

**GOVERNOR'S
MANAGEMENT
REVIEW
COMMISSION**

**"STRATEGIC DIRECTION
OF
HUMAN RESOURCE MANAGEMENT
IN
NEW JERSEY"**

December 21, 1990

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TO: Members - Governor's Management Review Commission

FROM: Michael J. Scheiring *[Signature]*

DATE: December 21, 1990

SUBJECT: THE STRATEGIC DIRECTION OF HUMAN RESOURCE MANAGEMENT IN NJ

The Commission's review of the direction for human resource management in New Jersey and the Department of Personnel is unique in comparison with the other reviews of the executive departments. This is a policy direction review with two elements: its focus is on where the state should be organizationally with regard to human resource management, rather than an operating review on what improvements within specific areas of human resource management may be available. Included is a review of the "Strategic Direction of Human Resource Management in New Jersey" and a "Strategic Planning Report for the Department of Personnel.

The Commission, during its operational audits and crosscut reviews, became aware of a sense of frustration on the part of management and employees. The perception of these administrators, managers, and employees is that the state does not have a policy on managing human resources. There was a great deal of expectation, with the passage of the Civil Service Reform Act in 1986, that New Jersey was finally recognizing the importance of an effective human resource management strategy and program. Unfortunately, these hopes and expectations remain largely unfulfilled.

Functions, typically the responsibility of the central or corporate human resource department, are fragmented and spread across a number of departments in state government. While managers have primary concerns about the operational impact on their agencies of labor negotiations and the contract administration functions, they have little input. There is also widespread concern with the absence of a state-wide policy and a strategy on total compensation. Typically, compensation is viewed in terms of both salary and fringe benefits. In New Jersey these are managed by different agencies and are rarely considered as the entire compensation package.

One example speaks volumes on the care and attention paid to an area as critical as employee compensation. Prior to the passage of the Civil Service Reform Act, the Department of Civil Service was required, by statute, to provide the Civil Service Commission with a periodic market compensation survey. Reform legislation did not specifically include that requirement and as a result the Department last surveyed the market in 1985. The Department could argue that it was a waste of limited resources. Collective bargaining, in reality, sets the states compensation policy, neither the personnel department nor operating management play meaningful roles. These problems will continue until the state develops comprehensive and coordinated policies, strategies and programs for a total compensation package. It is also important to understand that employee benefits are determined by the legislature and have not been a meaningful aspect of negotiations.

A critical concern, of all levels of management, is the issue of the "salary cap" and how it impacts their recruiting, retention and career pathing. Managerial and other non-represented staff are subject to the "cap". It was not uncommon to hear that departments could not encourage quality employees to accept promotions, as they would become subject to the "cap". It has been brought to our attention that some current managers have requested voluntary demotions to get out from under the "cap". Consistently managers observed that the state was acting in a manner that left its management cadre with the impression that they have no alternative except to organize. There are already instances of managerial levels in the Corrections and law enforcement field petitioning the Public Employment Relations Commission (PERC) for representation rights.

Managers recognize that the work force and the workplace is changing, yet the state, at best, only reacts to these issues. There are few instances of a coordinated proactive approach to the management of our employees. An example is the difficulties experienced by operating managers in attempting to better utilize temporary workers or providing for non-traditional employment alternatives. There are issues of tenure, health benefits and union representation, which must be addressed in a coordinated manner, but three separate agencies have responsibility for these decisions.

Today's state work force is approximately 85% represented. The majority of these employees are also protected by the Civil Service Law and have appeal rights to the "Merit System Board", their union contracts, the PERC and ultimately the court system. There is no mechanism to effectively coordinate the management of the work force. This was envisioned to be the role of a Department of Personnel, but the Department is slow in changing its vision of itself. The former Department of Civil Service existed from 1908 till 1986, over that period of time there developed a certain organizational culture or vision focusing on regulation, employee protection and examination administration.

The management of a large government agency, with a mission as diverse as the State of New Jersey, requires a human resource management system tailored to the needs of the 21st century. This requires looking to a single agency, with the responsibility and resources to accomplish its role in government.

The purpose of this review is to surface these issues and assist the Governor in defining human resource needs and possible organizational placement. Harry F. Landsburg and Robert S. Wicks of the firm of Laventhol & Horwath were assigned to assist the Department of Personnel in assessing its strengths and weaknesses and developing a strategic direction. Through a series of meeting and a management retreat held in early November, the Department developed the attached strategic planning report which proposes its personnel role in this administration.

