

## Washington Management Service (WMS)

### Background

The Washington Management Service is a decentralized personnel system for classified managers in state government. It was created by legislation in 1993 and codified in RCW 41.06.500.

WMS recognizes the unique nature of management positions and the importance of strong management skills to effective state government. It gives agencies flexibility to effectively recruit and hire managers with specific skills, to assign a wider array of duties to managers, and to change assignments or quickly redeploy staff based on business needs.

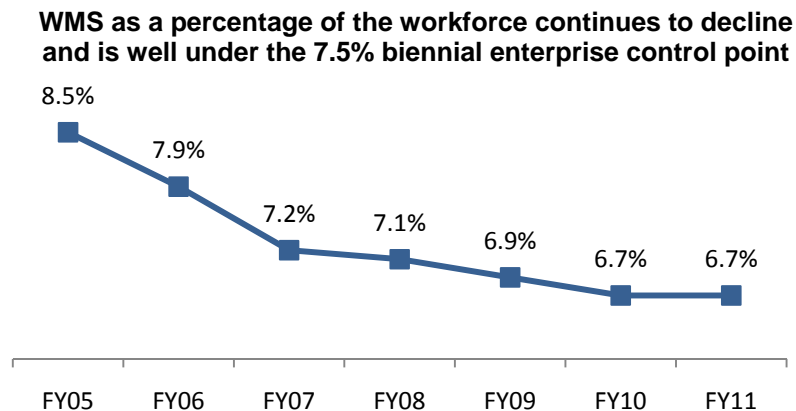
RCW 41.06.500 calls for:

- A simplified classification system that facilitates mobility for managers
- Flexibility in setting and changing salaries
- A performance appraisal system emphasizing accountability
- Training to build critical management knowledge, skills, and abilities
- Flexible recruitment and hiring procedures to help the state be more competitive
- Reduction, dismissal, suspension or demotion only for cause
- Decentralized and regional administration

Implementation of WMS resulted in the elimination of 350 unique job classes (e.g., Personnel Manager, Financial Manager, IT Manager). The program received national recognition from Governing Magazine, the National Association of State Personnel Executives and the Council of State Governments.

### Managing Growth

In 2005, the Governor's Mid Management Reform Initiative required elimination of 1,000 manager positions by June 2007 (most positions were WMS). Since then the Department of Personnel (DOP) has been monitoring WMS, actively managing the growth and assessing the need for additional central controls.

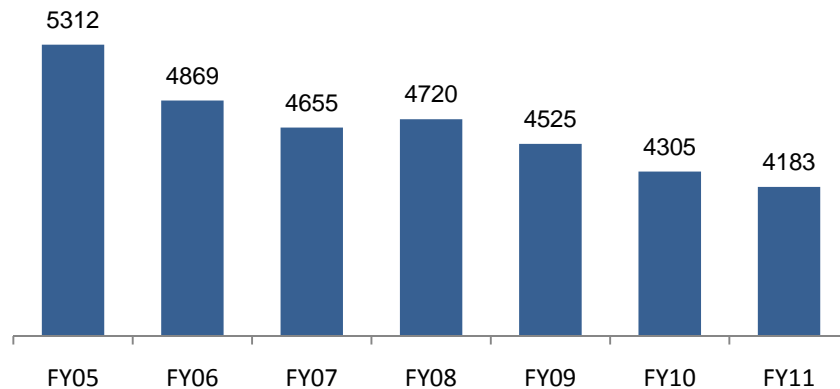


## History of WMS

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- **1993** – WMS created.
- **1995** – WMS receives national award from the National Center for Public Productivity at Rutgers University.
- **2001** – Joint Legislative Audit Review Committee (JLARC) conducts review of WMS. Final report issued in early 2002.
- **2002** – Department of Personnel (DOP) completes comprehensive study as follow up to JLARC report. Results: 407 positions identified for removal from WMS and 130 positions identified for abolishment.
- **2005** – Governor’s Mid Management Reform Initiative requires cutting 1,000 management positions by June 30, 2007. Majority of cuts were WMS positions.
- **2007** – DOP implements agency and enterprise control points to manage growth of WMS. DOP monitors agency usage and agencies report in GMAP and HR Management reports.
- **2009** – DOP FY10 agency priority is to review the state’s management services (WMS and exempt management) and develop options to better manage both services.
- **2009** – Enterprise control point review results in cap being set at 7.5% for the biennium.
- **2009** – At request of DOP Director, state HR community forms two workgroups to develop a uniform, enterprise-wide process for the inclusion and placement of WMS positions.
- **2010** – HR workgroups recommend changes to rules, processes, tools and training for WMS committee members. DOP leads efforts to further develop and implement the recommendations, including contracting with an external expert to revise the Job Value Assessment Chart (JVAC) and Evaluator’s handbook used to evaluate WMS jobs.

