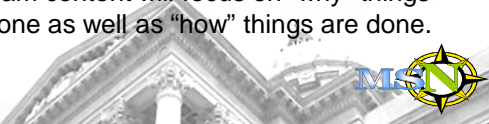


Navigating the Missouri Merit System

Program Objective:

Communicate a basic understanding of Merit System practices and corresponding HR principles to state supervisors, managers and HR professionals.

Program content will focus on “why” things are done as well as “how” things are done.




Navigating the Missouri Merit System

Agenda

Part 1: General Introduction

- The Missouri workforce
- Laws, policies and regulations governing the Merit System
- The role of the Agency Appointing Authority



Agenda

Part 2: The Workforce

- Uniform Classification and Pay
- Classified and Unclassified Employees
- Position Classifications
- The Pay Plan
- Filling Vacant Positions
- Registers and Certificates



The Director of Personnel

- Administers the State Personnel Law
- Provides consultation and expertise to agencies in accomplishing their missions
- Maintains service history on employees
- Determines the effectiveness of the law and rules
- Serves as Secretary to the Personnel Advisory Board (PAB)
- Formulates rules for approval of the PAB



The Director of Personnel

For all state agencies:

- Central labor relations functions
- System of performance appraisals
- Management training

RSMo 36.510



Navigating the Missouri Merit System
The Division of Personnel

Responsible for the administration of a uniform system of classification and pay and a system of personnel management based on **merit principles** in accordance with the State Personnel Law.

1 CSR 20-1.010 – General Organization
Code of State Regulations



Navigating the Missouri Merit System
What are Merit Principles?

- Recruit, select and advance on merit after fair and open competition.
- Treat employees and applicants fairly and equitably.
- Provide equal pay for equal work and reward excellent performance.
- Maintain high standards of integrity, conduct and concern for public interest.
- Manage employees efficiently and effectively.
- Retain or separate employees based on their performance.
- Educate and train employees if it will result in better organizational or individual performance.
- Protect employees from improper political influence.
- Protect employees against reprisal for the lawful disclosure of information in "whistleblower" situations.

Source:
Section 2301, Title 5 United States Code – Merit System Principles
United States Office of Personnel Management



Part 1

**General Introduction to
the Merit System**



Merit System

MO Constitution Article IV Section 19

RSMo. 36 The State Personnel Law

Code of State Regulations:
Personnel Advisory Board and Division of Personnel

Departmental Operating Policies
Union Agreements



The Constitution

Article IV, Section 19

The head of each department may select and remove all appointees in the department except as otherwise provided in this constitution, or by law. All employees in the state eleemosynary and penal institutions, and other state employees as provided by law, shall be selected on the basis of merit, ascertained as nearly as practicable by competitive examinations; provided that any honorably discharged member of the armed services of the United States who is a citizen of this state shall have preference in examination and appointment as prescribed by law.

(Amended October 5, 1971)



What is the Missouri Merit System?

A personnel system established by law designed to protect employees from arbitrary action, personal favoritism and political coercion, and which uses a competitive examination process for selection. Except for cause, continued employment is provided.



The Missouri Merit System

"...governs the appointment, promotion, transfer, layoff, removal and discipline of employees and officers and other incidents of employment in divisions of service subject hereto, and all appointments and promotions to positions subject to this law shall be made on the basis of merit and fitness."

36.030 3. RSMo

Employees are to be selected on the basis of merit, and, once selected, are to be dismissed only for cause.



What's the Difference?

What distinguishes "Merit System" agencies from other agencies?

- The manner in which employees are hired.
- The manner in which employees may be separated.
- Protections against transfer and demotion of employees.
- Political activity



The Pay System (UCP)

- The Pay System is broader than just the Merit System agencies.
- "Merit pay" is assumed to be part of the Merit System.
- The Uniform Classification and Pay System is an expansion of the former Merit System pay plan to some non-merit agencies.



Appointing Authority 36.020(2) RSMo

- “An officer or agency subject to Chapter 36, having the power to make appointments”
- May recommend change to allocation of positions
- Establishes agency policy regarding
 - Appointments & probationary periods
 - Conflicting employment (secondary appointments)
 - Rates of pay within the pay range
 - Hours of work, overtime,
 - Discipline
 - Transfers



Part 2:

The Merit System and the State Workforce



The Uniform Classification and Pay (UCP) System

The Uniform Classification and Pay System (UCP) is a statutory-based structure placing most executive branch agencies under a common position/job classification and compensation structure

The UCP System supports efforts to develop, implement and maintain a coordinated and prudent compensation policy for state government.