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Attachment

GOVERNOR'S MANAGEMENT REVIEW COMMISSION

REPORT ON THE

"STRATEGIC DIRECTION OF HUMAN RESOURCE MANAGEMENT IN NJ"

AND A STRATEGIC PLANNING REPORT FOR THE

DEPARTMENT OF PERSONNEL

PURPOSE:

The purpose of the review conducted by the Governor's Management Review Commission of the human resource management function was to determine what it is and what it should be. The Department of Personnel focused on what it could be in this administration; not what it has been in the past. The emphasis was on strategic planning and how it could evolve into a true human resource department. The Department received assistance in clarifying its mission and in developing goals and objectives as well as strategies to achieve them. Included as an addendum to this report to the Governor are working papers of Laventhol & Horwath and the Department of Personnel which is found in the Appendix and is viewed as a working paper for the Department of Personnel.

HUMAN RESOURCE MANAGEMENT IN THE 90's:

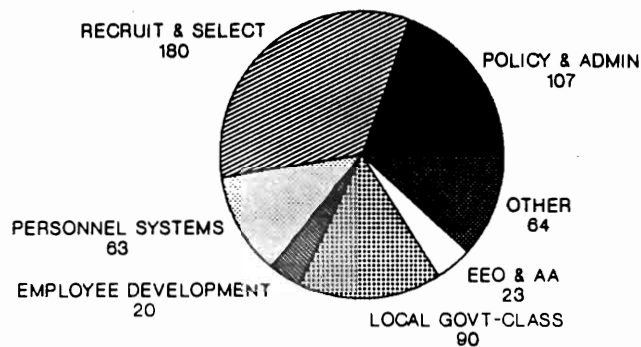
During the 1980's, personnel functions have become an increasing area of attention for corporate management as they have evolved into the human resource management functions. Organizations have realized that employees are a critical factor for the success of any business. Managing human resources has a major bearing on the bottom line. Today, the human resource manager is looked to as a key player in addressing critical issues and solving problems. The human resource manager is expected to:

- Recruit and retain the best available talent;
- Assist operating management in motivating the work force;
- Provide training to close performance gaps and develop the work force while maintaining its competitiveness in the market;
- Develop policies and procedures to deal with employer-employee relations;
- Maintain employee profiles and skills inventories, and assist in the development of succession plans; and
- Develop total compensation packages that reward productivity and support the corporation's recruiting and retention programs by insuring a competitive position in the marketplace.

OVERVIEW OF THE PERSONNEL FUNCTION IN NJ STATE GOVERNMENT:

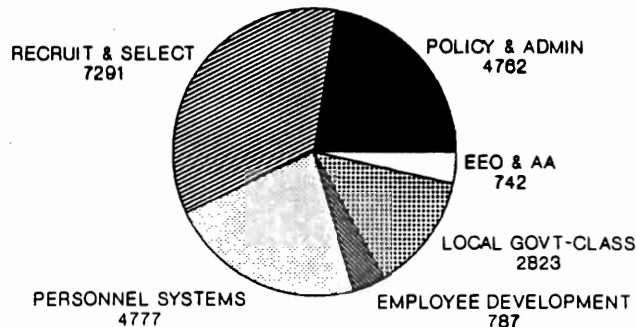
The New Jersey Department of Personnel (DOP) is one of the 19 major departments in the executive branch of state government. This Department operates with a total FY 91 appropriation of \$21.182 million. DOP is authorized a total of 548 positions. The following charts indicate how this Department's resources are currently allocated.

**DEPARTMENT OF PERSONNEL
PERSONNEL BY PROGRAM
548 POSITIONS**



FY91 RECOMMENDATION

**DEPARTMENT OF PERSONNEL
APPROPRIATIONS BY PROGRAM
\$21.182 MILLION**



FY91 Recommended Appropriations (000)

The traditional view of a comprehensive human resource management function has not historically coincided with the role of agency personnel managers nor the Departments of Civil Service or Personnel in New Jersey State government. This can be at least in part attributed to the traditional role of the former Department of Civil Service (DCS) and the resultant fragmented organization of those responsibilities.

New Jersey's personnel operations are presently a combination of a centralized agency, (the Department of Personnel) and a number of decentralized departmentally or in some cases divisionally based personnel offices. The Department of Personnel is authorized to either centralize or delegate various personnel functions. It has retained control over examinations and more recently acquired control of the training functions. In general, development of state personnel policy is the responsibility of the DOP, while implementation of this policy is the responsibility of agency personnel offices.