**WMS headcount has declined by 21% since FY05**



## Management Reform

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The Washington Management Service (WMS) has been an ongoing target of criticism from both employee organizations (unions) and legislators. The criticism stems from a perceived lack of transparency, consistency, oversight, accountability for agency pay practices, and required managerial skill development, as well as program growth.

In July 2007, DOP implemented agency and enterprise control points to manage growth of WMS. Agencies began reporting on WMS in their GMAP and HR Management reports. Since then, the state has seen a 10 percent reduction in the number of WMS managers.

### Additional Improvements Underway

In December 2009, DOP Director Eva Santos asked HR Directors to develop and recommend a uniform, enterprise-wide process for the inclusion and placement of WMS positions to improve accountability, transparency, and consistency of the WMS as a whole. Administrative Process and Inclusion Criteria workgroups were formed with leadership and representation from the state HR community.

By spring of 2010, these groups made recommendations on changes to rules, processes, tools and training for WMS committee members. DOP led efforts to further develop and implement the recommendations of the workgroups. This included contracting with an external expert to revise the Job Value Assessment Chart (JVAC) and Evaluator's handbook used to evaluate WMS jobs.

### Status

All tools and processes were finalized in November. See the improvements table (page 4) for a complete list of changes in process. Agency Coordinators were trained in November and December 2010. Agency WMS Coordinators are in the process of updating procedures within their agency and training their WMS Committees on the new rules, tools and processes which become effective April 1, 2011.

### Next Steps

- In January, DOP to provide options to agencies on how to transition to use of the new JVAC tool by April 1, 2011.
- Agency coordinators train WMS committee members – December 2010 through March 2011.
- Agencies submit WMS Inclusion and Evaluation Procedures to DOP for approval by March 31, 2011.
- Agencies submit self-audit and first activity reports in July 2011.

## Improvements

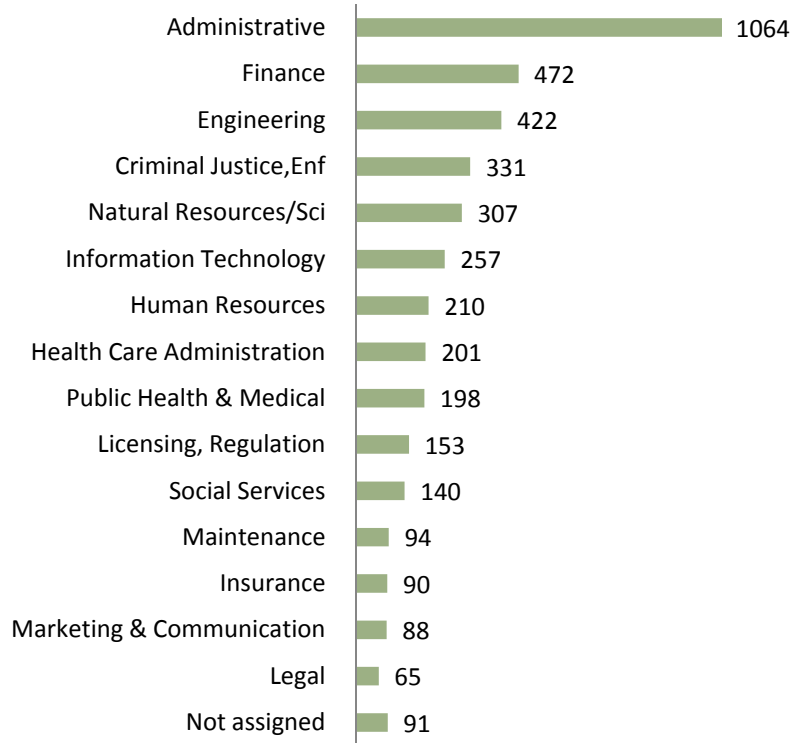
Pre-Changes	Post Changes (complete by Spring 2011)
No enterprise control prior to July 2007	In November 2009, DOP Director revised enterprise wide control point for current biennium to 7.5%
Limited monitoring	DOP began monitoring WMS use through agency control points in July 2007; agencies above control point required to report in their HRM report. In 2011 agencies will begin submitting a detailed WMS activity report annually
WMS Performance pay (on a limited basis) permissible without Performance Management Confirmation	Expedited approvals for WMS performance pay that were not approved through Performance Management Confirmation rescinded in January 2010
Agencies established evaluation and inclusion processes, no consistency across the enterprise	Each agency must submit evaluation and inclusion procedure to DOP for approval
Evaluation committees determined solely by agency, with no external involvement or criteria for committee members	Evaluation committees must include at least three representatives, one from HR, one manager and one representative from another agency; WMS Coordinators must be from Human Resources
No training required for agency committee members or WMS Coordinators	All evaluators required to receive WMS training; ongoing training to be provided by DOP
No external auditing	Results of a DOP prescribed agency self-audit submitted to DOP; periodic targeted audits completed by DOP and/or external representatives
Same evaluation (JVAC) tool and handbook used to evaluate Exempt and WMS jobs	Separate evaluation tools proposed for WMS positions (one for traditional managers and a separate one for individual contributors)
Same Position Description form for both Exempt and WMS jobs	Separate Position Description forms for WMS and Exempt
Lack of position information; difficult to determine and compare like positions in WMS	DOP established fifteen career categories (e.g., IT, HR, Finance, Engineering) and agencies coded positions in HRMS; DOP can centrally run data to determine usage of WMS

