

Managing Montana

a quarterly electronic newsletter for managers and human resource staff in Montana state government

Governor names Advisory Council

Last week, Governor Schweitzer appointed the Advisory Council on Workforce Development and Planning. This council replaces the Workforce Planning Task Force. Like the task force, the council includes 14 high-level policy makers throughout state government, chaired by Janet Kelly, Department of Administration Director:

- Tim Burton, Justice
- Dick Clark, Chief Information Officer
- Mike Cooney, Labor & Industry
- Lesa Evers, Office of Indian Affairs
- Mike Ferriter, Corrections
- Arni Fishbaugh, Montana Arts Council
- Janet Kelly, Administration
- Tom Livers, Environmental Quality
- Alan Peura, Revenue
- Madalyn Quinlan, Office of Public Instruction
- Tim Reardon, Transportation
- Amy Sassano, Budget and Program Planning
- Dore Schwinden, Commerce
- Jane Smilie, Public Health & Human Service



The council will continue the important work started by the task force – recommending improvements to Montana’s people management system to help state government become an employer of choice.

The need is critical. Employee turnover has risen for three years. The annual retirement rate jumped 68% in the same period. When you consider a three-year pay freeze and negative campaigns about public employees, it’s no surprise state agencies are having a hard time filling mission-critical jobs. Let’s face it, competitive pay is fleeting in state government. It’s subject to fluctuating revenues and changing political climates. But here’s a key point: *pay is a minor reason people leave their jobs.*

The Society of State Human Resource Managers ranks compensation fifth as a contributor to job satisfaction. Pay trails behind:

- job security
- benefits
- opportunity to use skills and abilities
- the work itself, in a tie with
- the employer’s financial stability.

(Job Security and Benefits Most Valued by Employees, Rebecca Hastings, 2010)

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Root causes of employee turnover include:

- lack of recognition
- unfulfilling work
- limited career opportunities
- untrustworthy leadership
- poor management
- dysfunctional work cultures

(*The 7 Hidden Reasons Employees Leave*, Leigh Branham).

Last year, State Human Resources conducted phone interviews with employees who transferred from one state agency to another. Two factors dominated their reasons for moving: 1) lack of chances to advance or 2) poor management. Only a small percentage of these workers mentioned pay when they discussed their reasons for transferring ([2012 State Employee Profile](#), page 9).

These are the kinds of issues challenging the Advisory Council on Workforce Development and Planning. To tackle the issues, the council will:

- regularly and continuously study the state’s people-management practices
- measure their effectiveness against mission-driven goals and objectives
- compare them to successful industry practices, and
- recommend improvements where needed.

A “working group” of agency HR managers will support the advisory council in its work. This working group will serve as the voice for all state HR managers, the folks who have the role of supporting new people-management directives. Director Janet Kelly will appoint the HR working group soon. We’ll announce the appointments in the *Managing Montana Minute*.

Meetings of the Advisory Council on Workforce Development and Planning are open to the public. You can find meeting notices and agendas on State Human Resources’ website.

About pay adjustments

You’ve seen the news. Many executive branch agencies have recently boosted employee pay. Others are looking at their budgets to see if they can make similar adjustments. That’s got the media and others talking.

Can state government allow these adjustments when the Legislature said “no” to the biennial pay bill? The answer is “yes,” and it’s happened before.

The goal of the broadband plan is to help state agencies respond and compete within the labor market to recruit and retain capable employees. Since broadband started in 1997, agency managers have periodically adjusted pay, within their budgets, to deal with changing markets, internal equity concerns, and other recruitment and retention issues.

The only time broadband pay adjustments have been restricted was during the 2011 biennium. The Governor’s office, through State Human Resources, directed agencies not to adjust broadband pay except for reclassifications, promotions, and successful completion of training assignments. Managers were told to keep promises, but make no new ones. The Governor’s directive resulted from a projected \$300 million revenue shortfall. That did not materialize. Montana state government is now looking at a revenue surplus of \$300 to \$400 million.