Civil service reform allowed the DOP to delegate some functions which were traditionally centralized under the previous DCS. The degree of centralization and/or agency autonomy continues to be generally based on the ability and size of the various agency personnel staffs. Cabinet officers and other executives tend to want full service personnel shops under their own control. This tendency has had an effect on the cost of providing many of the personnel and administrative functions.

HISTORICAL PERSPECTIVE:

Despite the establishment of agency personnel offices, every administration has experienced frustration brought on by its inability to effectively manage within the confines of the civil service. In the recent past, most administrations have proposed some degree of revision of the Civil Service statute. The original Merit System Bill (NJRS 11) was enacted in 1908 in reaction to public dissatisfaction with widespread patronage, and to insure that public employees were qualified and appointed based on merit principles. The purpose of the Act was to establish a state career service, based on the principles of demonstrated merit and fitness. The original statute has been periodically revised over the years. Despite these minor revisions, the civil service system has been perceived by many to be both cumbersome and archaic.

Since its inception, the administration of the civil service system has evolved into a Gordian knot of administrative rules, regulations, policies and procedures. Management's perception has been that the system has been self-perpetuating, getting things done within the system was difficult. The Civil Service Department reviewed all personnel transactions to insure that they complied with the law and existing policies. Over time, these processes became as important as the intent of the legislation. Civil Service continually promulgated administrative regulations in reaction to perceived problems of the day. Many operating agencies' personnel communities viewed Civil Service procedures and regulations as counter-productive, stifling managements ability to manage. There was a tendency on the part of Civil Service and agency personnel officers to function reactively and protectively rather than proactively.

In 1968, collective bargaining was introduced in the public sector. Currently, approximately 85% of state employees are members of bargaining units, thereby having the dual protection of both civil service and their unions. Managers must contend with both labor contracts and the protective nature of the civil service system. They have neither control nor input over either.

In 1986, with the passage of the Civil Service Reform Act, NJSA 11A, the New Jersey Department of Personnel was created. This Act provided for a number of major initiatives: the Senior Executive Service (SES); authority to establish pilot projects; authority to delegate some of the traditional centralized tasks and the option to consolidate certain personnel functions in a single agency. The primary functions of the former Department of Civil Service were continued in the Department of Personnel and the Merit System Board. The Department retained its unique responsibility to support and assist local governments, which rely heavily on this assistance. This Act left it up to the Governor and the leadership of the Department of Personnel to specifically mold the role and mission of DOP.

OBSERVATIONS:

The reform legislation envisioned a change in the emphasis of the Department and a broadening of its mission and goals. There was an expectation that the new Department's primary role would focus on proactive human resource management of the state work force. DOP was to take on the role of a central personnel agency; responsible for establishing policy and assisting operating managers in effective management.

The Department of Personnel has achieved some degree of success with their new mission, but many critics expected more since the Reform Law was implemented four years ago. The continued emphasis on examination functions and its regulatory role (at the expense of its consultant role) has been the primary criticism. Although the Department has made strides in consolidating titles, the reality of "generic titles" awaits the full implementation of the "uniform job analysis project".

Managers at all levels complain that there is very little provision for motivation and/or reward for quality work. At the same time poor or marginal performer's salaries and promotions rise with the tide. Realistically, managers must shoulder some of the blame. Many of them are so frustrated with the time consuming and complicated process of denying an increment that they have simply given up. Terminating an employee is perceived as a career effort and managers can find themselves subject to charges of discrimination at one of the many levels of hearings provided to state employee. Too often, they have decided that it is more feasible to try to have the employee transfer elsewhere. As a last resort, they simply leave them alone.

In general, managers fear a layoff or a "reduction in work force" (RIF); not necessarily because they fear for their jobs, but rather because of the chaos that accompanies it. The system is so cumbersome, and the bumping procedures so Byzantine, that operations commonly end up in turmoil. A common perception is that, invariably, the best employees are replaced by either marginal employees or employees whose expertise is in another area. After the fiscal crisis passes, recruiting becomes almost impossible. Many of the good employees surviving the layoff look less favorably on the supposed stability of government employment.

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Unfortunately, at the time of this review, the responsibility for overall human resource planning and management remains highly fragmented. Many of the traditional human resource functions reside in the Department of the Treasury, rather than Personnel. Other functions are handled intermittently by individual departments with little policy direction and at the risk of inconsistency.

FINDINGS AND RECOMMENDATIONS:

Evolution of Personnel Management Function

The states personnel management function is still evolving. The Civil Service Reform Act provided the opportunity for the new Department to evolve into a 21st century comprehensive human resource management function. The Department is only slowly changing its perception of itself as it begins to see the possibilities provided by the reform legislation.

