

STUDY OF THE WASHINGTON MANAGEMENT SERVICE

Full Report 02-2, click here

REPORT 02-2

REPORT DIGEST

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STATE OF WASHINGTON

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OVERVIEW

This mandated study focuses on employee and salary growth, and other compensation practices, of the Washington Management Service (WMS). Information is also presented on how the WMS is viewed by human resource staff within the larger state agencies, and on the extent to which other states have similar programs. Major findings include:

- Since its inception, the number of WMS employees has continued to increase steadily, at a rate that exceeds that for non-WMS employees; and
- While average WMS salaries have increased more than non-WMS salaries, the difference has not been substantial – non-WMS employees are not losing ground, either in their rates of increase or in their percentage of the average WMS salary.

Consistent with the study mandate in JLARC's 2001-03 budget, this limited-scope review did not assess the system's overall operations or effectiveness. Consequently, the study does not include recommendations.

BACKGROUND

The Legislature established the Washington Management Service (WMS) in 1993 as a separate personnel system for management positions within the executive branch. Its purpose is to develop and maintain a professional managerial workforce, and to provide agencies increased flexibility for their management positions in the areas of hiring and setting compensation.

The WMS is far-reaching in that it applies to all non-exempt management positions within the state's main civil service system, known as Merit System 1, and because its statutory definition of the term "manager" is broad and encompasses a wide range of responsibilities. As of July 2001, there were approximately 5,000 employees in the WMS, which was just less than 9 percent of the total Merit System 1 workforce of approximately 57,000.

STUDY FINDINGS

Growth in the Number of WMS Employees

This study analyzed WMS growth from several perspectives. Key findings from the analysis include:

- In total, the number of WMS employees increased from 445 when the system was implemented statewide in July 1994, to 4,994 as of July 2001.

- From July 1998 – a point which allows ample time for the system to have been fully implemented – to July 2001, the number of WMS employees increased by 38 percent. This compares to a growth rate of 2.5 percent among non-WMS employees during the same time period.
- Just under half of the growth in WMS employees during this time can be attributed to newly created positions (with the remainder being in positions that had existed previously, but either had their duties revised or were reassessed as meeting WMS criteria). We estimate the growth rate of WMS employees in newly created positions to be approximately 18 percent.
- As a proportion of the total Merit System 1 workforce, WMS employees increased from 6.6 percent in July 1998, to 8.6 percent in July 2001.
- From July 1996 to July 2001, average WMS salaries increased by 15.1 percent, while average non-WMS salaries increased by 14.4 percent – a difference that is not substantial.
- Most large agencies characterize their practices with respect to WMS salaries as conservative. Most provide for a type of incremental increase referred to as “progression adjustments” but such increases are not automatic and are typically less than 5 percent.
- Although the WMS allows for awarding special recognition, or lump sum pay, such payments have been rare. One relatively small agency, the Housing Finance Commission, provides this type of pay to all of its WMS employees, however.

WMS Employees By Position Type

The majority of WMS positions are at the lower end of the management hierarchy, with more than 70 percent being viewed as “entry-level management” by their employing agencies. Nearly half of the WMS employees added over the past three years do not directly manage any employees.

WMS Salaries

A major focus of the study was on growth in WMS salaries, and on other compensation practices. Key findings include:

Agency Perspectives Towards WMS

Human resource staff reported being favorably inclined towards the WMS, believing it has been particularly helpful in recruitment and hiring. Few problem areas were reported.

Similar Programs In Other States

We contacted Personnel Departments in seven western states. None reported having systems comparable to the WMS.

COMMITTEE ADDENDUM:

The Committee approved this addendum to the final report at its January 9, 2002 meeting.

The Joint Legislative Audit and Review Committee, as a result of information gathered in its descriptive study of the Washington Management Service, is concerned about this program’s rate of growth. The Committee requests the Department of Personnel (DOP), in collaboration with other state agencies, to examine and assess the extent to which positions within the WMS meet all current statutory and administrative system eligibility requirements, and provide information on WMS employees by gender and by the counties in which they are employed. The assessment can be based either on a sample of all existing WMS positions, or on a review of all WMS positions added over the past three years. This review should include a numerical breakdown of WMS positions in terms of how many fall under each of the criteria specified in RCW 41.06.022. The Committee requests the Department of Personnel to report on the results of this assessment by July 1, 2002.