, it was agreed upon by all the parties concerned that none of these factors was involved in the abolition and consequent removal.

The majority opinion recognized this agreement, but then continued in its reasoning to declare the reinstatement action valid, even when the order stated that the criteria to be used by the Commission in deciding upon approval of abolitions would be necessity of the position. A curious and tortuous bit of reasoning, to say the least. By what process the court could sanction these criteria as derivations of the express criteria of the amendment— namely the protection of employees against removals for partisan, racial, or religious reasons— is not made clear in the opinion.

The nature of the classification power and its consequences on the administrative and legislative branches also remain open questions under this decision. Thus, the only principle established in this case is that abolitions by administrative agencies must have the prior approval of the Civil Service Commission.

Power to Fix Rates of Compensation

The law concerning the power to fix rates of compensation and to approve or disapprove disbursements for personal services, is more clearly defined in comparison to the law relating to the classification power.

Early in the administration of the Civil Service Commission under the constitutional amendment, a question arose concerning appropriation acts which had been passed by the legislature prior to the adoption of the amendment. These acts were to cover the biennial period ending June 30, 1942. However, when the Civil Service Commission inaugurated its classification system, the amount of pay it established for several heads of state agencies, who came within the classified service, was higher than that provided in the appropriation.

Whether the Civil Service Commission under its compensation power and its power to approve or disapprove disbursements could raise the amount of salary set by the legislature in an appropriation act was the legal question submitted by the State Budget Director to the Attorney General. The latter decided that since the legislature, under the new amendment, had no authority to determine pay rates, its action was a nullity, and that upon certification by the Commission of a salary in excess or diminution of that provided in the act, the Auditor General was to issue the warrant.

In the case of the Civil Service Commission v. Brown, Auditor General, (302 Michigan. 673 (1942)) a similar issue concerning the relationship of the legislature in its

appropriations with the Civil Service Commission was involved. In a deficiency appropriation of 1942, the Auditor General was directed by the legislature not to issue warrants for certain positions for which the amount specified in the compensation scale set by the Civil Service Commission included an increase beyond that existing at July 1, 1941. When the Commission, in disregard of the act, proceeded to certify the full amounts specified in its compensation plan, the Auditor General refused to issue payroll warrants to cover the increase for approximately 75 employees. In its brief in this case, the Commission argued that the power to fix rates of compensation precluded any interference in this field by the legislature, so that any conditions included in appropriations would be invalid.

“The Commission claims that the force of the Amendment limits and restricts the Legislative appropriation in these respects:

That compensation to employees in the State Civil Service may not be controlled;

and that the power of the Commission to “fix rates of compensation for all personal services” excludes the Legislature from directly or indirectly fixing rates of compensation...”

The Commission further asserted its powers when it stated that,

“It is clear that the power to approve or disapprove disbursements would be utterly futile unless the other branches of the State Government were bound by such approval or disapproval. One of the prime purposes of the Civil Service Amendment is to provide a system under which employees in the State Civil Service are to receive compensation pursuant to a classification plan and schedule whose basis is merit, efficiency and fitness in the State Civil Service.

“Therefore, we assert that the Civil Service Amendment is mandatory in respect to the payment of compensation to employees in the State Civil Service as determined by the Commission pursuant to its constitutional powers, it being intended by the people in their adoption of the Amendment that the determinations by the Commission would operate as ‘appropriations made by law.’”

This claim of supremacy in this sphere led the Commission to the extent of concluding that it was a separate branch of government, distinct from the executive or legislative branches, and that should a situation arise in which the legislature failed to carry out its duty to appropriate money for personnel, “the force of the Civil Service Amendment is such that such compensation could be lawfully paid out of any funds or assets of the State, or from what is known as the General Fund.”

The decision handed down by the court was in favor of the Civil Service Commission, but it did not go to the extent urged by that agency in its brief. The court held that the

amendment prohibited conditions such as those placed by the legislature in the appropriation act of 1942, but that it did not remove all control or discretion from the legislature, as contended by the Commission.

“The interposition of this section into the act in question, not impliedly, but in express terms, undertakes to usurp the authority vested in the Civil Service Commission by the constitutional amendment to fix rates of compensation of employees of the State who are under civil service classification.” (Civil Service Commission v. Brown, Auditor General, 302 Mich. 673, 686, (1942))

But, the court limited the power of the Civil Service Commission in this area by stating:

“The authorization contained in the civil service amendment, although not leaving the amount of the salaries to the discretion of the legislature, does leave the sum to be appropriated discretionary with the legislature, and is not sufficiently fixed to be a constitutional appropriation ... The Commission contends that in the light of the history of the amendment, it was intended to remove all control by the legislature, including appropriations. However, this would mean a fourth department of government which does not appear to be the intention of the amendment which is included under the executive section, and in addition, this would violate art. 4, sec. 1, which divides government into the three historical departments.”

Under the decision in the Civil Service Commission v. the Auditor General, the legislature still retains a large degree of authority over personnel as it relates to policy determination and the amount of money to be appropriated, but the legislature may not interfere with the valid powers of the Civil Service Commission. With this principle in mind, the court mandamus the Auditor General to make the payments certified by the Commission, since it assumed that this action would not result in appropriation “over-drawals.”

Although the rule enunciated in this case appears to be clear-cut, there are some difficulties which come to mind. In this particular instance, there was sufficient money in the State Treasury to pay the amount of money certified by the Commission, but not appropriated by the legislature. However, should a situation arise in which the legislature has placed unconstitutional restrictions in an appropriation act, and there is not sufficient money in the treasury to provide the amounts set forth in the compensation plan, how could the courts enforce their decisions? Particularly in view of the fact that under the doctrine of separation of powers, the court will not mandamus a legislative body? Here again, the question remains an unanswered one under the present status of legal determinations but it may never arise as a problem and may remain in the academic area of speculation.

The significance of legislative action to implement the Civil Service Amendment, a factor which was discussed in relation to the compensation power of the Commission, again

comes to the foreground under the provision of the amendment that: “the legislature shall appropriate ... for each and every subsequent fiscal year, a sum not less than one per cent of the aggregate annual payroll of the state service for the preceding fiscal year as certified to by the commission.”

The question of whether this provision was self-executing or required a legislative appropriation to enforce it arose when the amount provided for this purpose in the appropriation act of 1948 was not the full amount which the Commission believed it was entitled to under the amendment. In estimating one per cent of the payroll for the state service the legislature had deducted salaries paid to unclassified employees and also payrolls which were to be paid from special funds and sources, as distinguished from the general fund.

Interpreting the clause “payroll of the state service” to mean the total payroll of the state, the Civil Service Commission sought a writ of mandamus to compel the Department of Administration to set up in the accounts of the state a sum equal to one per cent of the state payroll, in disregard of the legislative appropriation. However, the court refused to go along with the argument of the Civil Service Commission that this provision of the amendment operated as a constitutional appropriation, and insisted that a legislative appropriation was necessary. “Action on the part of the legislature in at least some form is required in order for an appropriation to be effectuated ... We determine that paragraph 5 of art. 6, sec. 22, in question, is mandatory but not self-executing.”

Once more, as in the matter of compensation, the question is presented as to how the court could enforce such a mandatory provision on the legislature, if that body refused to appropriate money for this purpose.

Concerning the validity of the estimate basis used in the appropriation act, the court decided that since the operations of the Commission did not cover the unclassified service, the term “state service” should be construed to mean only the classified service. It adopted this interpretation for the reason that it “would have the least disruptive effect on the finances of the state and still be within the fair intentment of the civil service amendment.” On the basis of this case, it may be said that the cooperation of the legislature is a necessary factor in making the amendment effective.

Under the provision of the amendment directing the Commission to “determine by competitive performance exclusively on the basis of merit, efficiency, and fitness the qualifications of all candidates for positions in the state civil service” very little controversy of a legal nature has arisen, except in the inauguration of the examining system as it affected employees already in state service. The leading case in this matter is *Reed v. Civil Service Commission*, 301 Mich. 137, (1942).

Related to the examining power of the Civil Service Commission is the determination of exempt positions in the service. The amendment states as follow, “The state civil service shall consist of all positions in the state service except those filled by popular election, heads of departments, members of boards and commissions, employees of courts of record,

of the legislature, of the higher educational institutions recognized by the state constitution, all persons in the military and naval forces of the state, and not to exceed two other exempt positions for each elected administrative officer, and each department, board and commission." Several instances have occurred in which the interpretation of this provision was called into question.

Dicta in one of the early cases concerning the application of the civil service amendment indicated that the position of assistant attorney general was included within the classified service. "It is our opinion that assistants attorney general not being expressly exempted from the application of the amendment, they cannot be exempted by implication." Decisions in New York and Ohio are to the contrary; their constitutional civil service has been interpreted to exempt such a position.

The most recent legal statement relating to exemptions from the merit provisions of the Civil Service Amendment is the opinion of the Attorney General of March 9, 1948 which dealt with the question of whether departments are necessarily entitled to two exempt positions. The Act of 1941 creating a Department of Revenue provided that its personnel be appointed in accordance with civil service rules. The Attorney General interpreted this to mean that the Civil Service Commission should decide by its general rules whether to grant or deny to the department exempt positions not to exceed two in number. He held further that the Commission could amend or repeal such regulation from time to time. Under this ruling, when the legislature in creating a department does not specify whether or not the department shall have exempt positions, this matter is to be determined not by the department concerned but by the Civil Service Commission.

The question of whether penalties may be attached to violation of civil service rules has not been clearly defined since the amendment makes no express provision in this regard and the opinions of the Attorney General are somewhat conflicting. In a letter of April 9, 1941, the Attorney General declared that the Civil Service Commission upon incorporating rules of the former Commission could not adopt the penalty provisions since this action would be in violation of the amendment.

"The Constitutional amendment not providing either expressly or by inference for penal provisions for violation thereof, or for any rules and regulations respecting the same to be adopted thereunder, it is the opinion of this department that the Civil Service Commission could not and did not adopt the statutory penalty provisions of the 1939 act when it adopted the rules of the previous Civil Service Commission as its temporary rules."

It might also be noted that this opinion denied the authority of the Commission to adopt any rules or regulations concerning political activity of state employees outside of their hours of employment since the Commission lacked punitive power. However, in an opinion of the Attorney General issued a few months later, it was declared that the power of the Civil Service Commission to regulate all conditions of employment vested it with inherent authority to punish violations of such rules. Since the courts have not had occasion to decide this question, the punitive authority of the Commission remains debatable.

IV. Organization for Personnel Administration— The Civil Service Commission, Legislature, Executive and Operating Departments

There are two general viewpoints as to the organization of the personnel function in public jurisdictions. The oldest, historically stresses the elimination of “politics” in the civil service. In order to achieve this purpose, a personnel agency is set up as an independent, bi-partisan commission with responsibility for: recruitment; selection; certification; and protection of applicants and employees against discrimination within the civil service. Commissions of this type, of which the Civil Service Agency in Michigan is an excellent example, are widespread. In terms of its basic objective, which is the selection of personnel through competition under the auspices of a special agency established for this purpose, it must be granted at the outset that it has contributed materially toward checking the evils associated with the spoils system.* The quality of administrative performance has benefited thereby.

Article VI, Sec. 22 of the Constitution of the State of Michigan (see Appendix) sets up a central personnel agency of the type briefly described above. Considered in the light of the circumstances which brought about its adoption, the autonomous, centralizing authority so comprehensively interpreted by the State courts, is readily understandable.

Yet, in recent years, many persons have come to believe that civil service agencies of this type are inadequate to meet the current needs of public jurisdictions. These critics who established the commissions, simply say that the personnel agency must be more than a “watchdog.”

An effective personnel program must take a positive approach to personnel management by stimulating and aiding in the development of new programs and procedures which will build up the quality of individual performance and facilitate the work of the operating agency. To achieve this, a personnel agency headed by a single director, having close relationship with the executive, has been proposed.

At the Federal level, various studies have been made of the personnel function. The most recent of these, the Hoover Commission report on Federal Personnel (January, 1949), called for placing in the Executive Office of the President a Director of Personnel, Who would at the same time be Chairman of the Civil Service Commission. This arrangement would have the advantage of retaining the traditional commission, yet give the Chief Executive a close source of advice on personnel matters and permit general coordination with the operating departments and other staff agencies.**

With this transitional viewpoint, Commissioner Pollock (Professor of Political Science at the University of Michigan) strongly dissented. He considered the report as advocating

* Chas. P. Messick—The Personnel Agency as an Integral Part of Public Administration, p.66.

** Hoover Commission—General Management of the Executive Branch, pp. 23-25.

“half-way measures, palliative in nature.” Commenting on the problem of decentralizing personnel responsibility, he recommended “a complete decentralization of personnel management ... to the responsible heads of the Federal agencies.” “Decentralization,” he continued, “should apply to all phases of personnel management, including employee relations, training, recruitment, selection, classification, compensation, reductions in force and dismissals.”

Commissioner Pollock also rejected the commission form of organization as a “permanent institutional arrangement.” He cited the unanimity of opinion among the members of the Hoover Commission itself as to “the superiority of a single administrator for prompt and efficient administration; the form of organization recommended by the majority is advanced only in the interest of protecting the merit system.”

In view of the above considerations, the relationships between the Michigan Civil Service Commission, its staff; the Chief Executive, operating departments, and the legislature should now be more closely scrutinized.

The Civil Service Commission, the Executive and the Legislature

The personnel agency occupies two roles in the area of public personnel administration, namely: as a “tool or staff arm of management” and as a control agency for safeguarding the merit provisions contained in statute or constitution. In the foregoing we have dealt briefly with the discharge of the latter responsibility by the Michigan Civil Service Commission. We therefore turn our attention to its “service” role.

Not enough praise can be bestowed upon the sincerity, integrity, and desire on the part of the Michigan Civil Service Commission to fulfill its obligations under the constitution. The very nature of its authority, however, has served to isolate it effectively from “management” in the state service.

No systematic means of communication with either the Executive or the legislature have been created so that whatever contacts do occur are desultory or have come about as a result of stress or conflict. That is not to say that informal communication does. not take place with either individual members of the board, the commission’s staff, or even with the full commission itself. These efforts have not made for comprehensive participation in the development of executive programs or legislative policies in which personnel considerations are so heavily involved. Recently, however, there is evidence that the Commission has reversed its previous aloofness in this regard and is more inclined to see its function as requiring greater participation as part of the management team. This has been especially noticeable in wage administration.

Another device which has been urged as a means of insuring central agency and departmental integration to achieve more effective personnel management, is through the creation of a personnel council on which both the central agency is represented as well as the operating departments. A broad program requires not only adequate status and competent guidance, but also well-devised channels into and away from the line departments. It is for this reason that considerable stress is laid on the personnel council.

Again, the lack of an integrating medium such as this is noted, which might serve to bring about a greater awareness on the part of the Commission and its staff for the requisites of an enlightened and progressive personnel policy, while at the same time securing the fullest cooperation of the operating units in the development of such policies.

The Commission is authorized to make all rules and regulations concerning all conditions of employment in the state civil service. As a constitutional agency, it has not felt it necessary to submit such rules, regulations, and amendments or revisions thereto for inclusion in the state administrative code. Entirely apart from any consideration of operating agency participation in their development, it would appear desirable in the interests of sound public relations to include them.

From time to time the Civil Service Commission has issued various pamphlets describing the activities of the agency to the general public.* Such action however, has taken place only spasmodically, and it has not supplied a systematic, continuing basis for appraisal of its activities. The Commission, in brief, does not issue an annual report to the executive, the legislature or the public. It probably would be less expensive to issue such a report than the occasional studies, while at the same time providing interested officials and the general public with objective data at known intervals.

The Michigan Commission last published its complete rules in 1945. It has never published a manual of personnel practices and policies, unlike many agencies, such as the Detroit Civil Service Commission, which has distributed a manual which helps reduce employee and supervisory time spent on grievances, inquiries, etc.

General Operating Procedures of the Civil Service Commission

The Civil Service Commission, based on its grant of constitutional authority and subsequent judicial interpretations, has full and complete power over all phases of personnel administration. It is dependent, however, on its personnel director (who is within the classified service) and his staff for the actual administration of the personnel functions.

The Commission has generally not met for more than ten meetings each year since its creation. Thus, a major responsibility for the amplification and application of Commission policy is required of the personnel director. Much the same can be said for his relationships with the executive, legislature, and operating departments, as was indicated for the Commission.

The Commission's agenda is generally prepared for it by the Personnel Director except that additional items can be raised by individual members during the meeting. The conduct of the meetings themselves are informal with few formal rules as to procedure except for quorum requirements.

Development and Coordination of Personnel Policy and Practices

Enough has been indicated to show that the development and formulation of personnel practices for state agencies in general is exclusively the province of the Commission and

* A partial list includes: Progress Report, 1941-1950, Why Expanded Payrolls in Michigan, 1942-1947, Employment Trends in Michigan State Government, 1942-1948.

its staff. In view of the relatively few meetings of the Commission, the staff of the Commission occupies, therefore, the major role in such development and formulation.

A good deal of informal consultation takes place with agency personnel officers, but rarely with key operating officers of the line agencies either elective or appointive. Obviously then, the attitudes of line executive, and supervisors leaves a great deal to be desired in terms of adherence to operating principles in the development of which they have not been involved. These executives are in a position to make or break even the most enlightened and progressive personnel policies.

Standards and Personnel Efficiency

A functional organization chart of the Michigan State Civil Service Commission (Chart 1) discloses little evidence of a concern for the development of personnel standards or efficiency criteria. An actual appraisal of Commission activities demonstrates a concern for, but little actual work in, such development.

The Hoover Commission, reporting on a program for reorienting efforts of personnel organizations throughout the Federal service, emphasized the responsibility of the central agency for standards-setting. Indeed, it felt this to be a primary responsibility as indicated in the following: "(It) should be responsible for developing standards covering all of the technical aspects of . . . personnel management; personnel procurement and placement, job evaluation and employee relations."*

Although some attempts have been made along the lines discussed, they have been confined to much narrower objectives, namely: classification of positions and the maintenance of an established positions list of all approved positions of each agency. We have been unable to discover any really positive sustained efforts on the part of the Commission's staff, either acting independently or in conjunction with other agencies of state government, to exploit this vital area of personnel management responsibility. It should also be noted that there was little indication of standards-setting and consideration given to comprehensive programs of achieving personnel efficiency in many of the operating agencies themselves.