Recommendation

The administration should consider the observations and findings of this review and the strategic plan proposals of the Department of Personnel. A decision needs to be made and communicated as to the appropriate role of the Department of Personnel in this administration.

Fragmentation of Responsibilities

The state's organizational assignment of responsibilities in the area of human resource management is fragmented. Typical human resource functions not currently included under the Department of Personnel including the following:

- Treasury is responsible for most of the fringe benefits management and policies associated with the state's benefits programs.
- Details of the health benefits plans, various employee leaves, and pension benefits are provided by the Legislature in statute. Understandably, the unions do not consider them subject to negotiations.
- Labor negotiations and contract administration are the responsibilities of the Office of Employee Relations, housed in Treasury and reporting to the Governor. Links with the Department of Personnel or operating management are, for the most part, informational.
- Responsibility for the health of the state employees and the safety of the workplace is shared by a number of agencies e.g., "Risk Management" in Treasury, "Workplace Standards" and "PEOSHA" in Labor, employee "Wellness" programs in Health, the Center for Occupational Medicine (COM) in Environmental Protection, and the "SLI" and Sick Leave programs in the DOP. Furthermore, the states health and safety efforts are often the subject of labor contract negotiations.
- Salary increases negotiated for represented employees, as well as the extent of funding available for exempt and managerial performance pay is, in reality, determined by the Office of Management and Budget (OMB) in Treasury.

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- Human resource planning is a function of OMB's "Strategic Planning and Budget Process". The DOP has no involvement.

Recommendation

The administration needs to focus on the critical role of human resource management for the state. Ongoing analysis and decision making, rather than tradition, should dictate the location of a comprehensive human resource management program. A comprehensive strategy needs to be developed and implemented to insure the degree of coordination necessary to effectively and efficiently manage the state's total work force.

Some specific recommendations include the following:

- Consolidate and coordinate the personnel policies and programs of the state under the auspice of a single agency reporting to the Governor;
- Insure that the human resource management function and operating management have effective input in developing and implementing both a labor management and negotiation strategy;
- Have the state develop a performance management system that supports the "pay for performance" philosophy. The system should be used to promote, demote or terminate employees based solely on objective evaluations of performance.

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- Have the state reconceptualize current policies and procedures required to implement the "rightsizing" of its work force. It should be done in a manner which reacts to future modifications in mission, priorities and resources consistent with Merit System principles.

Double Protection for Employees

The traditional interpretation of protections provided by civil service offers another alternative to address various employee appeals. This is in addition to the protection provided by unions. Processes and procedures, implemented in response to the various contracts and the civil service statute, have become cumbersome and are poorly understood by both employees and managers. Too often productive work takes a back seat in attempts to ensure "due process". Due to revenue shortfalls, cutbacks in federal funds, as well as changes in priorities, existing procedures prevent the state from providing alternative employment environments. In many cases alternative environments could be more responsiveness to the needs of a work force that is trying to balance employment and personal responsibilities.

Recommendation

Provide represented employees with either the rights and benefits of civil service employment or the rights and benefits provided by union contracts. Non-represented managerial, as well as other exempt employees, should continue to rely on civil service. Byzantine rules and procedures dealing with a layoff should be streamlined for civil service employees and negotiated for employees represented by the unions.

Absence of Philosophy & Strategy for Total Compensation

New Jersey has neither a philosophy nor a documented strategy for compensation of its work force. Concepts of "total compensation" (factoring in both salary and fringe benefits), "market based compensation" or "performance pay" are foreign to the present system. The state's salary structure was last referenced to the marketplace at the time of the implementation of the "Hay System" in the late 1960's, early 1970's. Annual increments for employees are based on longevity, not performance.

The concept of "pay for performance" is far from a reality. Based on FY 90 data provided by the Department of Personnel, only 69.7% of the total eligible population of 74,573 state employees have actually received ratings. The total number of unsatisfactory ratings (a rating of 5 on a scale of 1-5), which could have resulted in the denial of an increment for a period of 90 days has amounted to 60 employees or only 0.12% of those rated. Most represented employees receive both the negotiated cost of living adjustment (COLA) and an annual increment. The concept of "pay for performance" is employed effectively only with the managerial and non-represented work force.

Recommendation

Develop and implement a salary philosophy and strategy based on the marketplace. Periodically readjust it to that market. Base the salary program on the concept of a total compensation package. Negotiated increases should take into account the total compensation to be received by employees and the need to balance salary increases with productivity increases. Annual increments should be based on demonstrated performance for all employees*.