Questions/Resources:

More information is available on the DOP website:

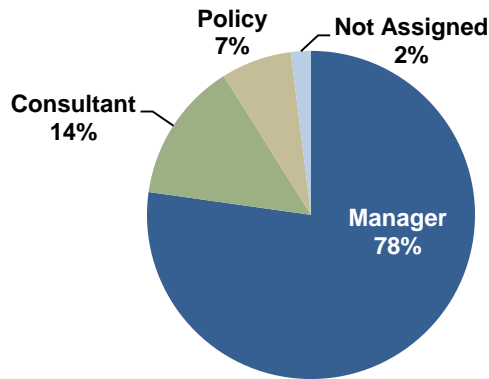
<http://www.dop.wa.gov/strategichr/SharedServices/Pages/ManagementReform.aspx>

**WMS employees are distributed across various market segments**



The largest segment of the WMS workforce falls in the Administrative market segment, with 26 percent of WMS. Positions included in this category typically determine and formulate policies and provide overall administrative activities. Examples of jobs included are: Public Disclosure Officers, State Auditors, Risk Managers and Researchers.

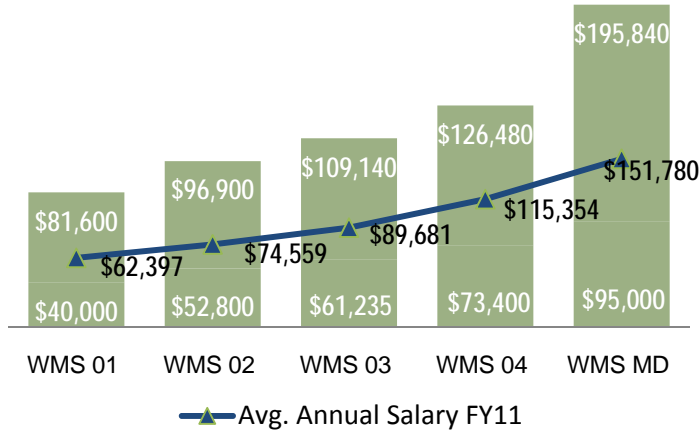
**Most WMS employees manage people**



Most WMS positions are managers of people. The remaining WMS positions are either expert consultants or key policy advisors to executive management.