State Employees Engaged in the Personnel Function

We have earlier indicated the dependence of the Commission on its staff in terms of the proper discharge of its responsibilities. This staff in 1949 numbered 143 persons which represented a slight increase over 1948 and 1947 when the numbers were 129 and 137 respectively. It is important to note, however, that of the 138 persons on the staff of the Civil Service Commission on April 26, 1950, 90 or 65% were in the clerical classifications. In brief, 48 employees, 22 of whom were classified at the lowest "professional" level (I), were responsible for the development and administration of the central agency's program for personnel administration in the state service, totaling 22, 126 as of that date.

In addition, there were 203 employees in the operating departments and other staff agencies also assigned to personnel activities.* The combined total was 341 or 1 personnel

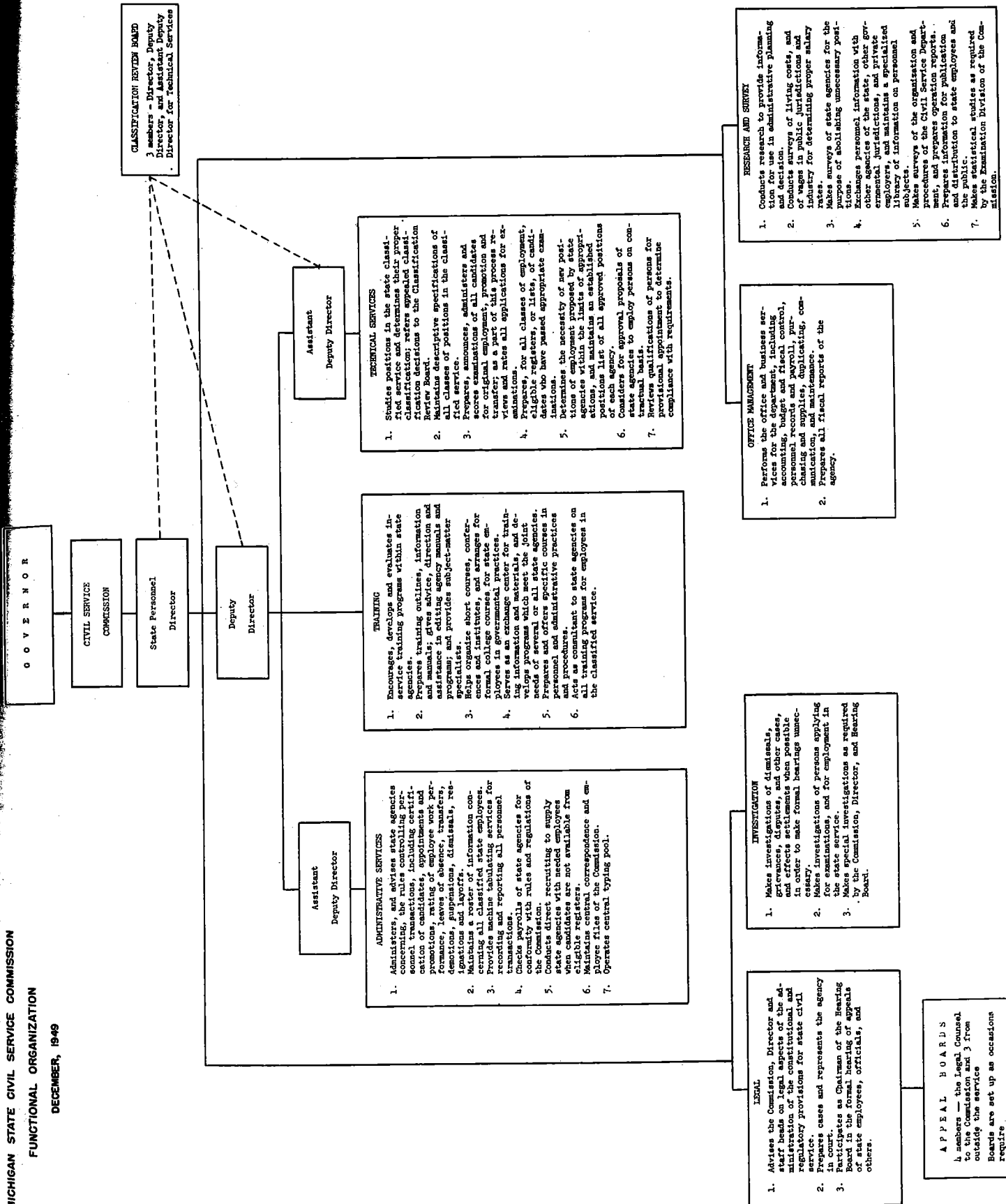
* See Appendix III.

MICHIGAN STATE CIVIL SERVICE COMMISSION

FUNCTIONAL ORGANIZATION

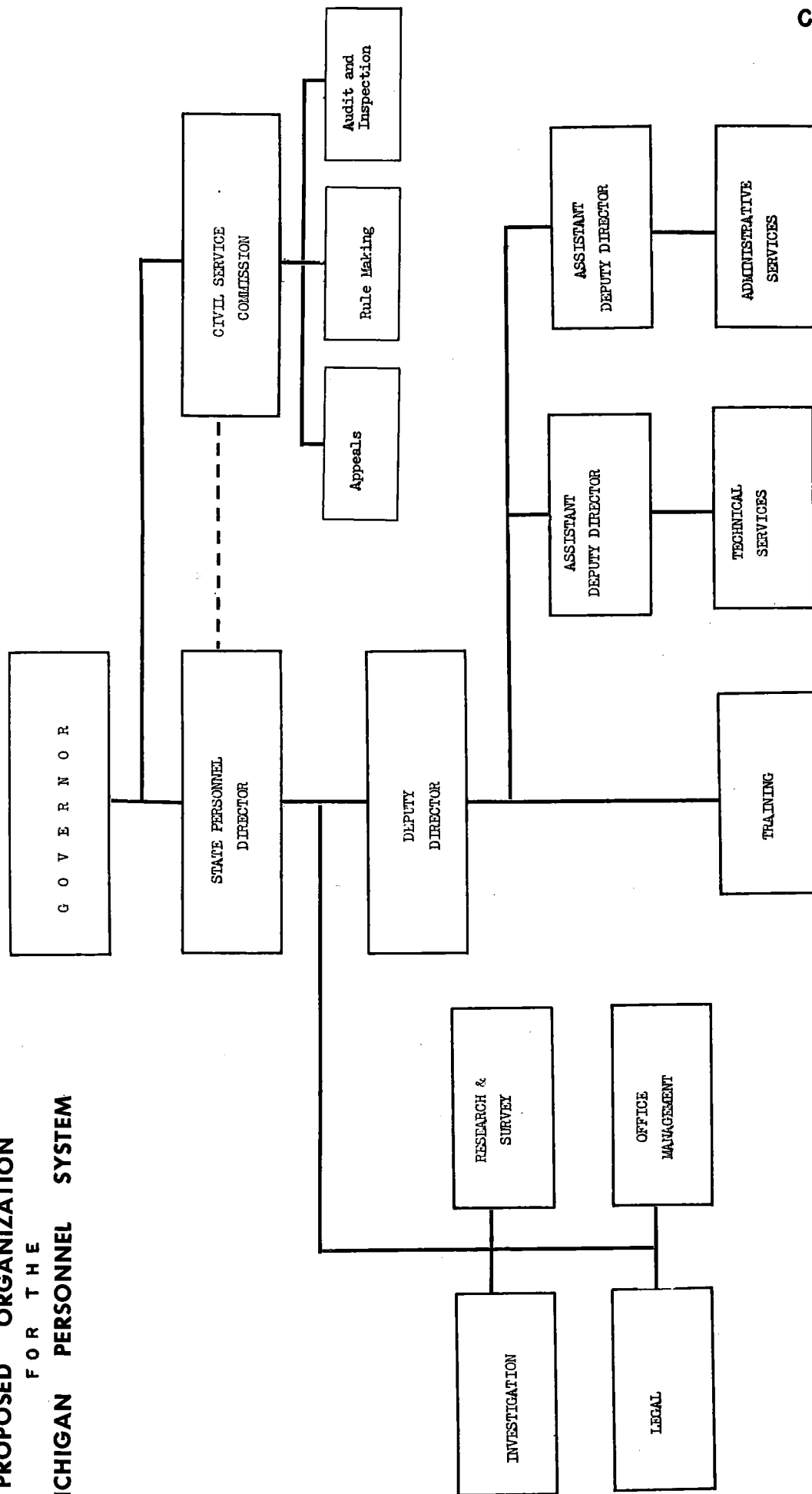
DECEMBER, 1949

CHART I



ORGANIZATION CHART
of the
MICHIGAN STATE CIVIL SERVICE COMMISSION

PROPOSED ORGANIZATION FOR THE MICHIGAN PERSONNEL SYSTEM



A single personnel officer is vested with all the administrative authority exercised by the present Commission and its director, subject to the formulation of personnel rules and regulations, inspection and audit hearing of appeals from administrative actions, and responsibility for wage administration by the bi-partisan Civil Service Commission.

worker to every 65 employees.* (The Hoover Commission data in this regard represented a ratio of one personnel worker for every 78 employees on the federal payroll.) The Federal bureau of the Budget has recently adopted as its guide in reviewing 1952 budget estimates the ratio of no more than one person engaged in personnel work for every 115 employees. Considering only agency personnel totaling 203, this would provide a ratio of 1 to 109 in the state service.

Of much greater concern is the dearth of professional personnel on the Commission's staff, the need for which will become apparent in the appraisal of the several aspects of personnel administration for which the Commission exercises responsibility. Some light will also be thrown on the need for and utilization of clerical personnel in relation to the number and types of personnel records maintained and processed by the Commission.

In Michigan there is not a close working relationship between the Commission's staff and the operating agencies. The gap between the operating agencies and the Civil Service Commission is to a certain extent a simple matter of attitude. The operating agency looks to the Commission's staff for protection and service and at the same time is tempted to resent the central controls and to insist upon greater freedom of action. The Commission's staff expects from the agency compliance with rules, regulations, and central policies and finds it easier to extend controls than to respond to the changing and pliable problems of administration management.

Except for the more mechanical procedures dealing with established positions, payrolls, and the transactions related thereto, this control is exercised largely on a negative basis through investigation of complaints.

There is little evidence of a working relationship between the Civil Service Commission and the Department of Administration. As these are both control and auxiliary service agencies playing an important part in administrative management, this lack of close coordination points up a real weakness. It is apparent that the Civil Service Commission or its staff do not participate systematically or effectively as an integral part of management in the state administrative structure.

V. Staffing the State Agencies

In a study of public personnel administration made shortly after World War I, Lewis Meyers declared: "No amount of care in determining how a government shall be organized

- * In most state agencies, part or all of the employees responsible for or engaged in performance of the personnel function are also engaged in performing one or more other functions of each agency. Certain of these other functions are indicated by the listed class titles. Others of these, not so indicated, are office service, general business management, and accounting.

From the foregoing, it will be seen that it is not possible to know from the listed positions the exact number of positions or parts of positions of employees engaged in the personnel function in each agency; this can be determined only by specific study of each position involved.

for the performance of its work, the manner in which the funds necessary shall be raised and expanded, and the particular practices and procedures that shall be employed in carrying on its activities, will give even a measurable approach to efficiency in the actual administration of public affairs unless a technically competent and loyal personnel can be secured and retained in the service and a system devised whereby this personnel may be effectively directed and controlled.”

Recruitment and selection have always been of basic importance in the public personnel program. The civil service agency as originally conceived, was a recruiting agency and little more. It was designed to eliminate favoritism in the selection process and to stress competence and ability as demonstrated in competitive tests. These still remain as its most basic responsibilities.

How these functions have been carried out by the state agency is therefore of primary importance for an appraisal of personnel administration in the state service.

Recruitment

The over-all responsibility for recruiting has been vested in Michigan, as with all other personnel functions with the central agency, the Civil Service Commission. Nevertheless, through force of circumstances the operating agencies have, either by delegation from the Commission or on their own initiative, taken the lead in recruiting for their own personnel needs. The reasons for this assumption of recruiting responsibility should come more clearly into focus in the ensuing portions of this study.

The recruiting of personnel for the “work-level” jobs in the State civil service seems to have been done in a fair and impartial manner. There has been some tendency to attract the marginal worker who was unable to obtain a job in industry. Nevertheless, there is every indication that the staff of the Civil Service Commission would like to secure capable, efficient employees for the “work-level” positions.

The recruiting of professional and technical talent such as nurses, doctors, lawyers, accountants, psychiatrists, etc., has generally been done on the basis of professional training. Again there seems to be a tendency at least when trained people are unobtainable to end up with below average talent. However, every effort has been made to keep professional standards high and to attract and retain competent people.

The filling of supervisory and staff positions is an entirely different story. Instead of the philosophy which is generally found in industry of, “Who is the best possible person for the job,” the experience in the state civil service has been, too often, that seniority governs the selection with little regard for the individual’s basic qualifications for the position. Whereas, the philosophy at the work-level is one of matching the person with the job, this emphasis often diminishes as the requirements of the job are more demanding.

“Advertising” for recruits under civil service is done almost entirely by the posting of notices of future exams in State office buildings, county and city buildings, and other

public places. Sometimes notices are sent to schools, libraries, business firms, etc. Occasionally ads are inserted in newspapers.

Several state departments have, in a few instances, made arrangements with the colleges and universities in the state for acquiring the graduate output in special areas, such as, highway engineers, social workers, conservation specialists, nurses, and psychiatric experts. Such efforts at integration with the educational institutions have remained relatively informal. In addition they have been regarded rather benignly by the civil service staff without efforts to systematize such recruitment on a comprehensive scale for the state agencies in general.

Generally, however, candidates for civil service positions in Michigan fall into two categories. The first are those who had intended all along to try to get into the civil service and were waiting for an examination to be announced. The second are those who were attracted by the posted notices and took the examination without much advance planning.

The doubtful value of this method of recruiting is shown by the fact that there are very often hundreds of applications for a single opening. For many job categories there are available candidates to choose from and a constant waiting list. For some hard-to-fill categories, civil service like private industry, has to use a variety of recruiting methods to get a sufficient number of qualified applicants.

Since there are usually adequate numbers of available candidates, it would seem as if the present recruiting methods are adequate. It is quite apparent, however, that the Civil Service Commission is processing many more candidates than have a chance of getting a job while at the same time not getting to see those who would be of a higher quality. It would appear to be good management, therefore, to analyze the present procedures to determine whether or not an over-supply of poor candidates are being tested and whether or not there are sources of better qualified applicants that are not being tapped.

It must be recognized, of course, that in a public jurisdiction, restrictions in job requirements cannot be too rigid. Nevertheless, minimum qualifications carefully formulated and adhered to in all instances could be employed effectively. This also is significant for a sound promotional policy which will be discussed in a later section.

Selection Analysis

Age limits, educational achievement levels, experience requirements cannot be applied to the extent considered desirable by the personnel technician. The public reaction to such conditions must be considered.

- * (College graduates usually begin at \$230 per month, or considerably less than wages received by industrial workmen; professional employees, including physicians, nurses, and engineers receive correspondingly lower salaries than those received in federal service, private practice, or from private employers.)

In order to measure the effectiveness of the examining process in Michigan civil service administration the following data were collected and analyzed.

1. A sample of 1,000 completed personnel transactions were drawn from the so-called "dead" file. This file contains a history of the action taken by the Commission on requisition for personnel submitted to the Commission by the various state agencies. This file is set up on a numerical basis, each requisition is numbered in consecutive order as it is received by the Commission. The sample was taken by selecting each fortieth requisition, starting with the latest requisition. The sample was broken into two parts (500 each) to check for validity of sample by numbering the cards and placing the odd numbers in one sample and the even numbers in another. The data, thus analyzed, resulted in percentages describing various personnel transactions, which did not differ significantly in the two samples of 500 cards, thus indicating that the sample of 1,000 cards represented adequately the contents of the file during the period 1945-1950.

The data for single position classifications were checked by analyzing a sample of 200 out of the 600 classifications broken into two samples of 100 each, selected on the basis of every third class when listed by class number q. These data further indicated that the sample of 1,000 cards were representative of single as well as multiple position classifications.

2. A complete inventory of the files for competitive and promotional provisional appointments, which were not yet placed in the so-called "dead" file because no action had been taken to examine the appointees.
3. Copies of policy manual instructions for oral examinations, achievement tests, announcements, and similar material.

A function of the Michigan Civil Service Commission is to certify that all individuals who are appointed to non-exempt jobs in State service are qualified in terms of possessing the occupational performance requirements of the job. The Commission performs this function by examining the qualifications of all candidates for jobs and certifying that the candidates who are appointed are the best qualified of the candidates available.

It may not be practical for various reasons for the Commission to examine all candidates before appointment to a job in state service. Appointments before certification by the Commission are designated "provisional appointments." Provisional appointments are for four months or until such time an examination is arranged by the Civil Service Commission staff. After an examination by civil service, the best qualified available candidate will be appointed to the job already held by a provisional appointee. If the provisional appointee does not rate high enough on the examination, he is supposed to be removed in favor of the best qualified available candidate.

A measure of the effectiveness of the Commission in selecting and appointing qualified personnel in state service is the manner in which the “provisional appointment” procedure is utilized. The provisional appointment procedure in effect assigns to the various agencies in Michigan the responsibility for selecting personnel. Instead of the Commission presenting a list of qualified candidates to the agency, the appointing authority in a state agency locates a candidate for a job in his agency, then the Civil Service gives tentative approval to the selection of the appointing authority. Thus, the extent to which the “provisional appointment” is used by the Commission is a measure of the extent to which the Commission has passed the responsibility for selecting personnel for state jobs to the operating agencies. This unofficial delegation of recruiting responsibility has come about by default and lacks the essential features of a desirable and responsible policy of decentralization which was recommended by the Hoover Commission and approved by public personnel authorities.

A second measure of effectiveness of the Commission is the length of time the Commission takes to arrange for an examination and to certify a qualified candidate to a state job which is held by an appointee who is provisionally appointed. This time interval is important because a provisional appointee may, in Michigan, cite his experience on his provisional job as a qualification for that job. Thus the candidate selected by the appointing authority and given tentative approval by the Commission may be given an opportunity to learn the job and acquire qualifications for the job, which opportunity other-interested and perhaps much better qualified candidates do not have.*

A third measure of effectiveness is the number of provisional appointees who are eventually certified by the Commission. If the candidates selected by the appointing authorities are allowed to acquire qualifications and are eventually certified by the Commission as qualified, then in effect the Commission is not carrying out its responsibility in selecting the most qualified available candidates for state jobs.