* The Governor's Management Review Commission will be presenting a more detailed recommendation on the state's compensation system at a future meeting.

SUMMARY:

In conclusion, the state must develop a strategy for the proactive management of its human resource and a comprehensive program to implement its strategy. A full service human resource program should be consolidated under the direction of a single agency.

The principal elements would include the following functions:

- Human resource research and manpower planning;
- Total compensation, administration and planning (development of a philosophy, strategy, policies and programs);
- Fringe benefits administration including: health, pension and leave benefits and an employee counseling and assistance program**;
- Selection and placement including: examination or other selection criteria development, administration and employee certification;
- Position classification;
- Training and employee development;

** The management of the pension funds and the development of appropriate investments strategies should continue to be the responsibility of Treasury's Division of Investments.

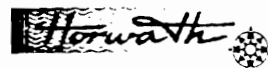
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- Development and maintenance of a Human Resource Information System;
- Employee mobility and succession planning;
- Labor contract administration***; and
- Employee health and safety programs.

*** The responsibility for labor negotiations need not reside in the human resource management agency. The Governor should decide who will represent him in negotiations with the various unions. The state needs to develop a comprehensive negotiation strategy incorporating the concept of a total compensation package related to productivity. The human resource management agency and representatives of operating management should be involved in developing this strategy.

STATE OF NEW JERSEY
DEPARTMENT OF PERSONNEL
STRATEGIC PLANNING RETREAT REPORT
NOVEMBER, 1990

LAVENTHOL & HORWATH
Certified Public Accountants
A member of Horwath International



STATE OF NEW JERSEY
DEPARTMENT OF PERSONNEL
STRATEGIC PLANNING RETREAT REPORT

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**LAVENTHAL & HORWATH
ENGAGEMENT SUMMARY**

**STATE OF NEW JERSEY DEPARTMENT OF PERSONNEL
ANALYSIS OF STRATEGIC DIRECTION
FOR THE
GOVERNOR'S MANAGEMENT REVIEW COMMISSION**

INTRODUCTION

Laventhal and Horwath was retained by the Governor's Management Review Commission to evaluate the strategic direction of the State of New Jersey Department of Personnel (DOP). The work product which resulted from this engagement is the attached Strategic Plan. By its nature, a strategic plan presents the best efforts of a knowledgeable group of organizational leaders to focus the future direction of their entity so that desirable goals can be achieved in an organized, measurable way. That objective was accomplished well by the listed participants at the strategic planning retreat facilitated by organizational consultants from Laventhal and Horwath.

ENGAGEMENT METHODOLOGY

As facilitators of the strategic planning retreat, the Laventhal and Horwath consultants began assistance by discussing the potential focus of the Department with Commissioner Andrew Weber. Ensuing interviews with Assistant Commissioners and selected senior level staff within the DOP were also conducted.

To balance the consultant's perspective of the DOP interviews of external users of DOP services were also conducted by the consultants. These perceptions of DOP's historical performance were factored into the strategic plan development by the facilitators and are highlighted here for further emphasis.

USER PERCEPTIONS

The following observations were consistently noted among outside users of Department of Personnel's Services:

- Users were comfortable with the regulatory role of Department of Personnel and satisfied with consistent application of rules and regulations.
- Users were protective of the role of their internal Department to the organization in which they were housed. The consultant noted a strong (and reasonable) relationship between a Department's Commissioner and the interviewer. Uniformly, the departmental/agency directors valued this "independence" from DOP at the operating level while also expressing strong sentiment to properly scoped policy setting by DOP.
- Users voiced a desire to have Department of Personnel more fully utilize previously structured advisory panels to complete a comprehensively structured communications cycle between personnel professionals "in the field" and key executives at DOP.
- Users viewed the vast majority of Department of Personnel as technicians proficient in their roles and responsibilities. They also expressed a desire for a work exchange program between Department of Personnel staff technicians and their own field personnel mostly to provide the Department of Personnel staff first hand experience with the kind of daily situations that initiate contact with the Department of Personnel.

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- Finally, users voiced the need for an expanded human resources management role for Department of Personnel. This expanded role for Department of Personnel would better focus solutions to departmental/agency human resource needs and questions and enhance the perception of state employees of the quality and direction of human resource policy development and application.

LAVENTHOL & HORWATH OBSERVATIONS

As planning facilitator for the DOP and as consultants to the Governor's Management Review Commission, the professionals from Laventhol and Horwath observed the following issues and related recommendations:

- Employees of the State of New Jersey would benefit from the centralization of policy making with respect to human resources issues. This provides many opportunities for the DOP to bring together the authority to manage policy and the skills to support perceptive, quality decision making.