## WMS Salaries

### Average annual WMS salaries continue to fall close to the midpoint of the pay band

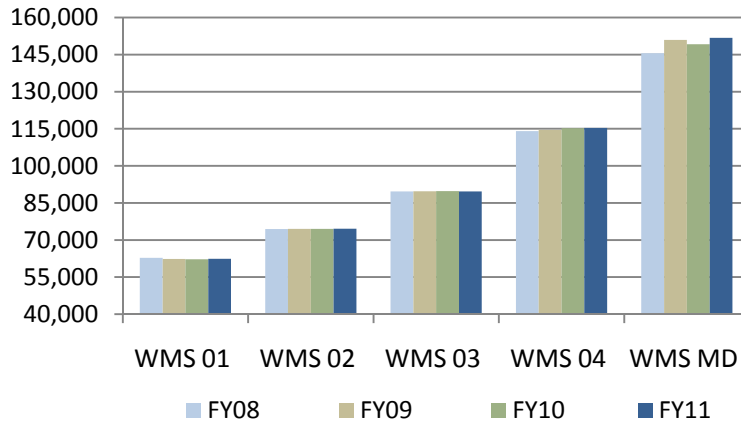


WMS positions are grouped into broad management bands based on:

- Nature of management
- Decision-making environment and policy impact
- Scope of management accountability
- Control assigned to the position.

Within the salary limits of the band, agencies use a variety of tools to determine the specific salary for the position.

### WMS average annual salaries by band remain static



WMS employees do not receive annual step increases. Normally, agencies can adjust salaries to reflect changes in the position's responsibilities and the demonstrated growth and development of the manager. However, the Legislature has frozen all salary increases for WMS as of February 2009 through June 2011.

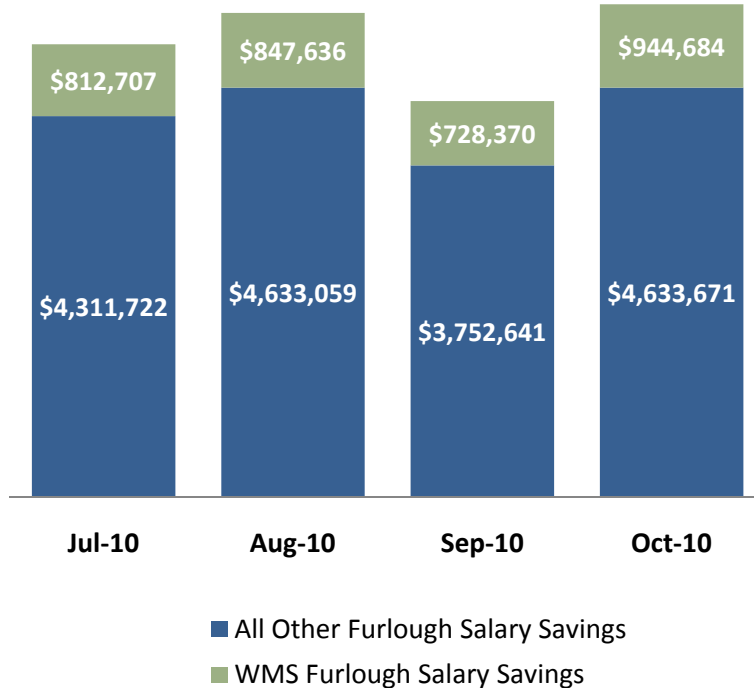
### WMS Average Annual Salary Data for FY11 (as of December 2010)

Pay Band	Band Minimum	Band Maximum	Band Midpoint	Avg. Annual Salaries	% Difference from Midpoint	WMS Headcount
WMS 01	\$40,000	\$81,600	\$60,800	\$62,397	2.56%	571
WMS 02	\$52,800	\$96,900	\$74,850	\$74,559	-0.39%	2543
WMS 03	\$61,235	\$109,140	\$85,188	\$89,681	5.01%	953
WMS 04	\$73,400	\$126,480	\$99,940	\$115,354	13.36%	97
WMS MD	\$95,000	\$195,840	\$145,420	\$151,780	4.19%	19

## Impact of Temporary Layoff

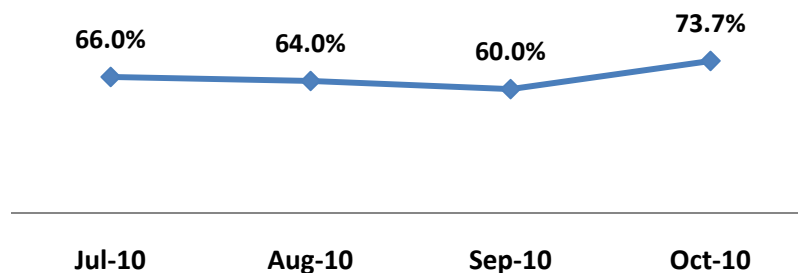
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### 16% of temporary layoff savings come from WMS employees



On average, 16 percent of the total legislatively mandated temporary layoff (furlough) salary savings come from WMS employees. In contrast, WMS employees are only 6.7 percent of the workforce.