A fourth measure of effectiveness relates to the nature of the examining process itself. Unless the examining process is designed to test in a valid manner the qualifications of the candidates for the job in question, then the examining process will not result in the selection of the most qualified candidates.

The record of appointment by the Commission over the period 1945-50 shows that 93% of all appointments have been provisional appointments as of the date of appointment.

The analysis of appointments reveals several significant points:

First, one out of four (24%) appointments by the Commission is for a temporary job. Practically all these appointments are provisional, only seven out of 100 are being given to persons who are on certified lists. Most of the appointments are never certified (70% approximately). Some of the appointees stay on the state payroll for as long as one year, although 30% of these appointments are terminated in 90 days.

* See Appendices 4 and 5.

These data indicate that a sizable group of non-certified personnel, whose “qualifications are never examined by the Commission, are on the state payroll for varying lengths of time up to one year.

It would seem necessary that the Commission should set up a special certification program for temporary appointments since they constitute one-fourth of their appointment load.

Second, one out of 14 (7%) appointments are rehires of personnel who have left the state service before certification or because they could not be certified to their previous appointment. These are persons who have had at least One provisional appointment and Who are now back on their second or possibly third or fourth provisional appointment. It seems unusual that such a large percentage of personnel hired by the Commission should be personnel who were not certified on previous appointment.

Third, one out of ten (11%) appointments is a promotion.

Fourth, only three out of five (58%) appointments are new hires. Of these new hires, 94% are provisional.

As state agencies are scattered over the state, it may not be possible to certify all appointments on the day of appointment. However, if candidates are examined before appointment, it should be possible to certify them within 30 days. Only 22% of all appointments are certified within 30 days, indicating that at least 78% of all appointments were not examined by the Commission within 30 days after appointment. This is a definite indication the appointing authorities, not the Commission, are selecting the personnel for the state service.

How long does it take the Commission to examine the personnel selected for the most part by the appointing authorities in the various state agencies in Michigan? As of July 1950 there were 3,635 provisional appointments in the Commission files. This means that of the approximately 22,000 state employees as of July, 1950, 3,635 had not been certified by the Commission as qualified for their jobs. The average length of these appointments is 18.5 months. 55% of the provisionals had held an appointment for one year or more, 25% for two years, 10% for three years or more, 4% for 4 years or more. Some appointments were made in 1941, 1942, and 1943. It is apparent that the Commission is allowing the appointing authorities to retain on state jobs a number of employees who have not been examined by the Commission. In fact, the Commission has allowed some appointees to hold state jobs up to 8 or 9 years, during which time the Commission has not found out whether the appointee is qualified, nor allowed other available citizens to compete for the jobs.

To what extent does the Commission qualify the appointees selected for the most part by the appointing authority in the various state agencies in Michigan? Within two years 59% of all appointments have been certified by the Commission; 10% of all appointments have been given a new appointment, in many instances a promotion, before the Commission qualified them for their first appointment. Thirty-one per cent have been separated from

their appointment either because the Commission would not qualify them or because they resigned before an examination was given. Thus only three out of ten provisional appointees are removed from their jobs by the Commission, six out of ten are certified, one out of ten is given a new appointment before being examined for the first one.

Of those removed from their appointment, 50% are removed within ninety days. The remainder, however, may stay on up to two years before examination; and as mentioned above, a number of appointees, 25% of all provisionals, were not yet examined at the end of a two year period, some of them not yet examined at the end of a nine year period.

What does this mean? It means that at least four out of five, probably nine out of ten, state job holders were selected by a state agency, not the Commission. Certain personnel are retained for years without examinations by the Commission. A person selected by a state agency has six chances in ten of being certified by the Commission.

If not, he has one chance in ten of being given further appointments without certification and, in addition, one to two chances out of ten of being able to hold on to his job perhaps for years without any examination. There is, however, one chance in ten that he will be removed or will resign in 90 days.

After a provisional appointment is obtained, what are the chances for promotion? Since only 58% of appointments are new hires for regular state service, and 11% of appointments are promotions, an employee who gets appointed whether on a certified or provisional basis has almost one chance in five of being promoted whether he is ever certified or not.

The record shows that 27% of the present provisional promotional appointments to V jobs, 40, have been given to personnel not yet certified to the IV level, 40% of the IV jobs, 68, not yet certified to the III level, and 32% of the III jobs not yet certified to the II level. One of the V appointees was previously certified to the I level, one of the IV's to an "A" level, and five of the III's to an "A" level.*

There is a strong possibility that personnel who are not qualified are being promoted since it is improbable that qualified personnel will take such low level jobs. The personnel are being qualified in many cases as a result of the Commission policy of allowing state personnel to use experience on the job obtained through provisional appointment as a qualification for a job. The average length of present provisional appointments is 18.6 months which is approximately equivalent to the extra amount of experience required by the Commission for most promotions.

Examination Procedures

How does the Commission conduct its examining process? At present, the following points in their examining procedure need further examination to determine their validity.

* These are top level grades in the state service in terms of salary and responsibilities.

STATUS OF APPOINTMENTS MADE BY CIVIL SERVICE

Appointments
Individuals with status
Provisional, no status
(Civil Service has not yet examined
these as to qualifications for the job.)

"I've got a job." - 58%

"Did you have to pass an exam?"

"Yes" - 5% "No" - 53%

"I'm on for a while." - 24%

"Did you have to pass an exam?"

"Yes" - 2% "No" - 22%

"I'm going up." - 11%

"Did you get status on your last job?"

"Yes" - 1% "No" - 10%

"I'm back." - 7%

"Do you have status?"

"Not yet."

PER CENT OF APPOINTMENTS

70

60

50

40

30

20

10

0

ORIGINAL
APPOINTMENTS

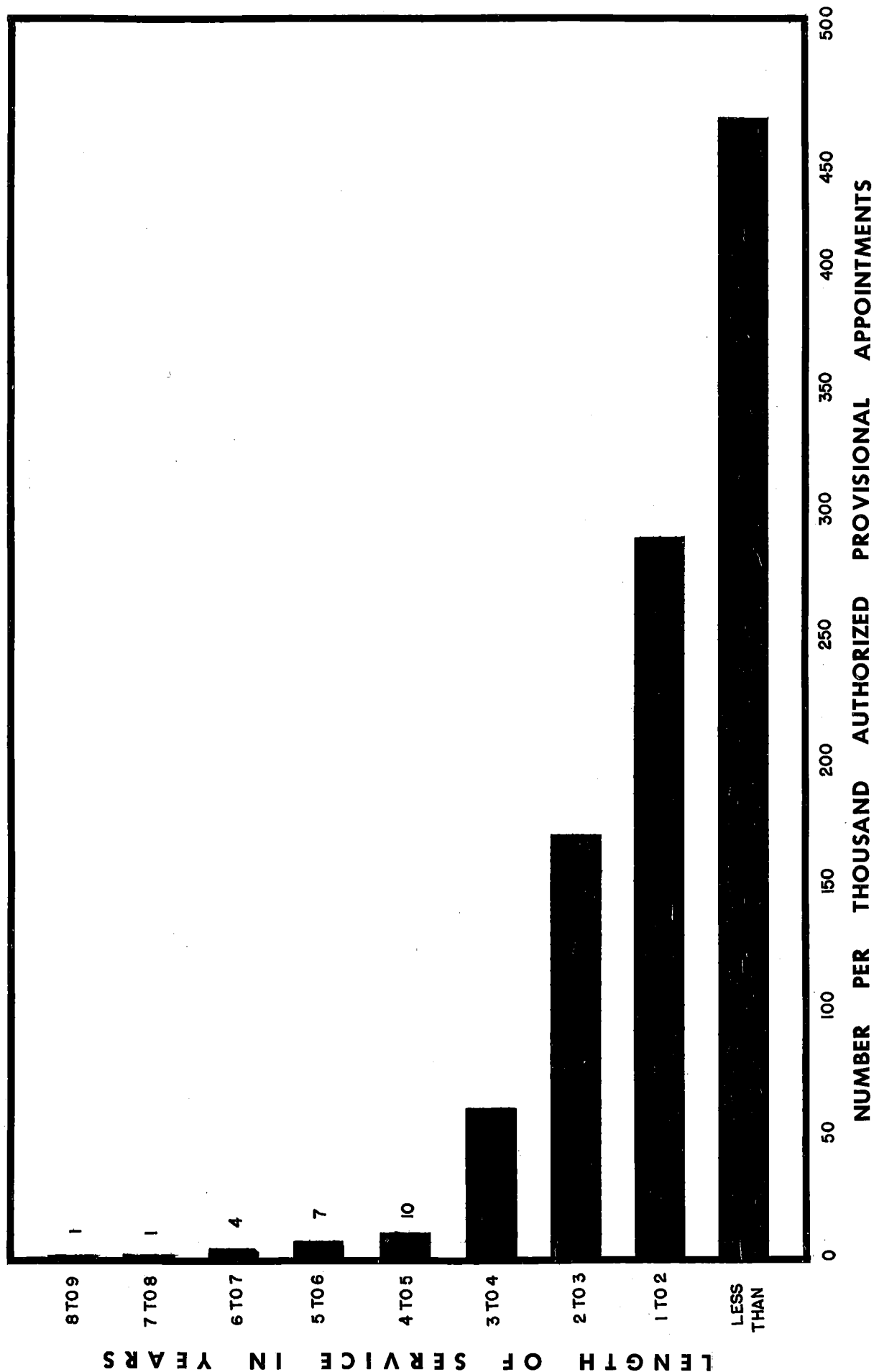
PROMOTIONS

EMERGENCY &
TEMPORARY
APPOINTMENTS

REAPPOINTMENTS

LENGTH OF SERVICE ON JOB OF INDIVIDUALS HAVING ONLY PROVISIONAL APPOINTMENTS

(CIVIL SERVICE HAS NOT YET EXAMINED THESE AS TO QUALIFICATIONS FOR THE JOB)



HISTORY OF ORIGINAL APPOINTMENTS (58 PER CENT OF ALL APPOINTMENTS)

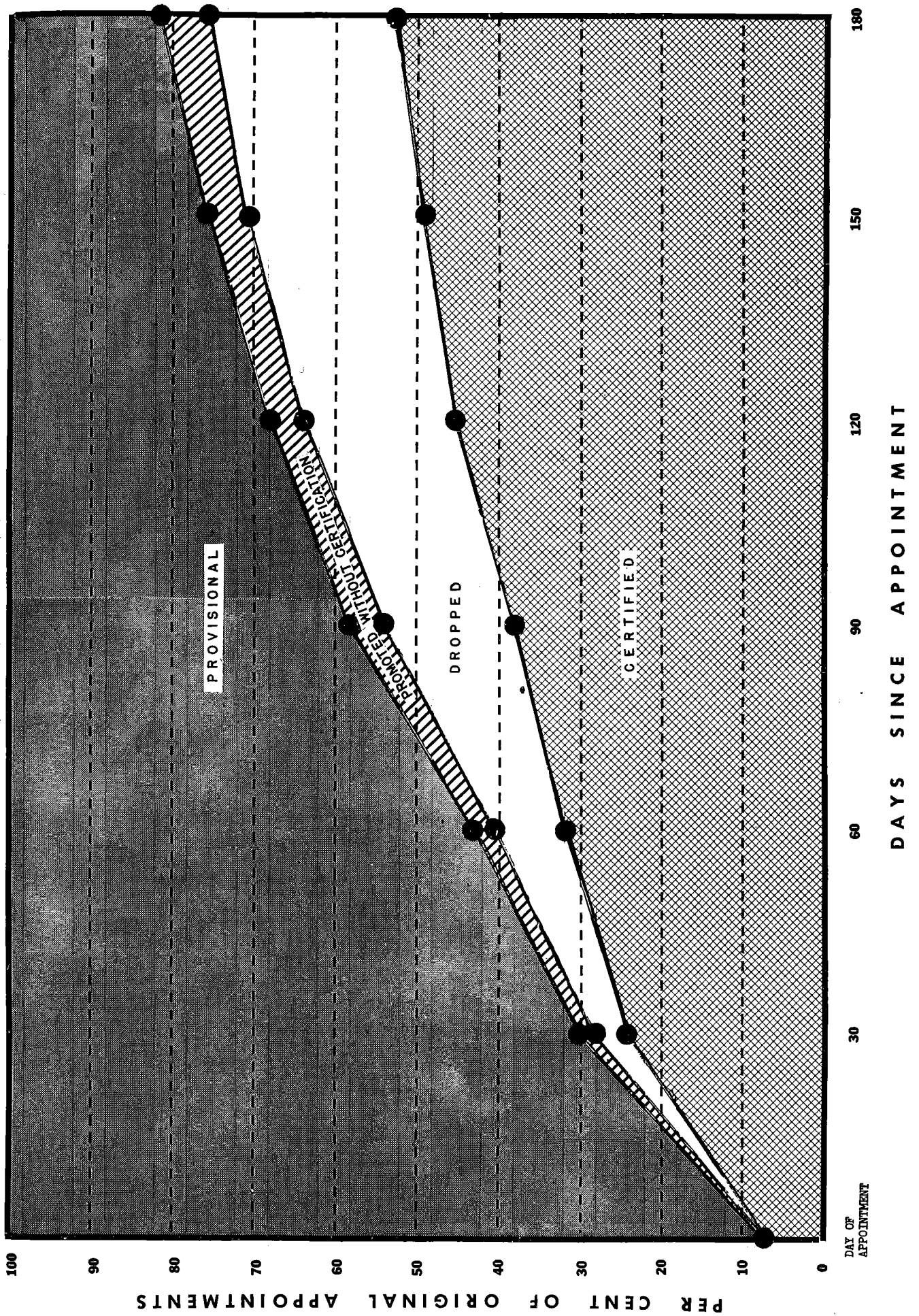
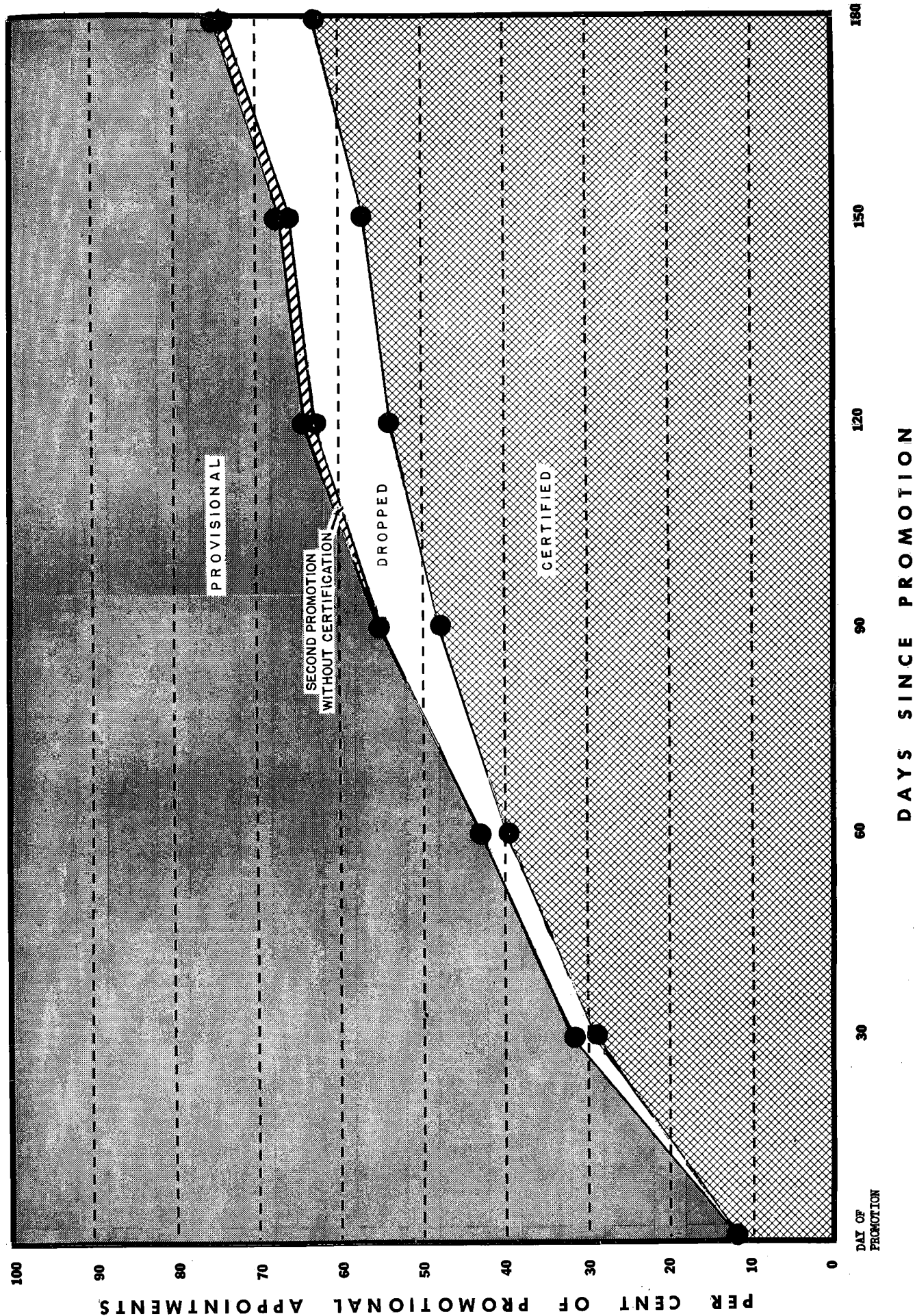


CHART 7

HISTORY OF PROMOTIONAL APPOINTMENTS (11 PER CENT OF ALL APPOINTMENTS)



a. Minimum qualifications have not been set up for most jobs. The Commission, instead, has set up “desirable” qualifications for jobs; however, the candidate is not required to meet these “desirable” qualifications in order to be certified to a job. This procedure allows a loop hole in the examining procedure which may be as large as the Commission wants to make it. Since no candidate has to meet any specified qualification in order to be appointed to a job, there are no pre-determined minimum qualifications.* No one is in a position to challenge the qualifications of any candidate for any job.

b. Examining procedures have not been validated against performance on the job. Instead the Commission assumes that the candidates who do well on a test are the best candidates for the job, although the Commission does not know whether doing well on the test means doing well on the job. Technically, the examining procedure, when a test is used, consists in juggling the weights of the various test items so as to make certain that at least a certain percentage of the candidates pass the examination with a passing score. This is not the way to validate an examining procedure against performance on the job.**

The technical problems in validating examining procedures are such that appointment of highly trained personnel for this purpose in the Commission would certainly be desirable. The Commission appears to have tended to promote from within, instead of recruiting technicians who are adequately trained in Validating techniques) by allowing their own personnel to cite experience after appointment as a qualification for promotion. It would seem desirable to recruit from the outside, also, in order to make certain that the Commission is appointing the best qualified technicians on their own staff.

c. Candidates may cite as a qualification for a job, experience acquired after an appointment to the job has been approved by the Commission on a provisional basis. In other words, candidates are allowed to qualify for a job by being appointed to it. A candidate may not have enough experience to qualify for a job. He is appointed to it provisionally, and after a period of time has passed (average appointment time before examination 18.5 months) is examined with other

* State agencies receiving grants from the Federal government are in some instances required to comply with minimum qualifications' standards.