Chapter 36 (RSMo)

1990 amendments to the State Personnel Law expanded the classification and pay structure used by Merit System agencies to most other executive branch agencies.

This was not an expansion of the Merit System.



Why is the UCP Important?

Prior to the UCP...

Multiple employee compensation structures complicated the budget and appropriation process.

It was difficult to determine when/if employees performing similar work were compensated consistently across agencies.



Classified and Unclassified Employees

The Uniform Classification and Pay (UCP) System includes both Merit (classified and unclassified) and non-merit (covered and exempt) agencies

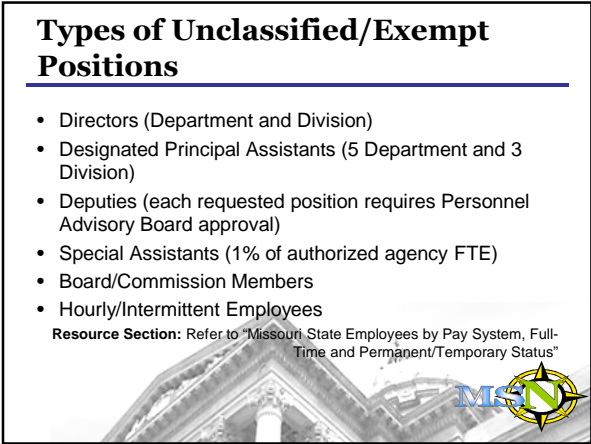
- Merit UCP agencies have both classified and unclassified positions (employees)
- Non-Merit UCP agencies have covered and exempt positions (employees)



Types of Unclassified/Exempt Positions

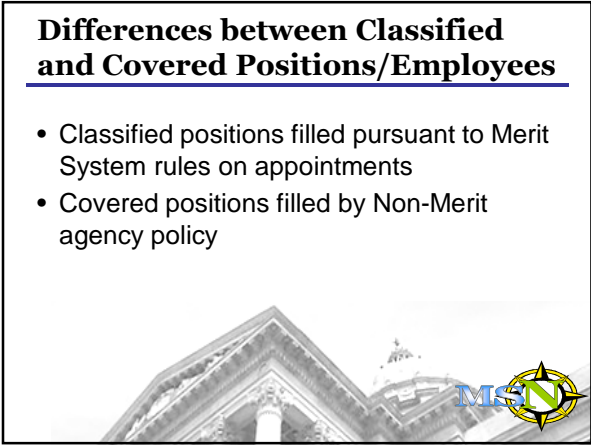
- Directors (Department and Division)
- Designated Principal Assistants (5 Department and 3 Division)
- Deputies (each requested position requires Personnel Advisory Board approval)
- Special Assistants (1% of authorized agency FTE)
- Board/Commission Members
- Hourly/Intermittent Employees

Resource Section: Refer to "Missouri State Employees by Pay System, Full-Time and Permanent/Temporary Status"



Differences between Classified and Covered Positions/Employees

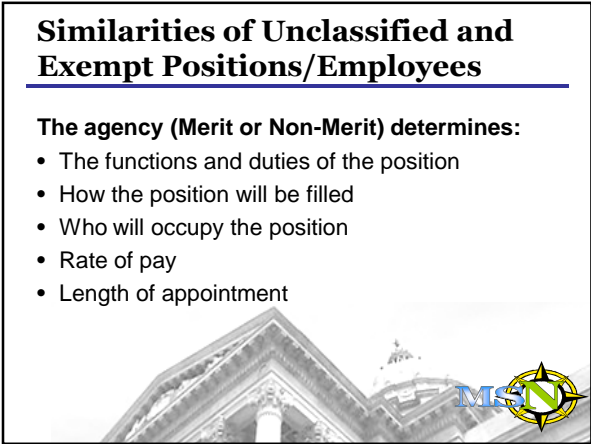
- Classified positions filled pursuant to Merit System rules on appointments
- Covered positions filled by Non-Merit agency policy



Similarities of Unclassified and Exempt Positions/Employees

The agency (Merit or Non-Merit) determines:

- The functions and duties of the position
- How the position will be filled
- Who will occupy the position
- Rate of pay
- Length of appointment



Part 2-2:

The Merit System and the State Workforce



Position Classification

Systematic grouping of positions based upon duties, responsibilities, authority, etc. into classes sharing a common title, description, qualifications and pay grid



Position Classification

- Based upon a set of agency-defined duties and responsibilities; NOT the EMPLOYEE DOING the WORK
- Provides structure to merit and non-merit positions
- Establishes a basis for establishing and administering a coordinated compensation policy
- Foundation for all other HR activities: recruitment, selection, pay, training, employee/labor relations, FLSA, ADA, etc.