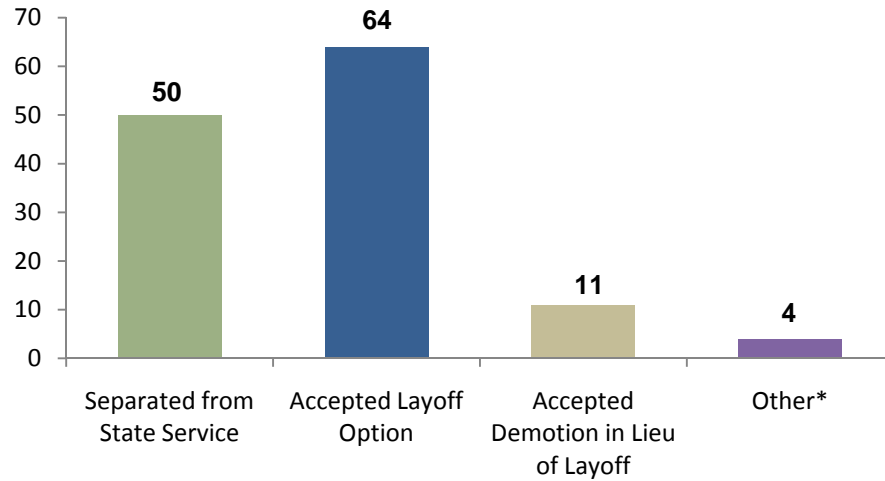
### 60% or more of WMS employees have been temporarily laid off (furloughed) each month



Some WMS positions are excluded from the temporary layoffs based on performing those activities specifically exempted by the Legislature.

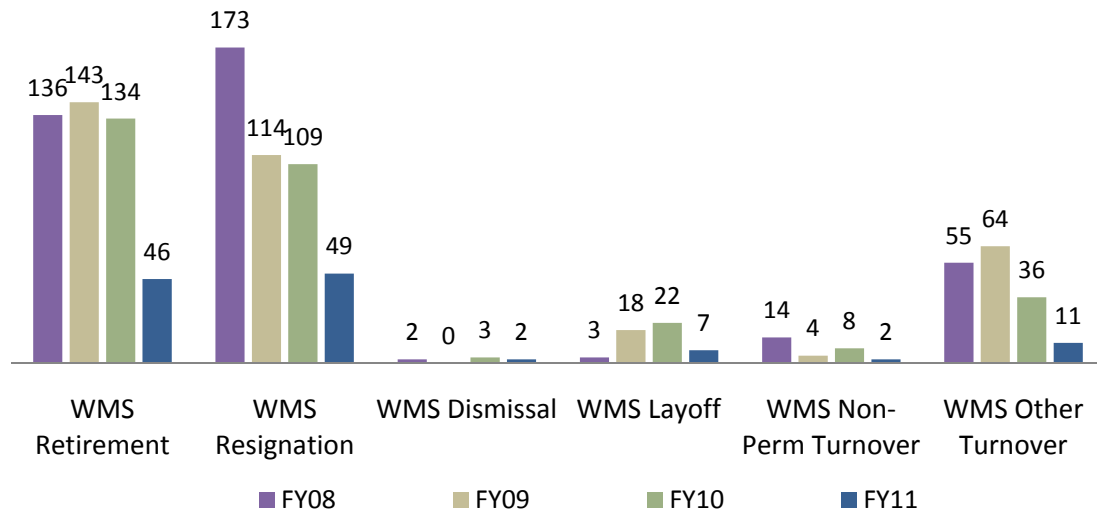
## Layoff and Turnover for WMS employees

