

# The Changing Face of Human Resource Management in the Commonwealth of Virginia

After years of complaints and months of work, in the days leading up to Sept. 25, 2000, a “call center” was established in the Virginia Department of Human Resource Management (DHRM). Staffed by department employees and retirees, its purpose was to handle the anticipated flood of calls from public employees who were either upset or confused about the new pay plan that went into effect that day.

The phones didn’t ring.

Why that happened provides an opportunity to review the systemic change in human resource management in the Commonwealth of Virginia since 1998. With a focus on customers, a commitment to communication and a determination to revamp time-encrusted policies, DHRM has been the key player in addressing an array of employment-related issues ranging from pay and benefits to enhanced career planning and novel use of “e-government” opportunities – initiatives that resulted in millions of dollars in savings for Virginia taxpayers.

Nothing less than a radical change in the “culture” of Virginia government has been accomplished in a few short years. Where before change was thwarted by “we’ve always done it this way,” now a “better way” is sought, analyzed and put into practice. The state of human resource management in Virginia is excellent, judged not by personal assessment but by professional standards, such as the Government Performance Project 2000 at Syracuse University, which ranked DHRM as one of the top state human resource departments in the nation.

After the Virginia General Assembly passed legislation mandating Compensation Reform in 1998, the administration conducted an employee survey and town hall meetings to collect information about employee concerns on a variety of human resource issues, chief among them compensation. In all, more than 143,000 surveys to the state workforce early in 1998. Some 32 percent of the Commonwealth’s classified, hourly, faculty and temporary workers completed the survey, providing senior administration officials with a roadmap for change. Chief among the responses were complaints about compensation, communication and performance management issues.

A later round of town hall meetings gave the administration first-hand information about the concerns, frustrations and benefits of state employment. As with the survey, common themes emerged that required action:

- Asked: Pay

Answered: As work began on Compensation Reform, its objective was to use the best practices of the private sector and in other government entities to “band” pay grades to provide managers with greater flexibility in setting salaries for subordinates. A crucial part of the effort was the involvement of public employees to help shape the Compensation Reform package.

For the first time in 40 years, the Commonwealth’s pay structure was changed to better reflect market conditions in the public and private sectors. Rather than a one-size-fits-all approach, under Compensation Reform, public employee salaries are more closely aligned with similar positions in corporations, businesses and public agencies.

- Asked: Pay for performance

Answered: In the survey, 74 percent responded that advancement is based on “who you know” rather than competency. Under Compensation Reform, a uniform performance review system was instituted that compensates employees based on their performance. The new system also provides upward feedback to managers and supervisors about their management skills and the opportunity for employees’ self-assessment.

- Asked: Greater flexibility in health care.

Answered: Fully 80 percent of those answering the survey said they wanted more flexibility in their benefits package. Greater choice in health care benefits was made possible by providing state and local employees the option of 12 different coverage plans through six carriers, which offered varying costs and deductible levels. For the first time, employees can turn to the services of an ombudsman in the Health Benefits section to act as their advocate if questions arise about insurance coverage. Efforts are made to mediate issues before the time-consuming appeals process begins. The agency has hired an outside consulting firm to assist in health dispute resolution, providing access to independent medical opinions in the event of appeals.

- Asked: Greater recognition of work

Answered: In response to a question on the survey, 56 percent of those responding did not believe they got enough recognition for the work that they did. To address that, the department instituted the Virginia Public Service Week, which in May, 2001, provided an opportunity for the Governor to publicly recognize the contributions and cost-saving suggestions brought forward by employees of the Commonwealth.

- Asked: Greater career advancement opportunities.

Answered: Nearly half (47 percent) of employees who completed the survey didn’t think they had a chance to progress in the state system. The Commonwealth’s employees have a clearer picture of a career path they can choose with the creation of “job families” that lay out employment options along a career continuum. Additionally, job classifications were reduced by 80 percent to reduce confusion and administrative burden, leading to a clearer overall picture of career advancement opportunities. Other initiatives include the development of a career center in the mezzanine of the Monroe Building that offers on-line job search capabilities for the public and state employees; enhanced training at all levels (in FY 2000, 2,998 employees received training in open enrollment classes offered by Personnel Development Services and another 1,756 employees received in-house training requested by the agency); development of the Human Resource Institute to provide human resource professionals with additional learning opportunities; instituting the Certified Public Manager Program to train a new cadre of managers and supervisors to fill the increasing number of vacancies in the managerial and supervisory ranks of state government; and continuing the Virginia Collaborative Leaders Program as another managerial track training opportunity for future managers.

- Asked: Better communication.

Answered: The survey showed that 62 percent of those responding agreed that they learn more about major initiatives through rumor rather than management communication. As an important facet of Compensation Reform, a continuing series of bulletins were issued to agency heads and human resource officers detailing the evolving aspects of Comp Reform. The information was also available at the department's Web site. As the call center anecdote illustrates, the enhanced communication efforts resulted in few calls for either clarification or comment.

- Asked: Fairness and equity in the workplace

Answered: While more than 50 percent of the workers who filled out the survey believed that there is no discrimination shown at their agencies, the potential for inappropriate workplace activities still exists and DHRM has provided training on a variety of workplace issues. The past year has seen sexual harassment complaints drop by 50 percent, in part because of the training offered by the department.