Centralization of policy making does not necessitate significant shifting of operational management and clerical support of existing personnel related functions now housed elsewhere. Strategic shifts of key decision making leaders and senior level support staff should be implemented. This would more closely align the state's human resources function with a corporate parent/subsidiary model.

An additional benefit of centralized policy making relates to more concise, effective communications among the executive and legislative branches of government and the DOP. Responses by DOP to questions from governmental leaders should be better focused and more efficiently formed.

This enriched structure would better allow DOP to champion policies to the enablers of legislation and maintain a more direct and workable flow of quality communications.

- The focus of services to local governments and independent authorities should be maintained. The link between services offered and needed is reasonable and could benefit from enhancement. Demand for enhanced services to this group of constituents could be substantial as alternative sources of cost-justified services is limited.

In its strategic plan, the DOP noted a number of areas of opportunity that, when combined, place the DOP as a broadly structured human resources policy making body. The primary focus of opportunity realization should be directed first to specific involvement in contract administration and, secondly to employee benefits effectiveness analysis and policy making. These two areas are widely recognized among human resources professionals as inherently appropriate to a comprehensive human resources administration program that most benefits an entity's employees. Other areas mentioned are of importance but are a follow-up to these initial efforts. To anticipate a timeframe of 12 to 18 months to integrate the stated functions at the policy making level with DOP would be realistic.

CONCLUSION

The strategic plan that focuses on policy making centralization at DOP is a well structured effort to finally implement many of the intentions of the 1986 legislation renaming the Department and expanding its horizons. However, it comes at a time of budgetary constraints which may significantly impact service delivery capability. These contradicting trends require fewer employees to maintain service delivery capability. These circumstances appear to result in the need for the remaining employees to enhance skills and expand a positive attitude towards job challenges.

The role of the DOP as the human resources leader in the State of New Jersey grows tremendously in the scenario, and its financial support a key factor in maintaining quality.

INTRODUCTION

This report presents the results of the Strategic Planning Retreat held on November 1 and 2, 1990 at the Department of Personnel Training Facility on the Forrestal Campus in Princeton, New Jersey. The meeting was facilitated by Harry F. Landsburg and Robert S. Wickes of Laventhol & Horwath. The participants in the planning retreat were:

- . William Scheuer, Acting Commissioner, DOP
- . Linda Kassekert, Deputy Commissioner, DOP
- . Robert Hartman, Assistant Commissioner, DOP
- . Peter Calderone, Assistant Commissioner, DOP
- . William Parikas, Administrator, Office of Personnel Management, DOP
- . Tom Gallagher, Manager Administration, DOP
- . Robert De Nicholas, Director, County and Municipal Government Services, DOP
- . Edward Nelson, Administrator, Selection and Placement, DOP
- . Mary Ann Cannon, Manager, State, County and Municipal Customer Customer Services, DOP
- . Joseph DeLascio, Retired, DOP
- . D. Craig Stevens, Director of Personnel, DEP
- . John K.I. Walsh, Management Analyst, GMRC

The ideas and decisions that were recorded throughout the meeting are reported here verbatim. Only minor editorial changes have been made to the original body of data generated during the session.

Prior to the strategic planning retreat, all of the participants were interviewed individually as were a selection of other Departmental Commissioners, Agency Directors of Personnel and members of the Governor's Management Review Commission.

SITUATIONAL DIAGNOSIS

The initial phase of developing a strategic plan for NJDOP was the completion of the situational diagnosis. In this phase, all individual participants in the preliminary interviews were asked to present their perspectives on the organizations strengths, weaknesses, opportunities and threats.

Strengths and weaknesses are measures of the internal structure and functioning of the NJDOP. Opportunities and threats measure the external factors that the NJDOP needs to respond to in its "marketplace" of state, municipal, local, county and agency constituents.

During the strategic planning retreat, the participants were required to merge their individual perspectives and build a consensus on the Department's internal strengths and weaknesses and external opportunities and threats.

The consensus listings follow. The order within each listing is as recorded by the facilitator - it is random and should not be viewed as prioritizing issues or actions.