### 129 WMS employees have been impacted by layoff since FY 08



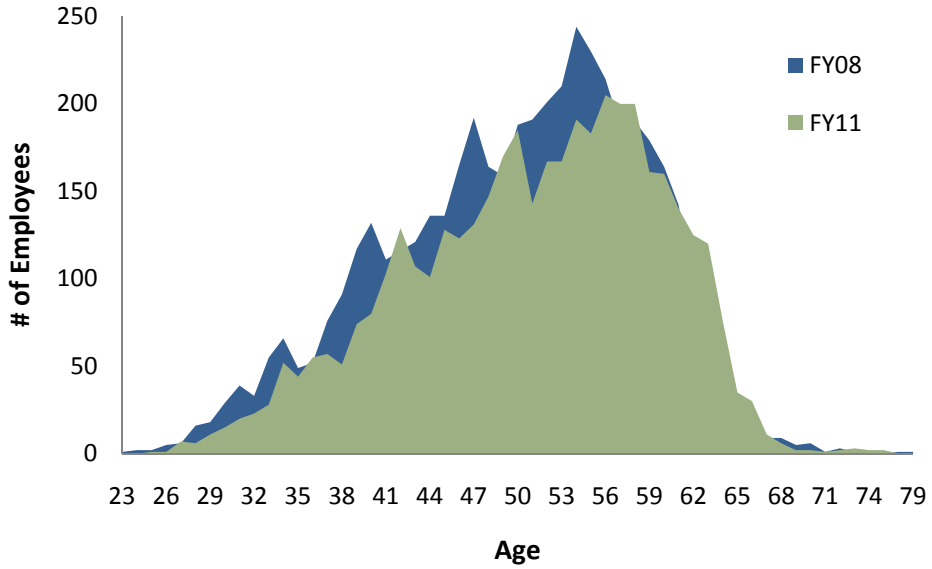
\*Other includes non-permanent appointment in lieu of layoff, appointment from layoff list, and General Government Transition Pool (GGTP) appointment.

### Retirement and resignation remain the primary reasons for WMS turnover

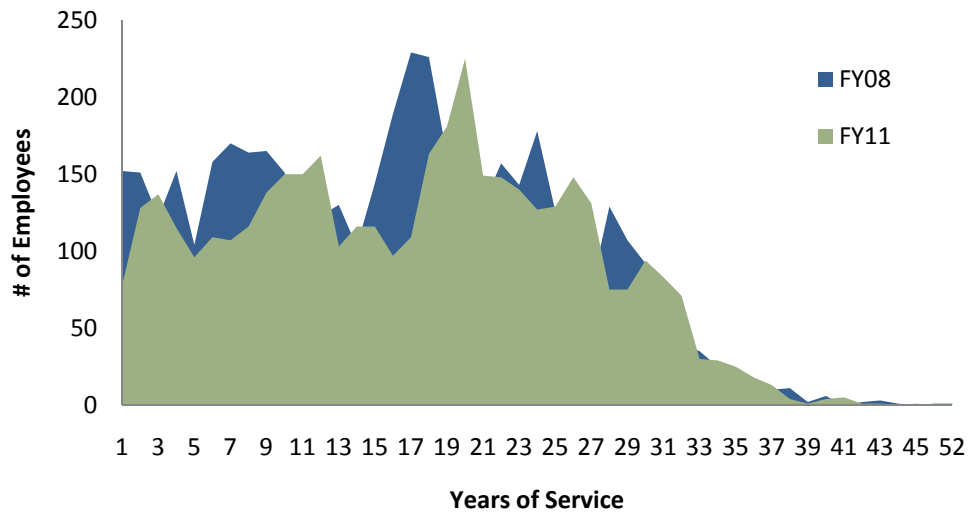


The "Other" category includes turnover related to abandonment of position, death, termination of project, disability separation, and other minimal use reasons.