For the 2013 biennium, the Schweitzer Administration is allowing agencies to adjust broadband pay, within their established pay plans and budgets:

- to correct their worst pay problems, and
- to provide modest raises for rank-and-file employees.

It's too early to tell how many agencies will provide these adjustments. State Human Resources will monitor pay activities and provide periodic reports to the Governor, his cabinet, and the Advisory Council on Workforce Development and Planning.

State employee profile released

State Human Resources has published the "[2012 State Employee Profile](#)." This annual report describes the executive branch workforce (except for elected officials and their exempt personal staff, university system employees, and employees of the Montana State Fund).

The profile outlines

- employee demographics
- benefits
- leave use and accrual
- compensation
- labor relations statistics
- diversity statistics.

New to this year's report (page 9) is a summary of interviews we held with employees who transferred between agencies.

According to this year's profile, the average executive branch employee:

- is 48 years old
- has 12 years of service with the state
- earns \$42,483 a year
- belongs either to the baby boomer generation (46-64 years old) – 56.6%
- or generation X (30-45 years old) – 32.6%.



A few other highlights from the report include these:

- Employee turnover for 2011 increased about 2% from 10% in 2010 to 12.4% in 2011.
- The number of employees leaving with less than two years of service decreased to 24.3%, after peaking higher than 31% in 2009.
- Less than 1% of the workforce transferred from one state agency to another in 2011.
- The average job opening attracts 22 applicants.

The profile also shows that the executive branch employs:

- 3.3% more women than the Montana labor force.
- 3.5% fewer American Indian or Alaska Native than the Montana labor force.
- 1.2% fewer other minority groups than the Montana labor force.

You can view the 2012 State Employee Profile [on-line](#) or get a print copy from Linda Davis at 444-3796.

Leadership Challenge going strong

The Leadership Challenge, an intense and engaging exploration on “getting extraordinary things done in organizations,” has hit a steady stride. Based on the best-selling books of Jim Kouzes and Barry Posner, this training steers through the five practices of leadership:



- Model the Way
- Inspire a Shared Vision
- Challenge the Process
- Enable Others to Act
- Encourage the Heart

Since the last issue of *Managing Montana*, the Professional Development Center has conducted five sessions of the three-day series. This included a session each for managers from Departments of Administration and Revenue. Soon after, the PDC led the kick-off session for the leadership initiative sponsored by the State Office of Labor Relations. That session involved emerging leaders from Revenue, Agriculture, and Corrections.

In addition, PDC has completed two sessions with Department of Commerce. It just started the second labor relations series, engaging participants from Department of Justice. Another labor relations series starts at the end of February, and the Office of Public Instruction starts its series in March.

Meanwhile, Joe Schopfer completed a session with the State Information and Technology Systems Division. This week, he started another session with other managers from that division.

The labor-relations-sponsored sessions are geared toward identifying and developing emerging leaders in organized agencies. The division has pro-rated scholarships to the agencies, based on the size of their organized workforce. Agencies will work directly with Ruth Anne Hansen, Greg Martin, and Butch Plowman to schedule their folks into the training. Seven more sessions will take place by the end of calendar 2012.

HR managers take new posts

We note a couple of changes in the ranks of the state’s human resource managers. Brent Rabe has moved from the Department of Labor and Industry to take the helm as HR Administrator at Department of Transportation. Brent has 17 years experience in state government, including the last 12 with DLI. Prior to working for the state, Brent spent six years in HR with Boeing. He graduated from the University of Montana.

Deborah Sloat has come to the Department of Public Health and Human Services as HR Director. Ms. Sloat previously held that post for 17 years at South Dakota School of Mines and Technology in Rapid City. She is also an alumna of that school and holds a masters degree from the University of South Dakota. We welcome Deborah to the great state of Montana.

Alternative formats ...

The State Human Resources Division will make reasonable accommodations to provide an alternative accessible format of this newsletter. If you need an alternative format, please contact the Division at 406-444-3871 or TDD 406- 444-1421.