STRENGTHS

- . The number of experienced, dedicated, technical people well-focused on their areas of responsibility
- . Training program quality
- . Apolitical nature of the Department
- . Dedicated, concerned competent employees
- . Credible authority
- . Commitment to due process
- . Strongly supported merit system statute
- . Multiple accesses/routes to the Governor
- . Effective advocacy for constituents
- . High quality test development, administration and selection process

WEAKNESSES

- . Staff communication style to constituents
- . Lack of succession planning
- . Lack of depth in almost all areas
- . Quality of internal communication
- . Ability to respond within an inherently complex structure (classification, testing, etc.)
- . Reactive
- . Historic inability to implement changed focus identified by D.O.P. for a statutory/service mixture
- . Inability to anticipate/control/respond to workload fluctuations in the regulatory role of the D.O.P.
- . Lack of overall Human Resources focus, and information at all levels of government, that would fuel D.O.P. focus, priority setting and planning
- . Historic absence of "marketing" to other departments and agencies
- . Structuring constituency support to promote D.O.P. goals
- . Lack of effective press relations
- . Absence of reward and discipline practices and the ability to follow-up
- . Lack of proper implementation and utilization of the SES initiative

OPPORTUNITIES

- . Media relations - "Get the message out" expand to constituents
- . More fully implement provisions of the 1986 reform bill to better delegate/involve agency personnel directors
- . Set standards for personnel professionals in state and local governments
- . Utilize employee work experience exchange between D.O.P. and departments/agencies
- . Initiate state-wide personnel studies as drivers of policy development
- . Support selection of new commissioner as skilled human resources executive
- . Better utilize client/legislators to support our initiatives
- . Receptive administration to D.O.P. initiatives and direction
- . Linking role of agency personnel officer to D.O.P. direction and role
- . Provide personnel improvement projects to client municipalities
- . Development of compensation system with internal equity and externally competitive salary structure
- . Principal focus on human resources development
- . Make Department of Personnel a full-functioned Human Resource Department including:
 - . Pension
 - . Health Benefits
 - . Labor Relations
 - . Position Control
 - . Mobility
 - . Training
 - . Risk Management
 - . Human Resource Information Systems
 - . Research
 - . Planning
 - . Compensation
 - . Organizational Structure
 - . Professional Certification
 - . Examination
 - . Performance Management
 - . PEOSHA
- . Viewed as focused to client needs and input
- . Fee generation opportunities

CONCERNS

- . State wide layoffs as they impact DOP's workload processing
- . Assimilation by another department
- . Less than optimal control over the local government appointment process
- . Perception of D.O.P. being unable to deal with compensation compression
- . Broadening of veterans preference legislation
- . Reduction of departmental unity in mix of union/non-union environment
- . Funding
- . Litigation judgements and costs of litigation process
- . Scope of negotiations legislation
- . Loss of qualified personnel to other departments, agencies, industry or retirement
- . Demographic problems of labor supply and qualifications
- . Economic conditions impacting workload of section's of the D.O.P.
- . Mood of the public towards government

MISSION STATEMENT

Each organization should have a mission statement that expresses and communicates the basic intent of the organization. The mission statement should include the values and focus of the organization and could even be referred to in establishing Departmental policy and direction.

The mission statement presented on the following page is an enhanced version of the mission statement developed at a previous planning session.

MISSION STATEMENT

The New Jersey Department of Personnel's mission is to provide a Human Resources System that recognizes managerial objectives and employee needs for the effective delivery of public services. This mission is accomplished by assisting public sector employers in recruiting, selecting, developing, and retaining a qualified work force while meeting all compliance requirements. In furtherance of this mission, the Department of Personnel will function as a full-service Human Resources agency to public sector employers and their employees.

GOALS AND OBJECTIVES

Strategic goals and objectives are developed based on appropriate responses to the situational diagnosis. These goals should be consistent with the Department's Mission Statement and should indicate important areas of focus.

The goals and objectives developed by the participants at the strategic planning retreat are listed on the following page. The order of the list was as recorded by the facilitator - it is random and should not be viewed as prioritizing issues or actions.

These goals were created within a framework that assumed the DOP recognized its inherent responsibilities to support the improvement of skill levels in all constituent workforces, enhance productivity of the State's workforce and to improve the overall effectiveness of governmental agencies.