** By validation is meant the technical procedure for finding out whether the examining procedure results in the selection of candidates who do well on a job, after they are hired. It is quite possible for an examining procedure to result in selection of candidates who do well on the examining procedure but poorly on the job after hire. This kind of examining procedure would not be valid for selection since the purpose of examining procedure is not to find someone who does well on a test but to find someone who does well on a job after hire. The validating procedure used by the Commission is primarily one of finding out how well candidates do on a test, rather than how well they do on the job after hire. According to the staff, not much has been done to find out whether those who do well on a test also do well on the job after hire.

interested candidates to determine whether he qualifies. He then cites the experience on the job as his qualification, which obviously the other interested candidates may not do.

d. Standard procedures are not used in determining qualifications of candidates. The weights assigned to the experience and training factors in the examining procedure appear to be based on the best judgment of the representatives of the Commission and the appointing authorities at the time the examination is set up. This “best” judgment seems to vary from time to time. (See appendix 7)

e. Too much emphasis is placed on oral examination for which the interviewers are not provided with adequate training materials or standards. (See Manual on Oral Interviews)

f. Too much weight is given to service ratings in the examining procedure, which is especially important for promotions since there is apparently agreement among the Commission staff that service ratings are neither a valid measure of performance on the job nor promotional potentialities. In some cases, as much as 50% of qualification is based on service ratings. (See Civil Service Announcements) This weight plus weight for experience on the job before examination by the Commission gives the “provisional” incumbent a decided advantage in the examining procedure.

g. Too much emphasis is placed on reading skill in determining qualifications of candidates; especially for jobs of a manual nature and jobs not requiring a high level of reading skill. For only one job, Farm Hand, has the Commission decided to give a non-verbal intelligence test. For most jobs, a verbal intelligence and perhaps comprehension test is given although the job skill may be primarily manual and call for little or no reading skill or verbal ability, i.e., a cook, manual worker, or rodman.

h. Test items are such that candidates employed by an agency have an advantage. For example, numbers of forms used by state agencies and their use are included in a knowledge test which candidates must pass in order to qualify for an appointment.

Certification and Appointment

The setting up of eligible lists occurs after the examinations of whatever description have taken place. If the existing examination methods worked perfectly, ranking eligibles in order of merit, such factors as personality, appearance, initiative not usually rated by the examining procedure with any degree of reliability could still mean the difference between success and failure in particular positions.

According to Rule XXVI of the Rules (Civil Service Commission), the appointing authority must make a selection from the top three on the list for a particular position. Although a usual provision in most civil service jurisdictions (some use the rule of one), the Hoover Commission, for instance, emphasized the importance of greater flexibility in the certification process. Its personnel task force proposed for the federal government a procedure whereby all applicants would be grouped into several categories, such as “outstanding,” “well-qualified,” “qualified,” and “unqualified.” The appointing authority

would then select names in the highest category (possibly in ranked order) until the names in that category had been exhausted before going on to the next.

A difficulty encountered by operating agencies in the state with respect to the effective use of eligible lists centers around the duration of eligibility. Rule XXV, Section E, provides for a three year period. Although the Civil Service Commission may shorten or lengthen the period, the status of the labor market has been such in recent years that agency appointing authority in many instances may find such a list useless after a few weeks or months. This has been especially true with the work-level jobs on which are expended considerable staff time. (As an example of this, there may be cited the attendant nurse B and food service helper classifications in the state hospitals located in the down-state areas.)

This has resulted in requests by the operating agencies for authority to hire on a provisional basis with the results previously described. In order to meet conditions of this sort, decentralization coupled with adequate inspection by the central agency and a system of selective certification were recommended by the Hoover Commission for the Federal service.

It is conceivable that a procedure of this sort might be abused. Nevertheless, if carefully audited and checked by the Civil Service Commission and with the cooperation of most state officials, which would undoubtedly be secured, more effective selection would result. At the same time this would relieve the Commission of the necessity of giving a wide range of examinations, which financial limitations or lack of time are likely to make impossible.

Job Evaluation and Classification

The duties classification is one of the most far-reaching steps taken in the public personnel field since the inauguration of civil service laws. Position-classification in the public service is often criticized, however, on the grounds that in the process of establishing position classes, there are created too many fine occupational distinctions and therefore too many levels of pay—labored and very detailed job descriptions.

The present classification of positions in the state service was adopted by the Commission when it was created in 1941. The duties and responsibilities of positions change; new duties are added or old ones removed. To keep pace with these changes the Commission's classification staff in the past nine years has annually studied about 1,500 individual jobs.

As indicated below, there were on June 30, 1950, 1,527 position titles for the 22,126 employees in the civil service structure with which the Commission was concerned. The existence of an extraordinary number of unique or highly specialized titles covering a single position (599 one-incumbent classes) markedly increases the difficulty of an adequate and equitable administration of the state's civil service system. This is true with particular reference to classifying such positions, the definition of the duties thereof, and the holding of examinations therefor. (Approximately 10 exams a week on the average are being given at this time.)

- * One state agency reports that in some categories as many as 60 eligibles have been contacted for each person actually available and accepted. This situation results in serious delays, work backlogs, and a tendency to accept the first candidate actually available, even though poorly qualified.

Many of these titles appear to be nonessential, inappropriate, or duplicative, and relate to what is essentially the same kind of work. This contributes to an unwieldy and unscientific job structure. Their elimination and a better definition of continuing positions would in the long run make for efficiency and economy in the state's operations. An analysis of the 599 one-incumbent positions is especially in order, although there are also position-classes involving large numbers in which redefinition and combining classes would be desirable. (As examples: trades helper as an all inclusive class instead of numerous individual classes; narrowing the number of nurse classifications, especially the attendant nurse series; motor vehicle and gas tax inspectors; placement interviewers, counselors, and various other specialists in this area.)

A detailed study of the actual duties of all positions in the state's classified service and a review of the classification of positions will be necessary in order to achieve the desired results. Once these criteria are established, consideration should be given to the feasibility of decentralizing the administration of the classification function. While a backlog of 100 cases has accumulated and will probably remain, this in itself is not too serious a situation. The major issue involved is that of operating department participation in this basic personnel function. Adequate safeguards can be maintained through Civil Service Commission inspection and audit procedures. Insofar as "desk audits" are concerned, the classification analyst of the Commission's staff frequently is handicapped by the technical nature of the position involved and may not be as well qualified to determine the specific class to which assignment should be made. Entirely apart from the expediting of the request, fewer errors and controversies should also result.

The emphasis on fewer classes in the position structure requires for most effective application, greater flexibility in the examining and certification procedure. This means that examinations must not be "pin-pointed" toward the specific duties of a position, especially where the qualifications involved in terms of educational achievement, training, and experience may be basic for a general work-area. Also a selective certification procedure which was discussed previously coupled with examinations of this type would provide the proper degree of flexibility consistent with adequate control.

A re-examination of positions in the classified service can and should be accomplished without any substantial impairment of the status of any classified employee whose services are needed in the performance of necessary state functions. The boon to wage administration and compensation schedules consistent with the position-classification plan should be obvious. This, however, will be discussed briefly in the section to follow.

It should be mentioned at this point that no consideration was given to the possibilities of applying the industrial technique of mathematically weighting and scoring to compare job with job or job with class. Public personnel authorities are agreed that in the main this technique is not generally accepted.

- * The generally accepted method for keeping classifications current is the periodic surveyor audit of positions. In Detroit for example an attempt is made to survey and reclassify one-fifth of the positions in the city's service each year. No such systematic efforts were observed in this study of the State Civil Service Commission.

Veteran's Preference

Rule XVII of the Commission's Rules gives to the veteran, or the widow of a veteran, for open competitive examinations ten points credit added to the earned rating resulting from the exam. The veteran or his widow is also given priority on the eligible list if his total rating is the same as that of a non-veteran. Where a disabled war veteran is involved (as defined by the U. S. Veterans' Administration and having at least 50% disability) the veteran or his wife receives 15 points added to the earned rating. Such a veteran precedes both war veterans and non-veterans on the eligible list if their total ratings are the same.

Every state with a state-wide merit system has some provision for veteran preference. Any questions to be considered, therefore, are not concerned with the basic validity for giving such preference. As applied in Michigan, however, the 10 or 15 point preference as the case may be, can be added to the earned rating, rather than to passing marks on examinations. This means that a veteran may fail a part of an examination or all parts of one and yet receive a passing grade.

In all other respects, the Michigan Civil Service veteran preference policy does not depart from the generally accepted provisions of other civil service jurisdictions.

VI. Personnel Practices Affecting Employees in the Service

The best methods of recruitment and selection will fall short of their objective unless capable appointees find working conditions sufficiently attractive to warrant remaining in state employment. This results when each employee is properly placed; when salaries are commensurate with the work required; when there is opportunity for advancement; when suitable provision is made for vacations, sick leave, and satisfactory working conditions; and when security of tenure is assured as long as there is need for the type of service a well-qualified employee can render.

It is the purpose of this section to examine the general policies and practices of the Civil Service Commission and the operating agencies as they relate to these major points. Still another factor that aids in the attraction which government service may exert is the existence of a sound retirement system. As this has been discussed in another report (No. 3) to the Committee on Reorganization of State Government, it will not be considered here.

Compensation and Wage Administration in the Civil Service

In its role as an employer the state has many of the same problems as other employers. Among them, it has the problem of paying wages that are satisfactory to the employees, the public, and the other employers in the state. It is essential to adopt a wage policy which will, as far as possible, satisfy these three groups.

The first thing to do is to find out what these groups want. The public wants the best government it can get for the least money. This does not mean that sub-standard wages are to be paid, but that it desires qualified employees paid a rate about equal to the market rate. The employee wants wages at least equal to the market rate and anything higher is just a windfall to him. The other employers in the community want governmental wages to conform to local rates and, in any case, not higher. It appears that the only policy that would be reasonably satisfactory to all would be to pay wages in each locality, for each job, that are about equal to the local rates for the same work or work requiring comparable skills.

It should be recognized that government involves some skills for which there are no counterparts in private industry against which to measure comparability in terms of locality wage rates. If, however, the classification system has been constructed with regard to a logical hierarchy of skills, setting salary ranges for these unique skills should not be too difficult.

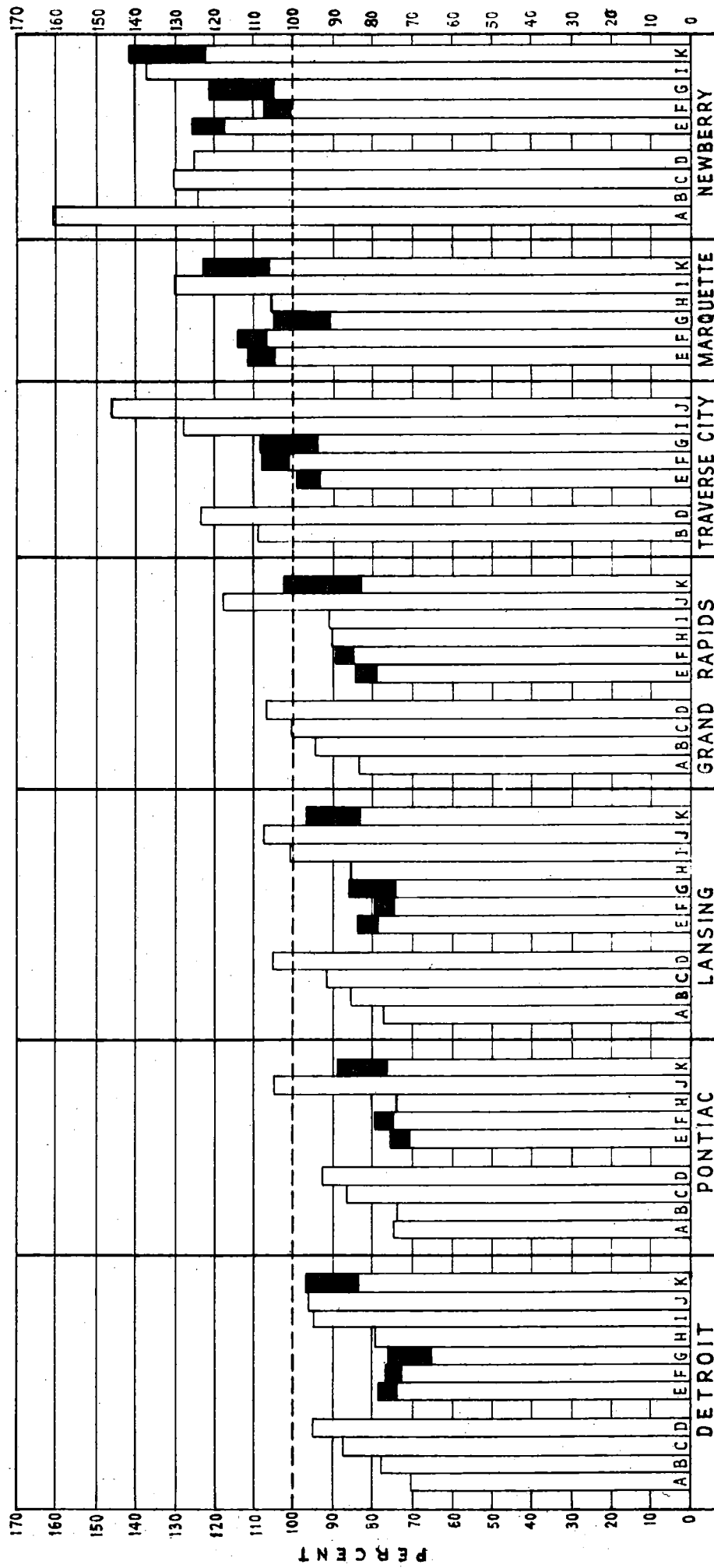
The policy of the Michigan Civil Service Commission (which has sole authority to set wage rates under the constitutional amendment) is to pay equal wages for the same job throughout the state. Let us see how this policy works out when applied to a state whose large area, varied geographical and varied economic features make for marked differences in economic conditions. In chart 8, cities which have different wage levels and a number of civil service employees have been picked to show the comparison of wages paid state civil service employees to those paid by other employers. The jobs selected are common to both, and while possibly not every city actually has every job shown, the removal or insertion of another job would still leave the picture very much the same.

The first fact that is noticeable is while in Detroit, Pontiac, and Lansing, civil service wages are generally below the market, they begin to catch up in Grand Rapids. In Traverse City, Marquette, and Newberry, civil service employees are being overpaid by a substantial percentage. Another point that is noticeable, is that certain jobs are in a poorer relationship to the others in all areas. Notice for example the relationship of the motor equipment repairman to his counterpart in industry is less favorable than the welder's. The same thing applies to the payroll clerk when compared to the stenographer.

Another aspect of the civil service wage policy is the method of integrating different kinds of jobs. All jobs are on the same salary scale; whether they are clerical, craft, or professional they are all fitted into the schedule somewhere and labeled A2, EXECUTIVE II or something of the kind. The problem here is that these job "families" are not in as stable a relationship to each other as the jobs within the "families." This has resulted in wages in some job families increasing so much faster than in others that special rates have had to be created in order to be able to hire and retain employees in craft and professional categories. The extent of these changes is suggested on chart 8.

Is this wage policy likely to satisfy the interested parties? In Detroit, the employees certainly can't be satisfied since their wage rates are considerably lower than outside wages. Even the public would not be favorably impressed by that, particularly since it is

COMPARISON OF STATE CIVIL SERVICE RATES & GOING RATES FOR VARIOUS OCCUPATIONS IN REPRESENTATIVE CITIES EXPRESSED IN PERCENT



LEGEND:

- A - General Clerk
- B - Payroll Clerk
- C - Stenographer Clerk
- D - Typist Clerk
- E - Motor Equipment Rpm.
- F - Mlce. Carpenter
- G - Auto Body Repairman

- H - Mlce. Machinist
- I - Mlce. Electrician
- J - Mlce. Mechanic
- K - Welder Skilled

■ - Special Salary Rates Above
"Class Level" Rates.

DETERMINING COMMUNITY WAGE LEVELS

SUMMARY

STEP 1
AVG. TOP RATE
FOR EACH CITY

STEP 2
AVG. TOP RATE
FOR ALL CITIES

OCCUPATION	CITIES											AVG. ALL CITIES
	BIGTOWN		SUBURBIA		MIDDLETOWN		UPTOWN		SMALLTOWN			
	AVG. MAX.	RATIO	AVG. MAX.	RATIO	AVG. MAX.	RATIO	AVG. MAX.	RATIO	AVG. MAX.	RATIO	RATIO	
FILE CLERK	47	115	45	110	40	98	30	93	35	85		84
		110				101						
TYPIST	52	111	50	106	49	104	45	96	41	82		47
		106				99				80		
STENOGRAPHER	58	109	56	106	54	102	51	96	48	91		53
LOCALITY INDEX		110				101				86		

STEP 3
RATIO OF TOP RATE
IN EACH CITY TO
THE TOP RATE FOR
ALL CITIES = OCC. RATIO

STEP 5
RELATE INDEXES
TO 100
 $\frac{110}{100} = 110$
 $\frac{101}{100} = 101$
 $\frac{86}{100} = 86$

STEP 4
AVG. OF ALL OCCUR.
RATIO IN A CITY
PERCENTAGE
RELATIONSHIP

bound to mean lower grade help, high turnover, or a discontented force and probably all three. In the long run that condition will not save money for the taxpayer. Similar problems are faced in Pontiac, Lansing, and to a lesser extent Grand Rapids. In Traverse City, Marquette, and Newberry, where the reverse relationship exists, it is difficult to justify to taxpayers why it is necessary to pay employees 15, 25, or even 50 per cent above the market rate. This obviously creates a serious problem to other employers since an outside employer is coming in and imposing an artificial wage level that has no logical relation to local conditions. It appears that the policy of paying the same wages throughout the state can never be successful in satisfying the three groups, because the difference of market levels is an economic "fact of life" and no matter where you bring it into line it will be out of line almost everywhere else.