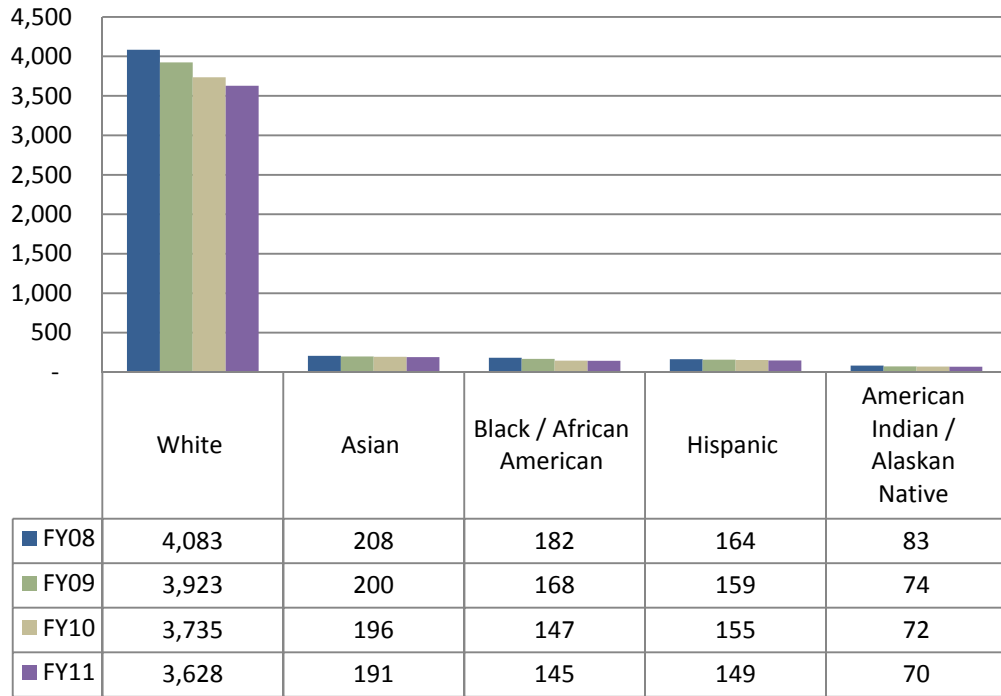
**The average age for WMS employees is 51,  
an increase of one year from FY08**



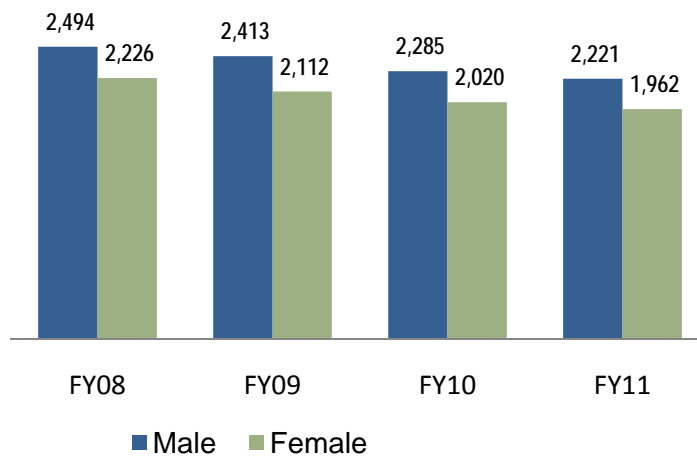
**57% of WMS employees have 15 or more  
years of state service**



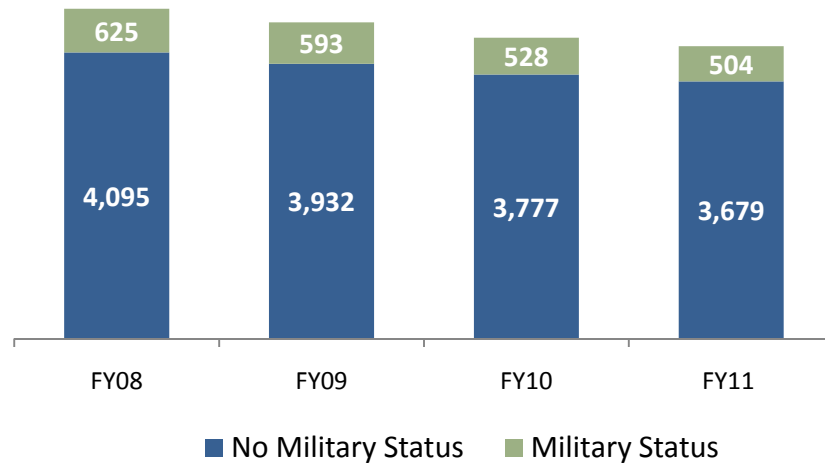
### Diversity in WMS remains consistent by group



### WMS gender ratios remain fairly even between males and females



**12% of WMS employees have documented military status\***



\*Includes unmarried spouses of deceased veterans and those who do not qualify for veterans preference.