Position Classification

Primary Concepts:

1. Same work = same pay range
2. Differences in pay are based upon significant differences in duties
3. Methods used to group positions are objective and based on fact



Position Classification

Position Reviews

- New and existing positions are reviewed to determine appropriate classifications
- Reviews can be initiated by an employee, the agency or the Division of Personnel
- Requires the Division of Personnel to complete a paper, telephone and/or on-site audit of the position



Position Classification

Information is obtained from:

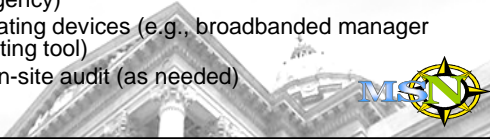
1. Position Description Form
2. Agency personnel office
3. The employee currently in the job
4. Immediate supervisor of the position
5. Agency Appointing Authority



Position Classification

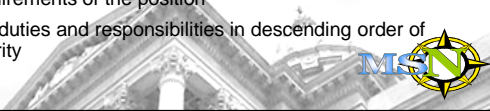
Other informational sources include:

- Organizational charts
- Class specifications
- Allocation standards
- Agency program information
- Online sources
- Comparisons (workgroup, intra-agency, inter-agency)
- Rating devices (e.g., broadbanded manager rating tool)
- On-site audit (as needed)



The Position Description Form (PDF)

- Use your own words
- Spell out and explain acronyms
- Provide detailed description of duties, responsibilities and authority of the position
- Avoid "lumping" together activities of different complexity, or which require different skills
- Indicate % of time for each duty
- List all licensure, certification and special training requirements of the position
- List duties and responsibilities in descending order of priority



The Position Description Form (PDF)

- Do not assume that the "reader" is familiar with the work you do, the "tools" you use, or other aspects of the job
- It is the employee and agency's chance to explain the position
- Needs to be signed by the employee (if applicable), the supervisor and appointing authority (or their designee)



Position Classification and Reclassification

Things that slow down the process:

- Submitting an incomplete PDF
- Submitting a PDF that does not provide the supervisor's perspective of the position
- No indication of what the correct classification should be and why
- No rationale explaining why the position is/is not correctly allocated



Position Classification and Reclassification

Things that slow down the process:

- No clarification of employee statements when necessary
- No identification of omissions or inaccuracies in the employee's statement
- Substituting Classification for a pay increase
- Not considering the "Big Picture"
May require reallocation of the position (upwards, downwards, or laterally) – what ramifications exist (funding, impact on other positions, need to restructure the position or remove duties)?



Part 2-3:

The Merit System and the State Workforce



Factors in Determining Rates

- Internal Equity
 - With other agency employees in similar jobs
 - Between and among job classes
- External Competitiveness (with other employers)
- Performance
- Total Compensation (Salary + Benefits)
- Statewide pay rates
- Financial conditions of the state



Internal equity with other employees

- Performance
- Time in the job
- Qualifications



Internal equity between jobs

- Skill
- Effort
- Responsibility
- Working Conditions



External Competitiveness

Employer View

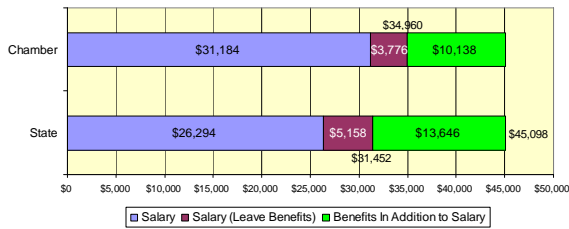
- Pay should attract, retain and motivate employees
- Responsive to market competition
- State operates in many markets – depending on the job

Employee View

- Total Compensation
- Performance
- Seniority
- Labor market
- Organization and Supervision
- Development and Career Opportunities
- Work life
- Recognition
- Stability of employment