The preceding discussion and findings deal mainly with the case of subordinate employees. The salary situation, especially for administrative and professional personnel, presents an even more difficult situation. The Hoover Commission in this connection stated, "While no one contends that Government can, or should match the compensation paid to some executives by private industry, it appears that (Government) should at least be competitive with the executive salaries paid by some governmental units." It cited several state and municipal governments as paying key administrators up to \$25,000 a year. In New York City, for instance, 372 out of 626 top positions are paid in excess of \$10,000.

The annual maximum in Michigan* for 25 executives on the VII level is \$10,380. There are 87 (at the VI level) with a maximum annual salary of \$9,600, and 189 with an annual maximum of \$8,760. Another feature of the Michigan pay plan is the fact that all grades from the I level and up reach the maximum of the salary range in two years. (This is to be changed to four years along with the change in pay rates effective December, 1950.) The pressure for reclassification when the maximum is reached quickly is readily discernible. (The State of New York, for instance, uses a spread of six years with an annual increment.) This obviously has led to a much greater demand for reclassification than would result if it took longer to reach the maximum. There is also the problem of the employee unqualified for promotion but performing satisfactorily at his present grade. Here, incentive increases throughout lengthy periods of employment may be desirable.

The collection of wage data for the setting of specific rates comprising the salary scales is the responsibility of the Research Division of the Civil Service Commission. The way in which this responsibility is carried out will be discussed briefly in the section dealing with Personnel Research.

Training of Employees in the Service

Training should be a continuous process of developing the necessary skills and attitude, and the imparting of needed information among all employees so as to increase their capacity to produce and find peace of mind in their work. The nature of the work or the number of employees does not alter these objectives.

* Increased slightly in general wage increase effective in December, 1950.

The following guiding principles seem important in the creation and maintenance of any training program:

1. People need training as individuals, not as groups.
2. More and more training should be done by the line supervisor rather than by a training specialist.
3. Training specialists should be employed in sufficient number and be of adequate skill to promote and sponsor training. They should be able to “train the trainer” to present training programs.
4. The part of the learner is active, not static.
5. Training should be specific rather than general.
6. Training aids are necessary to the success of any program.

The training division of the Civil Service Commission acts as both a staff and a service unit to the state agencies and to the Civil Service Commission. In its staff capacity the central training unit acts as an advisor to all agencies on their training problems and its director visits the various training supervisors to discuss their problems, and to stimulate their training activities. It appears, however, that the line organization with a few notable exceptions (for example— Mental Health Institutions) does not call too often for such assistance.

As a service unit to state agencies, the central training unit:

1. Maintains files of various training program, i.e., safety, work simplification, human relations, etc., used by other government agencies, industry, and those for sale by various consultants.
2. Communicates new training ideas and techniques to stimulate the various training supervisors.
3. Develops training programs at the request of state agencies and trains the training supervisors in presenting such programs.
4. Conducts training sessions for various agencies.
5. Holds periodic meetings with training supervisors as needed on such subjects as safety, fire prevention, etc.

The secret of success of any staff-service agency is to maintain a proper balance of staff to service duties. It appears that the central training unit is required to spend considerable time on actual training rather than training trainers. Specifically, the following general observations seem pertinent:

- * The Division is comprised of the supervisor and one staff assistant as well as some clerical help.

1. The files of training programs could be strengthened by including more programs used by industry.
2. A periodic publication on training circulated to all training supervisors would help stimulate them and to provide ideas and techniques.
3. More state-wide programs should be developed by the central training unit to be put on by the training supervisors. There seemed to be a lack of a broad application of the following:
 - a. Work simplification programs
 - b. Human relations
 - c. Supervisory techniques
 - d. Customer courtesy
 - e. Telephone training
4. The annual meeting of personnel supervisors seems a good idea and could serve as a training ground for the trainers.
5. There seemed to be evidence that the central training unit officer was spending too much of his time in actually conducting programs for one or two of the state agencies when this might best be done by the supervisors in these organizations.
6. The training division has at times become involved in the administrative services' function. For example— having the training division prepare an Employees Handbook, develop a service rating system, etc.

The appraisal of the organization, operation, and content of the central training unit leads to the following conclusions:

1. A better job of selling training to management in the operating agencies should be done. For example, the Highway Department and the Michigan Unemployment Compensation Commission have not had professional visits from the state training officer in over a year. More visits would help— visits with a purpose.
2. A standard system of preparing training outlines that could be easily used by most supervisors should be developed. Present outlines resemble notes with no training directions or cues.
3. Training aids, principally visual aids, should be expanded and passed on to training supervisors in the state agencies.
4. The central training officer should be sponsored for membership in professional societies such as: Michigan Training Council, American Management Association, American Society of Training Directors, and attend their meetings at public expense.

5. Training periodicals should be provided which could be annotated and passed along to the training officers.
6. The central training unit should promote the idea of an advisory council of officials in the key state agencies to assist in programming state-wide training activities for a specific period. These officials would then be more receptive to sell their program for the coming year. This council need meet only once or twice a year to perform this function.
7. A difficulty, which the central training officer faces in being readily accepted by the training supervisors of state agencies is the fact that he is part of an agency which performs control functions over those state agencies.

Two major state agencies were surveyed in some detail to get a more comprehensive view of the application of training programs at the operating level. These were the Highway Department and the Michigan Unemployment Compensation Commission.

The only evidence of any systematic training in the Highway Department appeared to be the program for developing engineers. Outstanding in the Michigan Unemployment Compensation Commission training program is the preparation of visual aids at low cost to the agency. In general a balanced training job is being done by the latter agency.

In general, effective training programs are being used in certain areas, but a much wider application of training is needed. Also, the top echelon in the various state agencies should be "sold" on the value of training so that a greater interest would be developed down to the line supervisors. There seemed to be a noticeable lack of supervisory training programs throughout the state agencies.

Performance Evaluation

Performance evaluation or "ratings" are a usual concomitant of public personnel systems. While it is probably recognized that in general, rating systems to date have provided only a relatively imperfect means of evaluating performance, they appear to be better than scattered and unrecorded judgments of individual officials. The most single important aspect of a sound evaluation program is whether it aids in the development of good individual performance. A system that fails to do this involves only "busy work." (One agency estimated that processing efficiency ratings costs the agency \$12 yearly per employee. If this is a valid estimate, this activity represents an annual expense to the state of approximately \$265,000.)

In Michigan a system of "service ratings" is provided by Rule XXX. It provides that "the civil service director shall establish a system of service ratings to register the quality and quantity of service rendered by each employee...." Employees are notified of their ratings. Other provisions call for a rating every six months for the first two years of service in each class for permanent employees and annually thereafter; ratings at the end of second,

fourth, and sixth month of service for probationary employees. It should also be emphasized here that the service rating is used in connection with granting salary increases (a minimum rating of 75% is required for a step increase); it may be used in connection with promotional examinations; it supplements seniority values when layoffs are involved; and serves as a basic record in demotion or dismissal proceedings.

The criteria for rating in Michigan are based on a number of work items for each job. This rating is expressed in numerical terms— the over-all rating range running from 60 to 100%. (See p. 5 of Service Rating Guide) Reproduced below is a distribution of ratings by percentage groupings for 1949. More than two-thirds of the state employees have been rated above average. Only 1% were rated below average.

Table I

Distribution of State Agencies' Regular Service
Ratings by Percentage Groupings,
for Final Ratings Period of 1949

	Excellent	Above Average	Average	Below Average	Unsatisfactory					
	No. Rated <u>96-100</u>	No. Rated <u>91-95</u>	No. Rated <u>86-90</u>	No. Rated <u>81-85</u>	No. Rated <u>76-80</u>	No. Rated <u>71-75</u>	No. Rated <u>66-70</u>	No. Rated <u>61-65</u>	No. Rated <u>60 & below</u>	Total _____
TOTAL	789	3,885	6,707	3,818	1,653	168	37		1	17,058
% of TOTAL	4.6%	22.8%	39.3%	22.4%	9.7%	1.0%	.2%			100%

The experience of one state agency throws the distribution of service ratings into even sharper focus. The following table shows this in the five performance ranges by rating period from December, 1946 through June, 1949.

Table II

<u>Period</u>	<u>No. Employees</u>	<u>Excellent</u>	<u>Above Average</u>	<u>Average</u>	<u>Below Average</u>	<u>Unsatis- factory</u>
1946 –December	2864	15.08	42.67	40.40	1.36	.49
1947 –June	2674	22.18	48.62	28.27	.82	.11
1947 –December	2086	35.24	47.49	16.06	.62	.14
1948 –June	2032	44.88	42.81	12.01	.25	.05
1948 –December	1867	56.67	36.37	6.75	.16	.05
1949 –June	1793	58.39	33.30	8.20	.11	0.00

The Michigan service rating system is vulnerable on at least two important essentials both of which were made the target of criticism in the Hoover Commission Report on the Federal system. These are:

1. "Employee development— A very effective use of the merit rating in private employment is the periodic review between supervisor and subordinate of the weaknesses which the employee should seek to overcome. Such review is usually a highly personal, confidential relationship between the supervisor and the employee. In the (state) system higher reviews and appeals, together with penalty actions militate against this use.
2. "Employee growth potential— The (state) efficiency rating is an evaluation of performance during a past period. It does not attempt to evaluate employer growth or to project the potential growth of the employee toward higher positions in the organization." (Task Force Report on Federal Personnel (Appendix A) p. 62)

In at least one state agency, a promotional-potential rating system has been introduced on an experimental basis which provides for a committee made up of supervisors to evaluate the growth-potential. This rating is being given some weight in promotional exams and it is projected for use through out the state service together with the service rating for the employee's current job. Promotional potential ratings, while desirable, are subject to the same abuses and weaknesses of performance rating plans in general. In the Michigan system with summary ratings, inadequate performance-item analyses, and lack of supervisory interest, such a plan is especially vulnerable.

One final consideration presents itself with respect to the service rating program whether for the job held. or a promotional-opportunity. Inasmuch as a candidate for promotion will receive points from his weighted service rating in varying degree depending on the percent of the total score attributed to such rating and the fact that his total score is all that counts, he may do badly on the written portion, if any, and still acquire eligibility. For example: In an exam for Account Executive, the weights established were:

		<u>This could be the result</u>
Written portion—	50%	22%
Promotional potential rating—	50%	<u>48%</u>
		70

Promotional Policies and Practices

Advancement within civil service has too often been a matter of "going through the chairs" rather than advancement through merit. Selection for the work-level positions is based on the same philosophy that is found in industry of matching the person and the job. Selection for supervisory positions within civil service has frequently disregarded this basic philosophy.

The whole problem is a vicious circle which tends to perpetuate itself. Since ability is not properly recognized, it tends to go elsewhere. Long range planning and the development of career possibilities are lacking, thus top-notch people stay away from the system.

In order to break the circle some drastic changes would have to be made. Where a well organized system of training and development is in existence, involving varied assignments, adequate appraisals, and promotion on the basis of merit, high-caliber people are attracted. Actually, government service has the added attraction of security which seems to be uppermost in the minds of young people today. If progress is based on ability, training and performance, better and better candidates will apply for the openings at the bottom of the ladder.

A great many studies have shown that morale is improved when personnel have a chance to develop to the extent of their capabilities. When progress is stifled or when merit is ignored, employee morale suffers. There is universal acceptance, therefore, of the general philosophy that "promotion from within" is a good thing.

This does not mean, however, that advancements have to be made from within the group regardless of qualifications. In addition, the filling of an immediate opening should be made with future needs in mind. For example, it is possible to fill the first level of supervision with people who can handle that assignment but who cannot go any higher – thus blocking the advancements of others who could go on up.

To have an effective "promotion from within" policy it is necessary to recognize merit, to help the employees develop so that they are ready for advancement and to refuse to advance a person who has nothing more than seniority as a qualification.

When merit is not properly recognized, government service is seen only as a stepping stone by the person who really "has the stuff." By going into civil service for a while, getting some experience, and making contacts on the outside, the promising individual sees his career as being in other channels. Civil service, then, becomes a haven for the average or below average people who do not have the gumption or the ability to handle successfully the more complex assignments.

Rule XXXI of the Commission's Rules and Regulations stipulates that "Vacancies in positions shall be filled by promotion in preference to original appointment whenever there are employees of lower classes who are qualified therefor. In each case of original appointment, the director shall ascertain, before giving his approval, whether the position could have been filled by regular or provisional promotion within the department."

The Commission is to be commended for the adoption of a policy requiring competitive examinations for promotion. It is one of the few civil service jurisdictions which has done so. The fact, however, that state personnel can qualify in many instances for promotion by using experience on the job, obtained through provisional appointment, raises serious questions concerning the effectiveness of the policy. As noted in the previous section, the average length of present provisional appointments is 18.6 months, which is approximately equivalent to the additional amount of experience required by the Commission for most promotions. Apparently state agencies may not be bringing in qualified personnel for top jobs in state service; and instead are gradually filling these jobs with personnel who "stay around" and accumulate enough time on the job to appear to have qualifying experience for promotion.

The same difficulty encountered in open competitive examinations is also experienced in the promotional examinations; namely, wide variations in the weights established for different parts of the examination. In addition, there is the added difficulty of considering the usability of service ratings for promotional purposes. The more recent adoption of growth-potential or promotional ratings may provide a partial answer for this latter difficulty but even here because of its subjectivity abuses are possible.

In a recently announced examination for the personnel officer series there may be found evidence of still other dubious promotional practices. Employees otherwise eligible for promotional consideration were restricted to the position in this series available in their department and no other. Second, the "competitive" process consisted entirely of an oral-examination, the general quality of which we have already discussed. This latter procedure, besides, represents a radical departure from the examining process followed for other categories in which written exams are prescribed.

Whereas a promotion usually implies an increase in compensation and increased responsibilities, a transfer connotes a horizontal movement to another position of the same class in another organization unit. Transfers may be initiated by a department or the individual. Individual employees within a department may arrange for transfer or have such transfers arranged for the "good of the service" the survey disclosed, but only within their own department. There was little evidence that the Civil Service Commission applied systematically a policy of transfers in accordance with the requirements of adjustment placement necessary in any large scale organization. In short, the "round pegs in square holes" were, strictly speaking, the problem of each agency. Even more critical, however, is the lack of a positive policy for giving consideration to employees on a state-wide basis for promotional opportunities. Giving a promotional exam after "provisionals" have been appointed for the majority of positions does not appear to meet the requirements of the promotional policy stipulated by the Commission. What is needed is a procedure for anticipating promotional needs by advance preparation of eligible lists rather than an extensive use of the "provisional appointment." This is especially applicable and feasible in meeting "managerial" requirements.

It is also interesting to note, that although criticized by some, Michigan, by restricting its appointive positions to two in each agency provides maximum opportunities for career employees. The critics preferred to consider this formula inequitable in that an agency with 3,000 employees should have more key executives in "tune" with the administration than an agency with a few employees.

Another aspect of the problem of "exempt" positions relates to the decrease in the number of such positions which may be brought about under existing rules and judicial interpretation, as consolidation of agencies occurs. As this is quite likely in effecting reorganization now or in the future, considerable thought must be given to this issue. If it is considered desirable to adopt a policy allowing greater latitude to executive officers in the selection of top level administrators, it is obvious that the provision for no more than two exempt positions in each agency should be revised.

An inescapable conclusion of the examination of promotional policies and practices in the state service is that a planned career promotion program or adjustment placement program does not exist either in the individual agencies or in the Civil Service Commission.

Leaves

The leave provisions of the state government, although not as favorable as those of the federal government, compare favorably with those of other states and with private industry. The Michigan provisions briefly provide for vacation leave at the rate of one day per month of service to an accumulation of 24 working days (Rule XI), and sick leave at the rate of one day per month which may be accumulated for a total of 100 working days (Rule XII). In both instances the civil service director is authorized to approve accumulations in excess of the stipulated figures.

With respect to the policy for and the administration of the annual leave program there appears to be little cause for further inquiry at this time. It is apparent that sick leave provisions are being abused and a need for more uniformity in the application of sick leave policy is needed.

The Commission, it is claimed by some agencies, has permitted variations to develop by its failure to stipulate uniform procedures. For example, some agencies permit pregnancy leaves to exhaust sick leave accumulations, others do not.

In several state agencies sick leave data indicate that the percent of lost time approximates 2% of the total man days worked. For example in one state agency the total cost of sick leave in 1949 was \$73,758.96.

<u>Man days worked</u>	<u>Lost Time Sick Leave</u>	<u>Cost</u>	<u>Annual Average Bi-Weekly Salary</u>
365,271	6653	\$73,758.96	\$111.19

(Whether sick leave being taken in the state is excessive is impossible to determine in the absence of objective criteria. To develop sick data is a particularly fruitful field for research involving: absence rates for different classes of positions, for the sexes, for age groups, for employees under different types of working conditions, etc.)

As sick leave totals for the state service were not available in terms of the percentage of man-days worked and man-hours lost the total cost to the state for time lost through illness could not be computed. Nevertheless, it is safe to assume with approximately 6,000,000 man-days involved for 23,000 employees, a 2% loss at the annual average bi-weekly salary noted above, the cost to the state in 1949 was approximately \$1,300,000.

As a proper solution to the problem of sick leave, there has been recommended. "generous provisions for bona fide cases of prolonged illness, with rigid supervision and investigation to prevent fraud." The operating agencies make some attempt to follow-up on sick leaves especially where the personnel records disclose that excessive absences attributed to illness are present in specific employee records. Some authorities doubt, however, that

rigid supervision here is either feasible or desirable. Instead, there is an inclination to credit the employee with a portion of unused sick leave annually to vacation leave which is reimbursable in cash, as against sick leave which is not. The City of Detroit is currently following such a procedure.

Disciplinary Actions; Appeal Policy and Procedures

“The separation of inefficient and unnecessary employees has been surrounded with so much red tape as to inhibit action.” The Hoover Commission which made this finding in the federal service could well be paraphrased insofar as state personnel administration is concerned. It will be denied by no one in the state service that it is relatively difficult to get rid of “unsatisfactory” employees in many of the state agencies. (“Unsatisfactory” because the employee is unable or unwilling to meet the requirements of his job.)