GOALS AND OBJECTIVES

		<u>STRATEGY</u>
1.	Improve/upgrade employee morale	3
2.	Become a full service Human Resources agency	2
3.	Improve communication at all levels	3
4.	Make D.O.P. responsible for contract administration	6
5.	Improve legislative/client/public perspective on the D.O.P.	3,8
6.	Improve service orientation	1,3
7.	Achieve succession planning	3
8.	Develop public sector standards for personnel professionals	7
9.	Structure transfer/mobility program	2
10.	Structure comprehensive Human Resource policies for DOP employees	3
11.	Improve local government hiring activities and D.O.P. approval/control structure	1,3
12.	Address compensation administration needs	5
13.	Obtain legal and technical resources to properly defend D.O.P.	4
14.	Improve relationship between DOP and Agency Personnel functions	7

STRATEGIES

After the goals were developed, the planning group developed a set of strategies which describe the methods to be employed to accomplish stated goals. The strategies developed provide for accountability in that they present action plans that show the person(s) responsible for the implementation of that strategy and the estimated date of completion for that activity.

As the planning group worked through the strategies they recognized that the achievement of selected goals and objectives were combined under one strategy. The objectives were combined under one strategy. The column under Strategies on the previous page cross references the following strategies to the previously listed goals.

All strategies, unless otherwise indicated, assume a start date of November 15, 1990.

STRATEGY #1: Develop Full Service Office at a Single Site.

Action Step	Person(s)	Date
1. Establish initial components of the concept along with risk/reward analysis	Bill Scheuer	12/31/90
2. Implement concept by developing model office	MaryAnn Cannon Robert DiNicholas	6/30/91
3. Evaluate operations and modify operations as appropriate specifically assess expansion at this time	MaryAnn Cannon Robert DiNicholas	7/30/91

STRATEGY #2: Become a Full Service Human Resources Agency.

Action Step	Person(s) (Team Leaders)	Date
1. Identify opportunities and resources, prioritize actions	Linda Kassekert	12/15/90
2. Obtain approval from Committee		12/31/90
3. Develop detailed action plan for each opportunity		2/15/91
4. Make budgetary decisions and obtain final approval on priorities (assuming new funding)		11/30/91
5. Implementation		Ongoing

STRATEGY #3: Internal Improvements.

Action Step	Person(s) (Team Leaders)	Date
1. Establish and facilitate committee to develop scope of questions	W. Barkley I. Munginbey S. Cooney	12/31/90
2. Have Commissioner review questionnaire	William Scheuer	1/15/91
3. Distribute and return questionnaires		1/31/91
4. Tabulation of responses		2/28/91
5. Drafting of report addressing communication, succession, service and perception issues		3/31/91
6. Review and acceptance by the Committee	William Scheuer	4/30/91
7. Continue by establishing new committee to implement individual recommendations		5/15/91

STRATEGY #8: Gain Governor's Support.

Action Step	Person(s) (Team Leaders)	Date
<p>1. Develop a plan/report</p> <ul style="list-style-type: none"> A. Decide areas of inclusion B. Develop benefit analysis C. Create model based on A&B D. Discuss with selected members of Governor's staff and obtain buy in-modify model as necessary E. Present plan to GMRC F. Obtain governor's approval G. Develop model implementation schedule 	<p>Linda Kassekert</p>	<p>12/1/90</p> <p>1/31/91</p> <p>2/15/91</p> <p>2/28/91</p> <p>3/31/91</p> <p>3/31/91</p>

STRATEGY #4: Obtain Legal Services to Properly Fefend D.O.P.

Action Step	Person(s)	Date
<ol style="list-style-type: none"> 1. Define problem and assess financial resource impact 2. Review by D.O.P. Committee 3. Inform GMRC/Peat Marwick 4. Get review and decision from A.G. on deposition of issue of who should handle this 	<p>Peter Calderone Robert Hartman</p>	<p>11/30/90 12/15/90 12/31/90 2/15/91</p>

STRATEGY #7: Establish Appropriate Relationship Between D.O.P. and Agency Personnel Functions.

Action Step	Person(s) (Team Leaders)	Date
1. Identify improvement needs	William Scheuer William Parikas	12/31/90
2. Determine appropriate responses		1/31/91

STRATEGY #5: Address Compensation Needs.

Action Step	Person(s)	Date
1. Assess condition of current system (Cash and non-cash compensation structure)	B. Connor	12/31/90
2. Draft proposal to secure funds for a feasibility study	Gallagher/Fabian B. Connor	1/15/91
3. Create and issue RFP for outside development of compensation system		3/15/91
4. Select contractor		6/15/91

STRATEGY #6: Make D.O.P. Responsible for Contract Administration.

Action Step	Person(s)	Date *
<ol style="list-style-type: none"> 1. Receive Approval 2. Interact with O.E.R. to determine distribution of accountabilities 3. Organize function 4. Implement <p>* Start date not defined at this time.</p>	Peter Calderone	<p>Week 1</p> <p>Week 5</p> <p>Week 9</p> <p>Ongoing</p>