State Compared to Private Salary and Benefits



- How would an employee prefer to be compensated:
- Lower salary, more time off, greater benefit contribution?
 - Higher salary, less time off, lower benefit contribution?
 - possibly higher deductions for benefits



Part 2-4:

The Merit System and the State Workforce



Salary Adjustment

Applies to all employees or employees in a job class:

- General Structure Adjustment
- Pay Range Repositioning
 - Assignments of job class to higher pay range



Salary Advancements

- **Probationary** (following successful completion of a probationary period)
- **Within-Grade** (when funds are appropriated for this purpose)
- **Discretionary** (managed by appointing authority to avoid inconsistent, arbitrary or discriminatory pay actions)
- Reasons
 - For work performance, length of service or both
 - Additional duties, responsibility, skill
 - Equity within and between classifications
 - Promotion, upward reclassification



Performance

- Encourages higher levels of motivation, effort and productivity
- Affects internal equity
- Affects external competitiveness
- Salaries not confidential in Missouri state government (compared to private organizations)



Part 2-5:

The Merit System and the State Workforce



Pay Plan Recommendations

General Structure Adjustment

- Based on Economic Indicators
- Increases pay of all employees to keep up with costs of living and to maintain competitiveness with other employers

Within-Grade Salary Advancement

- Advance employees within the pay ranges in recognition of performance

Repositioning Adjustment

- Fine tuning of classes in recognition of internal or external considerations



The Pay Plan

- Approval by Personnel Advisory Board and Governor
- Each employee paid according to provisions of the pay plan



**CY 2005 Salaries and Benefits Paid
As Percentage of Total Salaries**

	CY Expense	Percent of Salaries
Pay for Time Worked	\$1,614,177,297	83.6%
Pay for Time Not Worked	\$316,655,466	16.4%
Total Salaries	\$1,930,832,763	100.0%
Benefits In Addition to Salary	\$837,727,623	43.4%
Total Salaries and Benefits	\$2,768,560,386	143.4%



Part 2-6:

**The Merit System and the
State Workforce**



Options for Filling Vacancy

Hire from the outside:

- Fosters new ideas.
- May bring in skills you don't have
- Not as familiar with the person's work

Promote from within:

- Fosters succession planning
- Provides opportunity for existing employee
- Familiar with the employee's work



Merit System Appointments

Hire From Outside

Reinstatement from
layoff

From top 15/15%

Emergency

Reemployment

Provisional appointment

Hire From Within

Reinstatement from
layoff

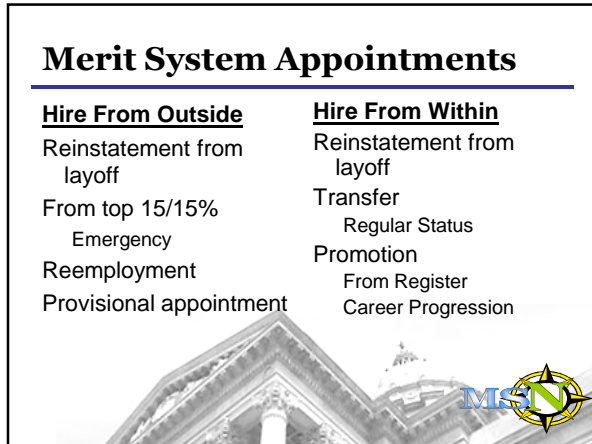
Transfer

Regular Status

Promotion

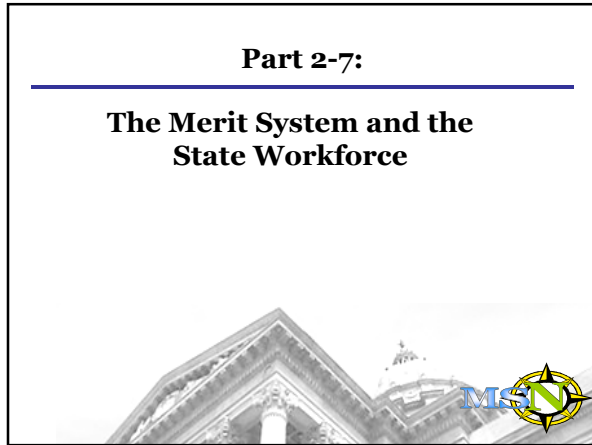
From Register

Career Progression



Part 2-7:

The Merit System and the State Workforce



Merit System Hiring

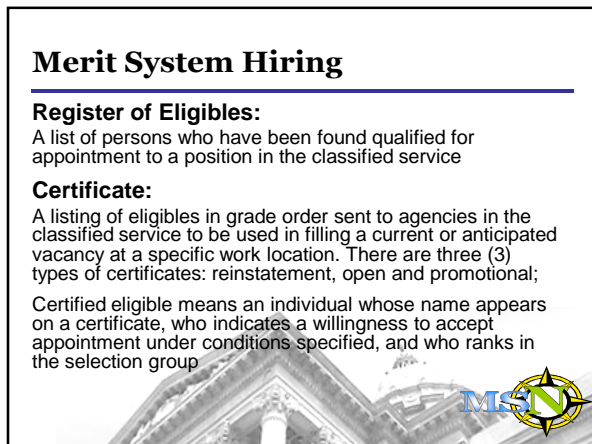
Register of Eligibles:

A list of persons who have been found qualified for appointment to a position in the classified service

Certificate:

A listing of eligibles in grade order sent to agencies in the classified service to be used in filling a current or anticipated vacancy at a specific work location. There are three (3) types of certificates: reinstatement, open and promotional;

Certified eligible means an individual whose name appears on a certificate, who indicates a willingness to accept appointment under conditions specified, and who ranks in the selection group



Getting on the Register

Apply through EASe

- Rating of Education and Experience
- Scheduled for Written Exam
- Oral exam

Exam Components are Weighted

- Veterans or Parental Preference Added
- Results of exam plus VP places applicants on register in order of Final Score



Life of Register

- One year, from the time applicant's name is added
- May be extended to three years



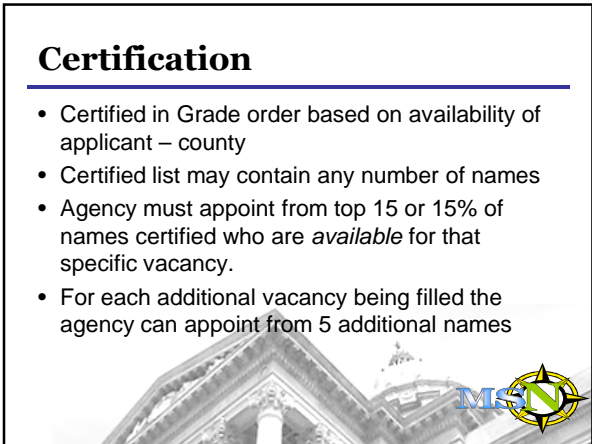
Part 2-8:

The Merit System and the State Workforce



Certification

- Certified in Grade order based on availability of applicant – county
- Certified list may contain any number of names
- Agency must appoint from top 15 or 15% of names certified who are *available* for that specific vacancy.
- For each additional vacancy being filled the agency can appoint from 5 additional names



Certificate Request

- Registers are maintained and certificates are provided to agencies via the Management and Applicant Information Resources System (MAIRS)
- MAIRS was developed in the '90s by the Division of Personnel and OA ITSD
- Agencies can obtain names of applicants directly from the system

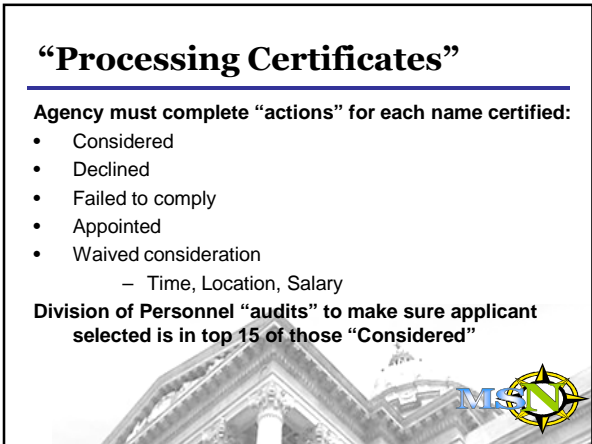


“Processing Certificates”

Agency must complete “actions” for each name certified:

- Considered
- Declined
- Failed to comply
- Appointed
- Waived consideration
 - Time, Location, Salary

Division of Personnel “audits” to make sure applicant selected is in top 15 of those “Considered”



Appointment

The returned certificate is matched up with the appointment submitted by the agency in SAM II HR/Payroll.

Once the appointment is approved by Certification, it is routed to "transaction audit" staff for final approval in SAM II.