There are differences of opinion, however, as to the reasons for the difficulty. Some feel that the rules, regulations, or the statutory provisions which govern removal, demotion, and other disciplinary actions are unduly restrictive. The number of appeal levels, the need for thorough documentation of an action taken by the administrator are but a few of these restrictions.

Another group have no complaint against the disciplinary provisions but think that the Civil Service Commission has made it exceedingly difficult to establish in the particular case that an employee should be removed or otherwise disciplined. And a third group, especially the Civil Service Commission staff whose views are equally entitled to respect, think that neither the rules set up nor the Civil Service Commission presents an obstacle to the administrative officials who really wish to purge their agencies of unsatisfactory employees and are willing to go about that task in a careful and systematic fashion. For example, the Civil Service Commission reports that out of 577 dismissals which were appealed from January 1, 1941 to July 1, 1949, 491 or about 85% were decided in favor of the dismissing authorities of the state agencies. The 86 ordered reinstated constituted only about 2% of the 3,707 cases of dismissals.

As to the viewpoints expressed above there is no presumption in favor of any of these different views. There is obviously some evidence to support the position taken by each of these three groups. There are, however, two issues which require emphasis here.

One relates to the appeal procedure itself. The several appeal levels within the operating agency, the review and decisions of appeal boards composed of individuals outside the state service, a possible appeal to the Commission itself and then to the courts appear to require a highly involved and time-consuming process. The appeal boards especially represent an unnecessary level in spite of the fairness which they have evidenced. A hearing examiner plus some investigational staff, for example, could review such cases as develop, and issue decisions subject to final review by the Commission.

The other issue concerns the “right” of “provisionals” to appeal any and all disciplinary actions. Rule XL, Appeals from Administrative Decisions, does not distinguish between

status and non-status employees insofar as the right to appeal is concerned. A proportion of the appeals which reach the hearing boards involve "provisional" employees. The number of appeals would therefore be cut considerably if non-status employees were not accorded this privilege. This policy would be in keeping with those of most civil service jurisdictions.

The inevitable effect of provisions dictated by the Civil Service Commission which govern removal, demotion, and discipline is to limit the authority of the administrative official over the men and women under his direction. The purpose of such civil service provisions is to protect the employee from unjust or discriminatory treatment, thereby contributing to employee morale. The inevitable question arises of how to give the administrative official wide latitude in dealing with and disposing of his employees so as to develop a good working force while at the same time protecting the employee from unwarranted injury and make him feel that the state is a good place to work for a living.

A key reason why employees who are incompetent or otherwise objectionable, remain in the state employ is that administrative officials are not under sufficient compulsion to identify and take action against such employees. The cost of keeping such employees on the payroll is borne by the state at large. It does not affect the pockets of their supervisory officials. As there is always some unpleasantness connected with disciplining individuals within an organization, the administrative official is usually under temptation to let well enough alone or attempt to justify the taking on of additional employees to do the necessary work.

This "sin", cannot therefore be charged to the Civil Service Commission or administrative officials especially. The problem can be dealt with satisfactorily, leaving aside procedural aspects, only if the supervisor and administrative officials are given sufficient incentives to take positive action.

Turnover Ratios and their Implications in the State Agencies

Although industry has long attached significance to worker turnover as a managerial responsibility, public jurisdictions, in general, have manifested little interest in this problem. The majority publish no records nor have sought to determine the reasons for turnover. The significance of turnover is twofold. "On the one hand the mobility of personnel depends upon the rate at which employees move in and out of the organization. It is apparent, for example, that the possibilities of promotion depend ultimately upon the rate of separation from the service. On the other hand, a high rate of turnover is not only a danger signal, indicating serious shortcomings in the employment situation, but also a source of considerable expense, much of which could be saved through proper management."

The original Civil Service Study Commission reporting in 1935 found the turnover rate for the state service to be 25%. It also calculated that the state was spending an average of

* Feldman, H., "A Personnel Program for the Federal Civil Service," House Documents #773; 71st Cong. 3rd session, (Washington, 1931) p. 194.

\$937,500 a year merely for replacements. Yet, in 1949, after nine years of civil service, the turnover rate for the entire state classified service was 25.5%.*

The turnover rates for the major state agencies appears in Table III.

Table III

STATE OF MICHIGAN

Turnover ratios for major
State Agencies for 1949

<u>Agency</u>	<u>Rate</u>
Michigan State Police	19.86
Department of Conservation	21.45
Department of Corrections	14.55
Department of Administration	24.48
Department of Civil Service Commission	29.43
Department of State	30.33
Department of Health	33.74
Department of Mental Health	25.86
Department of Highways	33.66
Michigan Unemployment Compensation Commission	25.72
Michigan Liquor Control Commission	22.96
Department of Welfare	<u>28.35</u>
Total	310.390
Average	25.865%

All State Agencies — 25.53% Turnover rate

Some state institutions, however, had turnover rates over 50%, such as the Ypsilanti State Hospital, Pontiac State Hospital, and Kalamazoo State Hospital. These institutions account for several thousand state employees.

While the causes of such high turnover rates are generally known, detailed analysis and attempts to provide solutions for the specific classes and work units involved have not taken place on a systematic basis. Indeed the data itself, although supplied by the Civil Service Commission upon request, had not been tabulated or used for the purposes indicated above.

* Computing the cost of "breaking in" a new employee on the same basis used by the Michigan Civil Service Study Commission in 1935 (one-fourth of the first year's salary); although in terms of the 1949 average salary, the state is spending approximately \$3,500,000 annually for this purpose.

By far the largest number of separations result from resignations insofar as ascertainable reasons are concerned. Of the total separations, 14,631, in 1949 (included in this figure are persons employed for limited periods several times during the year), there were stated reasons for only 4,384. Even for the 3,640 who resigned, no other reason was recorded. Deaths, dismissals and layoffs accounted for the remaining ascertainable separations. It can be seen from this that an important element for management control is not adequately utilized.

As to a comparison with the pre-civil service era turnover statistics, there is no attempt here to draw invidious conclusions. A turnover rate of 25% in a depression period, which was the case in 1935, has a totally different connotation than a similar ratio in 1949, although the Hoover Commission felt that the 25% turnover rate which it found in the federal government in 1949 was excessive. In 1949 the state government had severe competition from private industry in opportunity, working conditions, and wage rates. (It should be noted, however, the turnover rate for the City of Detroit in 1949 was approximately 10%.) The major issue here relates to the inadequate attention given on a systematic basis to turnover ratios and their implications for effective personnel administration and its cost.

Employee Relationships

In a broad sense, the aim of personnel management is to develop sound policies and procedures with respect to the various matters affecting employee relationships within the service. In few instances in government are the rights and duties of employees definitely formulated.

Rules and regulations by their very nature have to be written in precise "do and don't" language, and consequently as they are seen in print, they give the appearance of severity and coldness. While the various regulations mean exactly what they say, the administration attempts to make necessary adjustments, in the application of the regulatory provisions as they affect the employee. Only towards the violators of matters of integrity, or towards careless inefficiency; will the official attitude be one of unswerving application.

The creation of "service-mindedness" is a long and difficult task, but one which is challenging and worth while. It involves, first of all, the setting of goals. People have to know what the objectives are in order to work toward them. In the absence of a more worth while goal, people often develop the secondary and very unsatisfactory goal of seeing how little they can do and still get by. This may develop into a sort of game and be mildly interesting for a while, but it does not contain the sense of achievement and progress which is necessary for the greatest job satisfaction.

Secondly, people have to know how they stand in relation to the goals. They need to know how they stand as individuals in relation to what is expected of them and how the group stands in relation to its goals.

In order to evaluate the effectiveness of group performance, it is necessary to have realistic standards and a way of measuring the work of the group.

In most situations, it is possible to set-up a reasonable goal, and the measuring of group performance can then be done by some sort of sampling technique.

Constant evaluation of group performance is one of the best ways of evaluating the supervisor of the group. By measuring the group, it is possible to evaluate the supervisor on his work layout and methods, his contacts with other people, his ability to motivate his employees, his selection, training and induction of new employees, his ability to plan and organize the job, etc.

Such measurement techniques to determine group performance and, at the same time, the effectiveness of the supervisor seem to be lacking in the state civil service system. The ability to get a job done with a loyal, efficient, well-trained group is not altogether lacking, but when it does occur there is no way to recognize it and give proper credit for a good job of leadership.

The Civil Service Commission provides only occasional assistance to the state agencies insofar as employee relationships within those agencies are concerned. Personnel officers in the operating departments were generally agreed that in this area the Commission's role was inadequate. One criticism frequently heard was the need for instructional materials in the form of a personnel manual in which the rights, duties, rewards, and incentives could be presented on a simplified basis.

Each department also has been left to its own devices in the establishment of policy and procedures to apply in the face of employee union aspirations. This has resulted, to quote one state personnel officer, "in a confused situation which has given us much adverse publicity in the press."

Another agency employing several thousand workers uses joint councils of employees and department heads on all questions involving personnel regulations. This does not mean that decisions are made only on the basis of full agreement arrived at in such councils. An attempt is made to see that employees are fully informed on personnel policies whether Commission-inspired or formulated by the agency.

Increasing attention is being directed by industry to the problem of keeping the worker fit, with special reference to the physical fitness and social well-being of the members of the working staff. Well rounded personnel programs in effect in private enterprises have for some time included provisions relating to the items considered here. Such programs extend beyond responsibility for the employee at work to interest in his welfare outside of working hours. In view of the spread of state employees it may not be possible for the state to provide the facilities required. However, in order to meet competition from private industry, either consideration must be given to providing such services, or the pay scale must be such as to offset the attractiveness of industrial provisions of this type.

The development of sound employee relationships so as to produce an efficient, loyal work-force requires consideration for the factors discussed here. In only a small way have they been touched upon. Major needs are: the issuance of personnel manuals for the state

service as a whole; the development of group performance criteria; a formulated policy as it relates to employee organizations; and some programming in the area of employee “welfare” services.

Personnel Research

Of almost equal importance with any of the areas of personnel management considered thus far is the ability of the personnel agency to carry on research as one of its normal and essential responsibilities. Appropriations for this purpose can easily be justified in terms of dollars saved, proof of which is to be found in the more adequate handling of the basic functions of the agency.

Research is necessary and desirable with respect to practically every phase of personnel administration from recruitment to retirement. There is frequently to be found, however, a lack of appreciation of fact-finding and analysis as a desirable function of personnel management in which both the central personnel unit and operating agencies collaborate.

Personnel research involves test validation studies, attitude surveys, personnel workload studies, appraisal of supervision, development of job performance standards, wage studies, etc.

Of the total operating budget of \$363,249 for the year ending June 30, 1949, the Civil Service Commission allocated \$11,742.68 for “research and statistics.” Personnel assigned to this function included two professional persons and some clerical staff. The research function has consisted mainly of wage surveys although the division has endeavored to act as a clearing house for information and records on state employment and personnel activities.

Creating and maintaining a highly productive working force requires more in the way of fact-finding and analysis than that which is found here. The failure to validate tests used by the Commission and absence of a systematic development of performance standards have already been cited. Other examples of needed research are: standard personnel folders on individual employment history that is transferred between departments when the employee transfers; greater use of mechanical equipment for qualifications, indexes, and for statistical reporting; determination of what factors and conditions are influencing morale; work-simplification studies and the like.

It can be seen from this brief review of the research function that a genuine research staff is needed. Resort must be made in the absence of adequate funds for such research, to outside assistance to the maximum degree possible. One of the means that has been only slightly exploited is the use of state college and university staffs for joint participation in research enterprises. Contracting for both test development and validation is only one of the many aspects of personnel research that could be aided through the adoption of this device.

In closing, it should be emphasized that research is a continuing process— it is never complete. If personnel research is to keep pace with changing emphases in administration, a “fully staffed personnel office should have some members skilled in statistical methods, in psychometrics, and in psychological research techniques.”

VII. Federal Standards for a Merit System of Personnel Administration in the State "Grant-in-Aid" Agencies

Proper and efficient administration of the grant-in-aid programs is a concern of both the federal and state agencies cooperating in the programs. This requires clear definition of functions, the employment of the most competent available personnel, and the development of staff morale and individual efficiency. The "merit system" provisions of federal statutes relating to the grant-in-aid programs are directed to the achievement of these ends through the application of personnel standards on a merit basis.

Federal personnel standards' requirements stem primarily from the provisions of the Social Security Act of 1935 and rules issued thereunder, which provide that minimum acceptable standards should be maintained. The maintenance of a satisfactory merit system of civil service is a key requirement.

Since Michigan, unlike most other states, had a civil service system already functioning when the board began to apply its standards, the state had little difficulty in qualifying for federal grants provided for in the act. In fact the amount of adjustment needed was very small; and was not, and has not since been, any great inconvenience to, or departure from, established personnel practices, either of the state Civil Service Commission, or of agency personnel officers. Few audit exceptions have been made by representatives of the Federal Security Agency and the state of Michigan has not been a source of difficulty for them. Relations between national and state officials have been harmonious.

Highways

Michigan had, of course, received grants-in-aid from the federal government prior to the enactment of the Social Security Act. The earliest of those received, are the aids extended to the state Highway Department. When the federal government began to grant such aid it was not in a position to require personnel standards, for prior to the great depression, the merit system was virtually unknown in the majority of state governments. In lieu of such requirements, the Bureau of Public Roads has exercised sweeping controls over technical standards in the construction of highways. Up to the present time, the Bureau has not sought to prescribe and control personnel standards.

Special Education

The State Department of Public Instruction receives aid under the Smith-Hughes Act of 1917 and the George-Dean Act of 1936 for vocational education from the Office of Education of the Federal Security Administration, and also aid for vocational rehabilitation from the Office of Vocational Rehabilitation, Federal Security Administration. The Michigan Crippled Children's Commission receives a small amount of federal aid. These agencies experience little in the way of personnel supervision. They are required to submit "plans of operation" for their programs but have had no difficulties concerning personnel policies.

Public Health

The Department of Public Health receives several categories of federal aid under the supervision of the Bureau of State Services of the Public Health Service, F.S.A.* Personnel standards are required here of the type discussed below for the Department of Social Welfare. Since the health department employs a considerable number of professional and semi-professional persons, it is necessarily interested in qualified personnel and it has had no difficulty in satisfying the Public Health Service in this area, nor do federal requirements appear to have served to inconvenience the Department.

New classifications and job titles must be reported to the Cleveland regional office of the Federal Security Administration; the regional Personnel Management Consultant of the F.S.A.* visits the headquarters of the Department two or three times a year; and the Department's records are audited for violations of minimum standards; but this type of oversight is not regarded at all as a burden by the personnel officers of the Department.

Public Welfare

The Department of Social Welfare, which administers the so-called "categorical aids"—aid to the blind, aid to dependent children, old age assistance—partly from funds under the control of the Social Security Board, F.S.A.*, is closely observed in the disbursement of federal funds. It was the intent of Congress in providing for these aids that they should be administered by technically competent personnel who were insulated against the pressures of political expediencies. In order to be eligible and to remain eligible, a state was required to satisfy the Social Security Board that standards required by the Board were being met.

Since Michigan already had a complete civil service system in operation when Social Security Board rules went into effect, the state had to make only minor changes in personnel policies to become eligible for federal categorical aids. At the present time, the Department of Social Welfare must alter the standard state Civil Service Commission rules in the following respects in order to meet federal regulations:

1. Although the F.S.A. accepts as qualified anyone on the state eligible roster, Michigan "minimum desirable standard qualifications" for a classified position become absolute minimum standard qualifications for appointments where United States funds are involved. This means that failure to meet education and training minima on open competitive examinations cannot be overcome by high scores on other parts of the examination, as is allowed by the Commission when federal funds are not involved. (The Federal Security Administration possesses the authority to go even further than this and through audit exceptions reject individuals as unqualified on the grounds that the state testing program, state minimum specifications, or other parts of the state examining process are inadequate. To the present date, the federal agency has not seen fit to do this in Michigan and has accepted names from the eligible roster as presumably qualified.)
2. Provisional appointments—appointments made without selecting a name from the Commission eligible list—can be made in the Bureau of Social Security and the Children's Division of the Department of Social Welfare only when county, district, and state

* Federal Security Administration

registers for the class have become exhausted. This is somewhat more restrictive than are the Commission rules on provisional appointments.

3. Provisional appointments in grant-in-aid activities are not allowed for the purpose of replacing a person on leave of absence, if an appropriate eligible register exists. The Commission permits such provisional appointments in other agencies.

4. Provisional appointments, where federal funds are involved, must be from among persons who satisfy the minimum qualifications of the position specification. State Commission rules require merely that the appointee “possess the basic and necessary qualifications” called for by the position specification.

5. Provisional appointments subject to Federal Security Administration oversight may never be for more than six months, unless no replacement can be obtained. State rules limit provisional appointments to four months, but they can be extended by authorization of the Commission.

6. Transient appointments— appointments for temporary work to be completed within ninety days— although permitted by Commission rules, are prohibited where a salary is paid in part or in full from United States funds.

7. Emergency appointments— appointments made “under conditions necessitating immediate action”— are limited to thirty days and may not be successive with respect either to the individual or to the position. The Commission rules require simply that emergency appointments shall not “continue longer than is necessary to fill the vacancy by other means.”

8. Employees whose salaries are paid in whole or in part by federal funds are subject to the Corrupt Practices Act, particularly the amendments known as the “Hatch Act,” in addition to state civil service limitations upon political activities of civil servants.

Oversight of personnel practices is performed chiefly by a Personnel Management Consultant of the Cleveland field office of the Federal Security Agency. This official is expected by the F.S.A. to render advice, opinions and cooperation in furthering good personnel practices in addition to overseeing actual personnel conditions. He visits the Department of Social Welfare quite frequently— about once every six or eight weeks. On such visits, he spot checks to see if minimum standards are being met on provisional appointments, and is interested in such things as the number of provisional appointments, the areas in which they predominate, and whether men with civil service status are laid off in preference to those without— in other words, he is interested in seeing if recruiting is breaking down, and if the merit system in general is being maintained. He also conducts an annual administrative review of the State Department.

F.S.A. auditors also check the departmental records approximately on a semi-annual basis. Where a position in the service does not meet agency requirements, an audit exception may be taken. In the Department of Social Welfare, in particular, efforts appear to have been made to avoid such exceptions. (The F.S.A. appears to give unusually close

supervision to this department. In the M.U.C.C., such exceptions have been taken on occasion and their avoidance does not appear to meet with the same concern as is the case in the social welfare agency.)