**Note: All FY11 data is as of December 2010.**

Contact Information

For more information, contact:

Andy Colvin  
Legislative Liaison/Public Disclosure Coordinator  
Department of Personnel  
P.O. Box 47500  
Olympia, WA 98504-7500  
Phone: (360) 664-6270  
AndrewC@dop.wa.gov

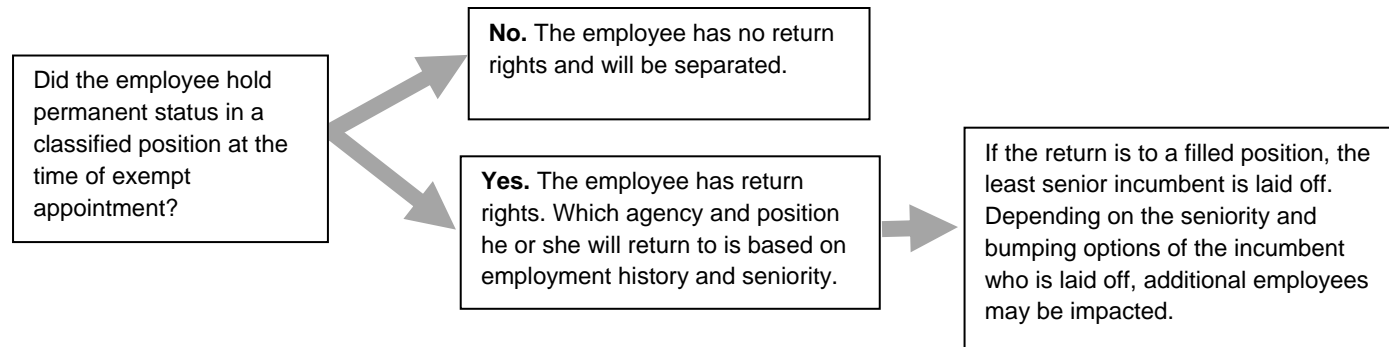
To obtain this document in an alternate format, please contact the DOP Service Center at (360) 664-6400.

# How Cuts to Management Positions Can Result in Layoffs for Frontline Employees

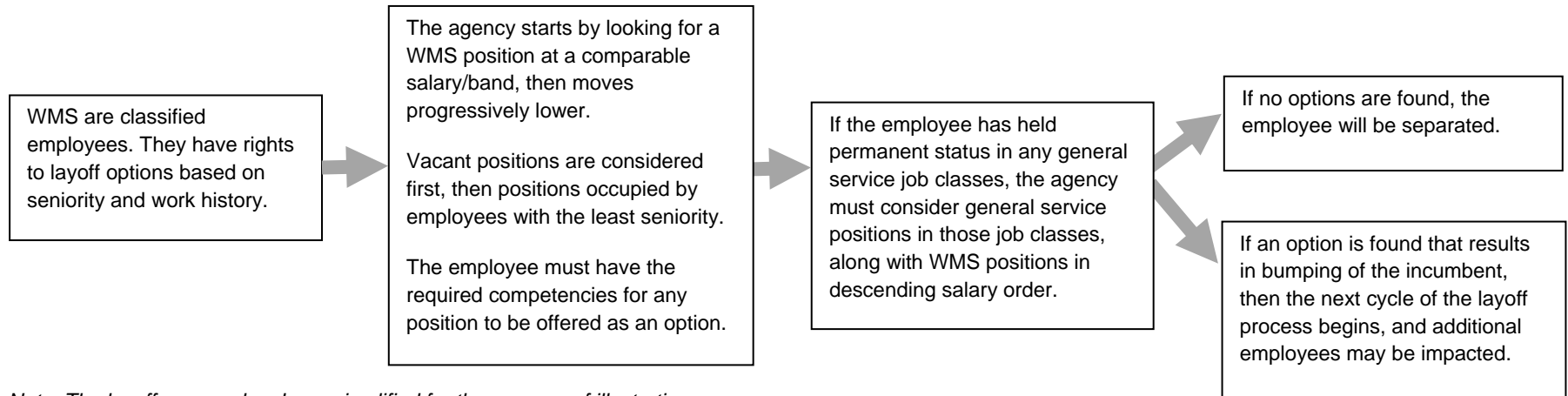
When occupied Exempt and Washington Management Service (WMS) positions are eliminated, the resulting layoff may impact employees beyond the incumbents in those positions.

Many who are now in Exempt or WMS positions are long time state employees who have worked their way up through the ranks. They have rights based on their state seniority and work history.

## When an Exempt Position is Eliminated



## When a WMS Position is Eliminated



*Note: The layoff process has been simplified for the purpose of illustration. Specifics vary depending on agency policy.*