During the period after the so-called "ripper" act of 1939, the Department of Social Welfare was advised by informal letter that it might endanger its federal funds if it declassified positions then under civil service. Rather than risk such a possibility, the Department never asked for any unclassified positions. During the period after the "ripper" act and prior to the civil service amendment to the state constitution (Michigan Constitution, Article VI, Section 22), the Department allowed the Civil Service Commission to administer its personnel functions for all positions and hence no difficulties were experienced with the F.S.A.

Concerning changes in personnel requirements by either the F.S.A. or the state Civil Service Commission, no difficulties are found today. If the Administration wishes to change a matter, it informs the Department. The personnel officer and the F.S.A. representative then go before Commission officials and the changed rules are fitted into state practices. If the Commission wishes to change a provision of the state procedure, the Department informally advises the regional representative of the F.S.A. If this representative believes the change may be accepted, a formal amendment to the state plan is filed. Seven copies of the amendment must be sent to Washington via Cleveland, but such changes are not frequent, are generally of a nature that produces prompt approval by the F.S.A., and are not any serious inconvenience to the state agency.

M.U.C.C.

The Michigan Unemployment Compensation Commission (which also administers the state employment service), receives grants-in-aid from, and is subject to the oversight of the Bureau of Employment Security of the Department of Labor.* Employment service aid is paid under provisions of the Wagner-Peyser Act of 1933 (as amended), while unemployment compensation aid, including payments to cover the cost of administration, is paid under provisions of Title III of the Social Security Act of 1935.

In general, the same personnel restrictions applied against the Department of Social Welfare apply against the M.U.C.C., but in practice the Department of Labor appears to have been less concerned with strict observance of precise details of the rules in the latter. M.U.C.C. officials, likewise, have been less concerned with meeting federal regulations than has been the case in the Department of Social Welfare. This is not to suggest that flagrant violations of personnel standards are made or that the Department of Labor tolerates serious deviations from established standards. Such is not the case. The M.U.C.C. has, however, had occasional audit exceptions taken when an individual employee has not met federal requirements. The Department of Labor has not been uncompromisingly rigid on such matters, however, and has often been willing to "forgive" the exceptions. (Some personnel men have expressed the view that the federal agency is too lenient in performing its function of enforcing personnel standards.)

* The Bureau of Employment Security was transferred from the Social Security Administration, F.S.A., to the Department of Labor in 1949.

As an example of the operation of the audit exception, the following case might be cited. A few years ago, the M.U.C.C. saw fit to retain a public relations officer. The individual was appointed to an unclassified position with the approval of the state Civil Service Commission. (Under the constitutional amendment, two exempt positions are permitted in each agency. The M.U.C.C. had no exempt position other than that of the executive director.) F.S.A. standards permit two exemptions in an agency: in addition to the executive director, a legal counselor a confidential secretary to the director is permitted. Since a public relations position did not qualify, exception was regularly taken by F.S.A. auditors and the amount of the salary of the employee was withheld from United states payments. After the public relations officer was released subsequently, the F.S.A. "forgave" the approximately \$7,000 in exceptions it had taken.

The M.U.C.C. experienced a certain amount of difficulty with the F.S.A. after the "ripper" act of 1939. The Commission, in order to safeguard its federal grants, provided for a Merit System Council to administer its personnel affairs. The-Bureau of Employment Security offered some technical assistance and advice to the director of civil service for the Council in setting up the system.

Because the Council and the director of civil service under it sought to maintain stffil dards at least at the level of the state commission that had preceded it, relations with the Bureau of Employment Security were harmonious during the period of the Merit System Council in the M.U.C.C.

A major audit exception was taken by federal government auditors in one case in connection with the change-over after the "ripper" act, however. Provisional appointments had been made in many instances while the Merit System Council was being set up for operation. After open-competitive examinations had been given, many provisional appointees could not be certified as meeting minimum requirements. When the M.U.C.C. refused to dismiss these employees, auditors took exception to about \$37,000 in salaries. The state legislature later found it necessary to vote a deficiency appropriation to cover the loss of federal funds. This was an unusual event, however, and appears to have been precipitated by the unwillingness of the commissioners in this instance to abide by the spirit of the merit system.

MICHIGAN JOINT LEGISLATIVE COMMITTEE ON
REORGANIZATION OF STATE GOVERNMENT

To: Robert M. Montgomery, Chairman

From: Loren B. Miller, Director

Subject: Supplementary Comments on Staff Report No. 9, "Personnel Administration in Michigan Government."

In the operation and management of government, as in every other undertaking, no activity is possible without people to carry it on. The manner in which these people are recruited, trained, supervised, paid, promoted, retired, or discharged is an integral part of the management of the activity. These observations may appear commonplace, but they are mentioned because they frequently are overlooked or under-emphasized in governmental operations.

To protect the people against the abuses of a "spoils system," governmental personnel management developed under what became known as a civil service or merit system, designed to hire and fire employees solely on the basis of merit and without regard to political, racial, or religious reasons. In themselves, these purposes are beyond criticism, and the activities of the civil service commissions to guarantee them are in the nature of a control function.

At the same time, the central personnel agency occupies the role of the policeman, and it is also a service agency. It must meet adequately the needs of the various departments and agencies for skilled personnel. Frequently, the two roles conflict with each other or one is emphasized at the expense of the other. As a result, the role of personnel management in the administrative process sometimes suffers, even though the abuses of a spoils system may be absent. At the same time, the protection of employees against political removals also makes it difficult to require these employees to carry out both the letter and the spirit of policies laid down by elected and politically appointed policy-determining officials. In other words, no policy is better than its administration. There is a possibility under a civil service system for the politically-secure civil servants to usurp the role of the policy-determining official, who must answer to the people for his actions. The problem in governmental personnel management is two-fold: (1) to secure and retain qualified personnel without permitting political patronage and (2) to retain political accountability among governmental employees for the services they render to the public.

These problems are reflected in Michigan because there was a well-developed patronage system that caused the people of the state to substitute a rigid constitutional merit system quite beyond the control of the elected policy-determining officials and those responsible

for the execution of the laws. Control rather than service was emphasized in a constitutional amendment that attempted to do too much in too few words.

The conclusion to be drawn from the report is that while Michigan may have a “civil service” system, it obviously is far from having a “merit” system in any real sense of the term.

The one specific achievement perhaps is job security for employees against “spoils system” insecurity and turnover. But, judging by effective results, it can be doubted whether even this was much of an improvement so far as the state was concerned. The record is dismal in almost all respects. And when the tendency toward loss of initiative and responsiveness, resulting from job security, is weighed against the benefits job security confers upon employees, it can well be questioned whether there has been any net gain.

Whether due to the same causes or not-

when the rate of turnover is just as high as in pre-civil service “spoils” days,

when virtually all original appointments are “provisionals”— meaning without examination,

when the average provisional is on the job for 18.5 months before being examined,

when credit then is given on examinations for on-the-job experience,

when tests are not validated,

when 100% oral tests are given for “personnel officers” and written tests used for positions requiring no verbal dexterity,

when time, expense, and patience are wasted in examining many who have no realistic chance for appointment,

when no active, systematic recruitment or training programs are undertaken,

when the civil service agency is over-staffed in relation to other such agencies and under-staffed in top level technicians-

it can only be said that the people of the state have received scant return— for their money— or on the promises held out to them. These have been the results from a commission deliberately designed to be as independent and free of control by either the governor or legislature as was possible.

Based upon the report’s recommendations, changes in the constitutional provisions relating to civil service are necessary if thorough improvement in Michigan’s personnel administration is to be obtained. Any suggestion for such a change is likely to raise the cry that the amendment should not be touched for fear that doing so will “open the door” to “ripper” moves designed to scuttle civil service.

Such fears are not believed to be realistic. The constitution gives the legislature the authority to propose constitutional amendments at any time— and this Report does no more than call attention to a need for revision. It is not believed that public opinion today would tolerate a scuttling of civil service. And, let this fact be emphasized, the point of this report is not to recommend the abandonment or weakening of civil service. No suggestion of a return to a patronage system is implied. The only intent of this report is to point out that Michigan is not getting the quality of personnel administration it deserves and to suggest ways for its improvement.

The fact also should be pointed out that many of the needed improvements in administration are possible without requiring constitutional amendment. That, however, does not resolve what is perhaps the most important problem and one which has significance beyond that of personnel administration. Those who oppose any “tampering” with the amendment must then face the fact that not to change the amendment not only blocks thorough improvement in civil service but, on a practical basis, also probably blocks any effective reorganization of state government.

This results from the rigidity of the present provisions on exempt positions. It is generally agreed that effective state reorganization cannot be accomplished without reduction in the maze of agencies now constituting Michigan’s state government. To do so without amending the civil service provisions would drastically reduce the number of exempt positions. And, while there are those who would say this is desirable, many others believe that civil service already includes too many top-level, policy-making, administrative positions. In any event, unless the rigidity of the amendment is lessened, reorganization of state government becomes a dubious prospect. Those who favor “not touching” the amendment must make that choice.

Finally, political accountability is difficult to obtain under a system that permits no more than three (in some instances two) positions exempt from civil service in one department or agency. without some non-civil service appointees below the position of department head, it is difficult to secure loyalty to policies determined by those who hold political office. And, again, reduction in the number of state agencies will further restrict political accountability and toss more governmental processes into the hands of the unresponsive and sometimes uncontrolled civil servant. As a means of correcting these faults and, at the same time, retaining protection against a spoils system, the following changes are recommended:

- (a) the number of exempt positions in a department or agency be fixed as a percentage of that organization’s total personnel, perhaps with both a maximum and minimum in anyone agency. (Also recommended by the Staff Report)

- (b) upon request of a department head, up to 3% of the classified employees of. any department or agency (again with a maximum and minimum) be transferred to positions of like character, when vacancies exist or as soon as they occur, in another department, for any reason other than political, religious, or racial, without the department head being required to prove “cause.”

(c) recognition be taken of the situation in the governor's office in which the employees have provisional civil service status, and all employees of the governor's office be removed from the control of civil service because they are confidential employees. (Also recommended by the Staff Report)

(d) the role of the attorney general's office and the professional relationship of the assistants be recognized and either all attorneys employed in his office or all except those in the junior and intermediate positions be removed from civil service.

Item (b) may warrant some further comment. Its purpose is three-fold. It will serve in a degree to lessen the deadening effect generally resulting from "job security" and "tenure," one of the unfortunate but inescapable consequences resulting from civil service. It will sharpen administrative responsibility in that the administrator no longer will be able to claim that he has no effective control measures over classified employees. And it will serve to resolve many problem and conflict situations which do not warrant dismissal, but for the results of which the administrator still bears the responsibility.

The practice of virtually automatic transfer upon request is not uncommon whether provided by formal rule or not. But the use of the transfer to serve these purposes has not been recognized in Michigan practice. As a matter of fact, in relation to the number of employees involved, the number of transfers for any reason has been small in the state civil service. This can be accomplished by action of the Civil Service Commission.

A further feature that could be considered is whether or not any employee so transferred three times under these regulations should be dismissed automatically without further proof of cause.

There still are some specific comments elaborating on or pertaining to the Staff Report. All of these require constitutional amendment.

1. The proper location of the central personnel agency in the organization of the state government is not discussed. Its present location as a separate agency nominally under the control of the governor, but actually an independent agency is described. The only logical location for the central "service" personnel agency, as a part of the management function, and quite apart from political objections, is as a division in the Department of Administration. This would locate it properly in terms of a management or service agency. This division and its director would be responsible for recruitment, examination, position classification, training and processing, promotions, demotions, and discharges—all of which are technical administrative actions.

The control aspect of personnel is also highly important, and it is necessary that this be as free as possible of political influence. It should not be directly responsible to the governor. A separate civil service commission or personnel board ought to be retained to act as the agency promulgating rules and regulations to protect employees from political, religious, or racial discrimination, to insure that all personnel actions are based on merit

principles, to hear appeals of employees, and to investigate and audit all the activities of the personnel division. Under this division of functions, it ought to be possible to have the personnel service render real staff assistance to the operating departments and at the same time prevent any partisan use of governmental personnel.

2. The Staff Report recommends continuation of the constitutional appropriation to the personnel or civil service agencies that are proposed. No provision is made for the division of the appropriation between the proposed Personnel Board and personnel director. Aside from the problem of dividing these funds between two agencies and granting the personnel director control of a mandatory appropriation, an exception to the recommendation is taken. Dedicated appropriations do not lend themselves to either good administration of or political accountability for public funds. The mandatory appropriation may have been justified to establish civil service in the state government at the beginning, but that has since been accomplished and the tradition formed. No even as important a function as the entire judicial branch of the government, or for that matter the executive branch, has constitutional appropriations. It is recommended that the entire state personnel program or merit system be supported by appropriations of the legislature. If there is to be any mandatory personnel appropriation, it should be to the control agency (the personnel board) and not to the operating personnel agency.

3. The Staff Report recommends that the fixing of rates of compensation for all positions under civil service be a function of the commission or personnel board, just as it is now a function of the Civil Service Commission. This recommendation is not concurred in. The determination of compensation is as much a budget and appropriation function as it is a personnel activity. Civil service control over compensation is tantamount to taking away from the legislature a large part of its control over state expenditures. It is recommended that compensation schedules for all positions in the classified service be determined by the legislature upon the recommendation of the governor, he in turn relying upon the joint recommendation of his budget officer and the personnel director.

4. The recommendation of the Staff Report conferring responsibility for determination of the number and type of positions upon the executive branch (subject to legislative appropriations) is heartily endorsed. Such actions are properly part of the management process and should not be controlled by an independent agency properly concerned with filling positions or insuring against their abolition for partisan, racial, or religious reasons.

5. The Staff Report recommends that administrative action be taken to fix rates of pay for all positions, for which it is practical, in relation to prevailing locality or industry pay differentials. More than administrative action may be necessary to accomplish this because of an attorney general's opinion that "a determination of compensation on geographical variables would lead to the very opposite of stability or firmness" as intended by the civil service constitutional amendment.

APPENDIX I

Constitutional Provisions for Civil Service

Michigan Constitution of 1908, Article VI, Section 22, (Ratified November, 1940).

The state civil service shall consist of all positions in the state service except those filled by popular election, heads of departments, members of boards and commissions, employees of courts of record, of the legislature, of the higher educational institutions recognized by the state constitution, all persons in the military and naval forces of the state, and not to exceed two other exempt positions for each elected administrative officer, and each department, board and commission.

There is hereby created a non-salaried civil service commission to consist of four persons, not more than two of whom shall be members of the same political party, appointed by the governor for eight-year, overlapping terms, the four original appointments to be for two, four, six and eight years respectively. This commission shall supersede all existing state personnel agencies and succeed to their appropriations, records, supplies, equipment, and other property.

The commission shall classify all positions in the state civil service according to their respective duties and responsibilities, fix rates of compensation for all classes of positions, approve or disapprove disbursements for all personal services, determine by competitive performance exclusively on the basis of merit, efficiency and fitness the qualifications of all candidates for positions in the state civil service, make rules and regulations covering all personnel transactions, and regulate all conditions of employment in the state civil service. No person shall be appointed to or promoted in the state civil service who has not been certified as so qualified for such appointment or promotion by the commission. No removals from or demotions in the state civil service shall be made for partisan, racial, or religious considerations.

The administration of the commission's powers shall be vested in a state personnel director who shall be a member of the state civil service and who shall be responsible to and selected by the commission after open competitive examination.

To enable the commission to execute these powers, the legislature shall appropriate for the six months' period ending June 30, 1941, a sum not less than one-half of one per cent, and for each and every subsequent fiscal year, a sum not less than one per cent, of the aggregate annual payroll of the state service for the preceding fiscal year as certified to by the commission.

After August 1, 1941, no payment for personal services shall be made or authorized until the provisions of this amendment have been complied with in every particular. Violation of any of the provisions hereof may be restrained or observance compelled by injunctive or mandamus proceedings brought by any citizen of the state.

This amendment shall take effect on the first day of January following the approval thereof.

APPENDIX II
EXPENDITURES OF CIVIL SERVICE COMMISSION FOR
FISCAL YEAR ENDING JUNE 30, 1949.

Personal Services

Examining	\$ 42,752.43
Retirement	16,306.00
Classification	25,962.49
Direct recruiting	10,540.90
Training	11,326.90
Research and statistics	11,742.68
Established positions	15,216.74
Administration	36,027.69
Receptionists and Telephone Operators	8,375.82
Typing pool	22,856.07
Transactions	12,880.98
Legal division	13,200.46
Files	11,967.21
Eligible Registers	20,600.19
Tabulating	10,626.49
Payroll	49,726.03
Roster	12,532.43
Test Checking	21,274.92
Mail, Stockroom and Multilith	15,504.28
Microfilm	4,312.59
Custodial	<u>5,821.05</u>
Total	\$ 379,555.01
Less Retirement	<u>16,306.00</u>
	\$ 363,249.01

Supplies, Materials & Contractual Services

Light, Heat, Water & Power	\$ 5,544.62
Rentals— space	12,111.46
Rentals— equipment	10,968.16
Supplies, printing, binding, miscellaneous	13,281.13
Advertising	1,006.41
Travel	8,424.22
Telephone - telegraph	5,202.16
Freight, express, postage	4,732.87
Maintenance - repairs	3,645.79
Consultant hearing board services	4,189.20
Monitors (Contractual Service)	<u>6,192.50</u>
TOTAL	\$ 75,359.12

Equipment

Equipment	\$ 2,953.24
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Retirement

Retirement	\$ 16,306.00
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Summary

Personal service (less retirement)	\$ 363,249.01
Supplies, Materials & Contractual Services	75,359.12
Equipment	2,953.24
Retirement	<u>16,306.00</u>
TOTAL	\$ 457,867.37

APPENDIX III

NUMBERS FO EMPLOYEES BY CLASS LEVEL

1947 to 1950
(March of Each Year)

	<u>1947</u>	<u>1948</u>	<u>1949</u>	<u>1950</u>
D	397	426	417	417
C	1,564	1,600	1,491	1,522
CL	1,640	1,753	1,739	1,621
B	3,578	3,918	4,375	4,597
BL	62	67	94	110
A2	2,853	3,779	4,181	4,193
A2	2,388	2,299	2,308	2,465
A1	1,339	799	867	965
I	2,386	2,504	2,520	2,700
Ia	152	160	204	238
II	1,409	1,425	1,449	1,596
IIa	55	67	92	104
III	680	715	770	772
IIIa	36	68	81	94
IV	355	365	346	333
Iva	25	33	46	65
V	143	142	175	189
Va	18	13	17	21
VI	60	70	79	87
VIa	11	3	10	12
VIb	—	0	—	—
VII	<u>12</u>	<u>23</u>	<u>25</u>	<u>25</u>
21 Classes	19,163	20,229	21,286	22,126

APPENDIX IV

LIST OF AUTHORIZED PROVISIONALS (OPEN COMPETITIVE) AUTHORIZED PRIOR TO JANUARY 1946, WHO HAVE NOT BEEN CERTIFIED BY THE CIVIL SERVICE COMMISSION

<u>Entry Date</u>	<u>Class Title</u>	<u>County</u>	<u>Department</u>
1-1-41	Steam Fireman A	Ingham	Liquor
3-20-41	Account Clerk A	Kalkaska	Highway Adm.
7-1-41	Account Executive III	Ingham	Sec. State
7-1-42	Housemother C1	Lenawee	Girls Train.
7-29-42	Prison Guard A2	Jackson	Jackson
8-16-42	Prison Guard A2	Jackson	Jackson
10-10-42	Prison Guard A2	Jackson	Jackson
1-7-43	Prison Guard A2	Jackson	Jackson
3-1-43	Prison Guard A2	Jackson	Jackson
3-18-43	Prison Guard A2	Jackson	Jackson
3-22-43	Prison Guard A2	Jackson	Jackson
4-1-43	Farm Hand C	Oakland	Pontiac
6-29-43	Prison Guard A2	Jackson	Jackson
8-1-43	Automobile Mechanic A	Eaton	Hwy. Maint.
8-3-43	Telephone Operator C1	Ingham	Boys Voc.
8-16-43	Cook B	Washtenaw	Ypsilanti Hospital
9-1-43	Institution Chaplin II	Marquette	Marquette
9-8-43	Boys Supervisor C	Ingham	Boys Voc.
9-13-43	Cashier B	Jackson	Sec. State
10-12-43	Special Education Teacher	Tuscola	Caro Hosp.
10-18-43	Bridge Worker B	Ingham	Hwy. Maint.
11-1-43	Janitor C	Iron	Hwy. Adm.
11-17-43	Boys Supervisor C	Ingham	Boys Voc.
12-1-43	Prison Guard A2	Jackson	Jackson
12-1-43	Steam Fireman A	Ingham	Liquor
12-8-43	Small Animal Caretaker B	Ingham	Health
11-24-44	Prison Guard A2	Jackson	Jackson
6-1-44	Prison Guard A2	Jackson	Jackson
9-25-44	Steam Fireman A	Chippewa	St. Ste. Marie
3-16-44	Motor Vehicle Operator B	Ingham	Sec. State
2-1-44	Highway Roadside Worker A2	Kent	Hwy. Maint.

<u>Entry Date</u>	<u>Class Title</u>	<u>County</u>	<u>Department</u>
12/1/1944	Laboratory Technician C	Ingham	Health
11/8/1944	Attendant Nurse B	Grand Traverse	Traverse City
8/1/1944	Boys Shoe Repair Occu. Supv. A	Ingham	Boys Voc.
9/1/1944	Deaf School Teacher	Genesee	Deaf School
9/1/1944	Deaf School Teacher	Genesee	Deaf School
1/1/1944	Deaf School Teacher	Genesee	Deaf School
7/1/1944	Park Ranger C	Roscommon	Conservation
4/1/1944	Park Ranger C	Barry	Conservation
11/16/1944	Liquor Merchandising Exec. IV	Wayne	Liquor
8/1/1944	Liquor Store Mgr. I	Montcalm	Liquor
2/1/1944	Unem. Comp. Enforcement Off. II	Wayne	M.U.C. C.
5/1/1944	Multilith Machine Operator B	Ingham	State Policy
6/1/1944	Tabulating Clerk A	Wayne	M.U.C. C.
10/18/1944	Stenographer Clerk A2	Wayne	M.U.C. C.
1/1/1945	Steam Elec. Operating Engineer A1	Oakland	Pontiac
1/1/1945	Steam Fireman A	Chippewa	St. Ste. Marie
1/8/1945	Lab. Glassware Cleaning Worker B	Ingham	Health
1/15/1945	17204	Ingham	Tax Comm.
1/22/1945	Prison Guard A2	Jackson	Jackson
3/5/1945	Bacteriologist I	Ingham	Health
3/20/1945	Prison Guard A2	Jackson	Cassidy Lake
3/26/1945	Prison Guard A2	Jackson	Jackson
4/1/1945	Steam Fireman A	Ingham	Health
4/24/1945	Boys Supervisor B	Ingham	Boys Voc.
5/16/1945	Prison Guard A2	Jackson	Jackson
5/24/1945	Prison Guard A2	Jackson	Jackson
6/16/1945	Liquor Store Mgr. I	Cheboygan	Liquor
6/25/1945	Child Welfare Worker I	Washtenaw	Welfare
7/16/1945	Laundry Worker C1	Saginaw	Welfare
8/7/1945	Laundry Worker Cl	Tuscola	Caro Hosp.
9/1/1945	Deaf School Teacher	Genesee	Deaf School
9/1/1945	Liquor Warehouseman B	Wayne	Liquor
9/1/1945	Liquor Warehouseman Cl	Wayne	Liquor
9/1/1945	Liquor Warehouseman Cl	Wayne	Liquor

<u>Entry Date</u>	<u>Class Title</u>	<u>County</u>	<u>Department</u>
9/4/1945	Psychologist II	Lenawee	Girls Train.
10/5/1945	Prison Guard A2	Jackson	Jackson
11/1/1945	Automobile Mechanic A	Ingham	Dept. of Adm.
11/16/1945	Boys Supervisor B	Ingham	Boys Voc.
12/1/1945	Ward Aide C1	Kent	Vet Facility
12/10/1945	Steam Fireman A	Ingham	Liquor

APPENDIX V

LIST OF AUTHORIZED PROVISIONALS (PROMOTIONAL) AUTHORIZED PRIOR TO JANUARY 1946, WHO HAVE NOT BEEN CERTIFIED BY THE CIVIL SERVICE COMMISSION

<u>Entry Date</u>	<u>Class Title</u>	<u>Status</u>	<u>County</u>	<u>Department</u>
3-1-1941	Prison Furniture Factory Foreman I	86103	Ionia	Industries
3-16-1941	Highway Engineer II	Hwy. Engr. Aide A1	*	Hwy. Adm.
11-1-1941	Account Engineer I	11123	Ingham	Mil. Est.
8-1-1942	Attendant Nurse A2	Attendant Nurse B	Oakland	Pontiac
9-16-1942	Account Examiner I	17103	*	Revenue
12-1-1942	Liquor Store Mgr. I	Liquor Store Clerk C1	Muskegon	Liquor
1-1-1943	Hwy. Dept. Field Rep. I	82112	Ingham	Hwy. Adm.
2-1-1943	Liquor Store Mgr. I	Liquor Store Record Clerk B	Otsego	Liquor
5-16-1943	Plumber A1	Plumber A2	Washtenaw	Caro Hosp.
7-16-1943	Personnel Officer I	Account Clerk A	Marquette	Marquette
1-16-1944	Sewage Disposal Plant Oper. A1	Prison Guard A2	Jackson	Jackson
2-1-1944	Steam Elec. Operating Eng. A1	Prison Guard A2	Jackson	Jackson
3-1-1944	Laboratory Glassware Cleaning Worker B	Janitor	Ingham	Health
5-1-1944	Hwy. Dept. Field Rep. III	17103	Ingham	Hwy. Adm.
7-16-1944	Prison Textile Factory Foreman I	86323	Jackson	Jackson
9-1-1944	Housemother B	Housemaid	Genesee	Deaf School
12-1-1944	Liquor Store Mgr. I	Liquor Store Clerk C1	Kent	Liquor
12-6-1944	Liquor Store Mgr. II	Liquor Store Mgr. A1	Wayne	Liquor
12-16-1944	Liquor Store Mgr. IIA	Liquor Store Clerk C1	Wayne	Liquor
12-16-1944	Liquor Store Mgr. II	Liquor Store Record Clerk B	Wayne	Liquor
1-16-1945	Account Examiner II	Account Examiner I	**	Revenue
5-21-1945	Laundry Worker B	Manual Worker C	Otsego	No. Mich. TB
5-25-1945	Liquor Store Mgr. I	Liquor Store Clerk C1	Ottawa	Liquor
8-1-1945	Stores Clerk B	Manual Worker	Kent	Hwy. Maint.
8-16-1945	Liquor Store Mgr. I	Liquor Store Record Clerk B	Alger	Liquor
10-1-1945	Hwy. Designing Engineer I	Hwy. Engr. Insp. A1	Ingham	Hwy. Adm.
11-1-1945	Steam Elec. Oper. Eng. A1	Steam Elec. Oper. Eng. I	Lapeer	Lapeer Hospital
12-16-1945	Liquor Store Mgr. I	Liquor Store Clerk C1	Berrien	Liquor

* Entire State

** Various Counties

APPENDIX VI

NON-STATUS "PROVISIONAL" EMPLOYEES IN THE MUCC

October, 1950

<u>Class</u>	<u>No. of Employees</u>	<u>Total No. of Months</u>
General Clerk C	1	52
Janitor C	2	1/2
	1	1
	1	2
Typist Clerk C1	1	1
Receptionist B	1	23
Multilith Machine Operator B	1	40
Motor Vehicle Operator B	1	16
Typist Clerk A2	1	2
	1	3
	1	57
Stenographer Clerk A2	2	1
	1	2
	2	4
	1	5
	1	6
	1	8
	1	11
	2	11½
	1	12
	1	13
	2	14
	1	16
	2	16½
	1	19½
	1	54½
	1	55
	1	71
Employee Record Clerk A	1	33
Law Stenographer Clerk A	1	35½
Tabulating Clerk A	1	70½
Alpha Key Punch Operator A	1	45
Statistics Clerk A	1	4
	1	1
	1	65½
Claims Clerk A	1	2
	2	7
	1	15
	1	15½
	1	17
	2	18
	1	53½
	1	66
Carpenter A1	1	8
Statistician I	2	1
	1	3
	1	11

<u>Class</u>	<u>No. of Employees</u>	<u>Total No. of Months</u>
Employment Test Technician I	1	1
	1	6
Worker Analyst I	1	10
Farm Placement Specialist I	1	3
	1	4
	3	4½
Claims Examiner I	1	50½
Claims Adjuster I	2	33½
	2	34
Employment Service Executive I-A	1	19½
	1	48
	1	60
Accountant II	1	12½
Property Inventory Executive II	1	1
Statistician II	1	1½
U.C. Research Economist II	1	3
Labor Market Analyst II	1	1½
Liability Examiner II	1	20
Employment Placement Executive II	1	25½
E & C Branch Manager II	6	32½
Veterans' Employment Rep. II	2	30
Graphic Presentation Designer II	1	20
E & C Branch Manager II-A	1	23½
	2	32½
Statistician III	1	11½
U.C. Research Economist III	1	27
Labor Market Analyst III	1	44½
Personnel Methods Technician III	1	20½
E & C Branch Manager III-A	1	32½
Farm Placement Specialist IV	1	32½
Public Relations Executive IV	1	53
Legal Aide IV	<u>2</u>	16½
	100	

APPENDIX VII

CIVIL SERVICE EXAMINATIONS SCORING WEIGHTS

<u>Title of Examination</u>	<u>Exper. & Train. %</u>	<u>Oral Exam %</u>	<u>Written Exam %</u>	<u>Education</u>	<u>Remarks</u>
Abstract of Title Examiner II	40		60	High School Grad.	3 yr. experience in compilation or examination of abstracts under qualified abstractor or attorney.
Attorney III	100			A member of good standing in the Mich. State Bar	Credit given for experience in the practice of law up to a maximum of 2 yrs.
Bridge Designing Engineer I	30		70	College Grad.	
Bridge Designing Engineer I	40		60	College Grad.	1 yr. of recent professional experience in highway structural designing.
Conservation Train. School Mgr. II	50		50	High School Grad.	5 yrs. experience in the management of food and lodging services in resort, hotel or similar facility.
Cobbler A2	40		60		2 yrs. full time experience as a cobbler. Additional credit given for completion of high school.
Florist B	30		70		1 yr. full time experience in the care of trees, flowers, etc.
Game Farm Mgr. II	50		50	College Grad.	2 yrs. farm mgmt. experience. Specialization in biology, poultry, husbandry.
Graphic Presentation Designer I	40		60	High School Grad.	2 yrs. experience commercial art, graphic presentation or drafting work.
Graphic Presentation Designer II	40		60	High School Grad.	2 yrs. commercial art experience, graphic presentation or drafting work, plus two yr. experience in either commercial art or graphic presentation.

<u>Title of Examination</u>	<u>Exper. & Train. %</u>	<u>Oral Exam %</u>	<u>Written Exam %.</u>	<u>Education</u>	<u>Remarks</u>
Hearings Reporter I	25		75	High School Grad.	4 yrs. steno experience, 2 yrs. of which shall have involved more than ordinary difficult and responsibility.
Hearings Reporter II	25		75	High School Grad.	3 yrs. of experience taking and transcribing of verbatim records.
Matron C	30		70		1 yr. experience in practical upkeep and ability to read and write English.
Painter I	40		60		2 yrs. full time painting experience.
Personnel Officer II		100		* (1) One year of experience as a personnel officer in an operating agency; or (2) one year of experience as a Personnel Technician I or Personnel Administrator I in the central personnel agency; or (3) one year of experience involving selection, placement and employee relations, and graduation from college.	
Personnel Officer III		100		* (1) Two years of experience as a personnel officer in an operating agency; or (2) two years of experience as a Personnel Technician I or Personnel Administrator I in the central personnel agency; or (3) two years of experience involving selection, placement and employee relations and graduation from college.	
Personnel Officer IV		100		* Three years of experience as a Personnel Officer II or its equivalent, and graduation from college.	
Personnel Director V		100		* Three years of experience as a Personnel Officer III or its equivalent, and graduation from college.	

* Personnel experience equivalent to the "1" level or above may be substituted year for year for college training up to a maximum of four years.

<u>Title of Examination</u>	<u>Exper. & Train. %</u>	<u>Oral Exam %</u>	<u>Written Exam %.</u>	<u>Education</u>	<u>Remarks</u>
Personnel Director VI		100			(1) Six years of experience in personnel administration, including experience in staffing, budgeting and personnel relations and graduation from college; or (2) ten years of such experience and graduation from high school; or (3) an equivalent combination of experience and training.
Payroll Clerk A	40		60	High School Grad.	3 yrs. of general clerical experience; one year of which shall have been either in the preparation or review of Michigan State payrolls.
Statistics Clk. A	40		60	High School Grad.	1 yr. department experience at the B level or equivalent in private industry which shall have included clerical contacts with the terminology and statistical analysis.
Statistician I	30		70	College Grad.	Minor in statistics or mathematics
Statistician II	40		60	College Grad.	1 yr. of recent professional experience in the application of statistical methods to numerical data.
Statistician III	40		60	College Grad.	3 yrs. of recent professional experience in the application of statistical methods to numerical data.

APPENDIX VIII

NUMBER OF CIVIL SERVICE COMMISSION EMPLOYEES APRIL 26, 1950 BY CLASS

C	23	
CI	9	
B	31	
A2	8	
A	18	
A1	<u>1</u>	90
I	22	
IA	4	
II	3	
III	5	
IIIA	4	
IV	1	
IVA	1	
V	3	
VA	2	
VI	2	
VII	<u>1</u>	<u>48</u>
TOTAL		138
All other agencies (personnel employees)		<u>203</u>
		341

Total state employees - 22,126
(April 1st, 1950)

1 employee engaged in personnel function to every
65 employees in state service.

APPENDIX IX
PERSONS INTERVIEWED

Auditor General's Office

Murl K. Aten, State Auditor General
Mrs. Wayne Purdy, Deputy Auditor General

Michigan Unemployment Compensation Commission

Tom Downs, Chairman
Harry Markle, Executive Director
Max Horton, Deputy Executive Director
Eugene Busha, Personnel Director
O. K. Fjetland, Chief, Employment Service Division
Harvey Cauthier, Chief, Business Management Division

Civil Service Commission

William Palmer, Chairman
Arthur Rasch, State Personnel Director
William Dunn, Legal Counsel
C. J. Hess, Deputy Director
P. Kelly, Assistant Deputy Director
S. Pierson, Assistant Deputy Director
P. T. Anderson, Supervisor
R. Froh, Head, Research Division
J. C. Corcoran, Supervisor
H. McDiarmid, Supervisor
C. Weber, Training Officer
W. Godfrey, Technician

Secretary of State's Office

Thomas V. Burghart, Personnel Officer

Department of Administration

Robert F. Steadman, State Controller
Frank Landers, Director, Budget Division
P. Peck, Personnel Officer

Department of Mental Health

E. Huff, Personnel Director
O. R. Yoder, M.D., Medical Director, Ypsilanti State Hospital
E. Hurja, Personnel Officer, Ypsilanti State Hospital

Conservation Department

M. E. Southworth, Personnel Officer

Highway Department

C. M. Ziegler, Highway Commissioner

M. J. Walker, Personnel Director

Bureau of Social Welfare

Warren Houghton, Personnel Director

Department of Health

A. E. Heustis, M.D., Commissioner

R. J. Murray, Personnel Officer

Liquor Control Commission

Earl Shewell, Personnel Director

C. R. Angell, Controller

Outside the State Service

E. I. Wylie, Personnel Relations Assistant, Michigan Bell Telephone Company

W. C. Bergman, College Employment Coordinator, Michigan Bell Telephone Company

K. S. Hogg, Superintendent, General Personnel Activities, Michigan Bell Telephone Company

E. L. Cushman, Director, Institute of Industrial Relations, Wayne

University Don Sublette, Chief Examiner, Detroit Civil Service Commission

Charles Meyer, Assistant Chief Examiner, Detroit Civil Service

Commission Eugene Mathivet, Secretary, Chief Examiner, Wayne County Civil Service Commission

James Kennedy, President, Michigan Merit System Association

Arthur Fleming, President, Ohio Wesleyan University and former Chairman U.S. Civil Service Commission

Leonard D. White, Professor Public Administration and former member of City of Chicago and U.S. Civil Service Commission

Edw. T. Raney, Professor, Personnel Methods, Wayne University

I. L. Malcolm, Associate Director of Training and Procedure,

J. L. Hudson Company Bruce Smith, Secretary, Institute of Public Administration

Philip Cornick, Institute of Public Administration

Robert Meyer, Personnel Methods Consultant, Federal Security Agency, Division of State Merit System Services