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Departmental Review

DEPARTMENT OF ADMINISTRATION WEST VIRGINIA DIVISION OF PERSONNEL

AUDIT OVERVIEW

The Legislative Auditor Finds That Improvements Can Be Made in West Virginia's Civil Service System to Further Ensure That Individuals Are Being Hired on Merit Rather Than Favoritism

Salary Is a Significant Contributing Factor in Frequent Turnover in the Position of Director of the Division of Personnel

The Division of Personnel Should Increase Its Presence on the Internet and Advertise on Free Classified Internet Sites Such as Craigslist

The Division of Personnel Should Measure the Source of State Agency Hires



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EXECUTIVE SUMMARY

Issue 1: The Legislative Auditor Finds That Improvements Can Be Made in West Virginia’s Civil Service System to Further Ensure That Individuals Are Being Hired Based on Merit Rather Than Favoritism.

The Legislative Auditor analyzed the hiring practices of state agencies for positions that are covered by the civil service system. The purpose was to determine whether state agencies were complying with the civil service system requirements of the West Virginia Code (§29-6-1 et seq.). The Legislative Auditor took a sample of the 4,958 individuals hired by state agencies through the civil service system from fiscal years 2006-2008. The sample size was 357 with a 95 percent confidence level. While a basic statistical analysis found that the average ordinal number rank hire in state government was 12, there were 6 of the 29 agencies sampled that had a higher than average ordinal number rank of 10. The Legislative Auditor understands that a state agency can have, by law, justified reasons for not hiring an individual who is ranked closer to the top of a register of eligible candidates for employment. Although on average, state agencies are hiring an individual who places in the top 10 names on the Division of Personnel register, the Legislative Auditor is concerned about those outlier agencies that are on average hiring individuals with ordinal rankings lower than 10. One reason for this concern is that the legislative rules do not clearly state a method in which state agencies must use in considering individuals on a register. The rules make a general statement that an appointing authority may select “any persons scoring at or above the ninetieth percentile on the open competitive examination.” The competitive register referred to the agency represents those who scored in the ninetieth percentile on competitive examinations. The legislative rules suggest that a state agency can hire anyone on a register regardless of where they are ranked on the list. This review suggests that a lack of clarity of the legislative rules in how state agencies should consider individuals on a register for employment may be allowing state agencies to hire individuals based on favoritism rather than merit. The Legislative Auditor recommends that the Legislature modify the enacting statute and rules of the civil service system to further ensure that state agencies are hiring individuals based on merit and fitness rather than favoritism.

Issue 2: Salary Is a Significant Contributing Factor in Frequent Turnover in the Position of Director of the Division of Personnel.

This is a follow-up to the Legislative Auditor's December 2008 report on the Division of Personnel (DOP) that cited the high turnover in the director position as a contributing factor in the lack of the DOP's ability to create a comprehensive workforce plan. The goal of this issue is to determine the cause(s) of the high turnover in the Division of Personnel's director position. In discussions with recent former directors, all of them cited salary as either a primary or secondary reason for either resigning from the position of director or not accepting the director position permanently. Compared to all other states, West Virginia's director of personnel's salary ranks last. Since 1990, the DOP has had 11 directors and/or acting directors. It is the Legislative Auditor's position that an improvement in stable leadership within the DOP could result in an improvement in the Division's personnel efforts for state agencies. As a result of interviewing former employees and the states' salary comparison, the Legislative Auditor finds that salary is likely a significant contributing factor in the high turnover of the DOP's director position.

Issue 3: The Division of Personnel Should Increase Its Presence on the Internet and Advertise on Free Classified Internet Sites Such as Craigslist.

The internet has become a valuable resource for employers and job seekers. Many internet websites allow employers to post job openings and job seekers to browse those openings. Survey results suggest that for a majority of employers, internet sources such as an agency website and an internet job board have become the number one source of both applicants and hires. Craigslist is a well known free online classified posting website. The DOP is currently not using Craigslist. The Legislative Auditor agrees with the DOP, that there is no downside in the usage of Craigslist, and that it would require minimal effort by the DOP. At a minimum, the DOP should post an advertisement on Craigslist, and explain the procedure to become employed with the state of West Virginia. Additionally, the Division should encourage other state agencies to use Craigslist when advertising for job openings within the state.

Issue 4: The Division of Personnel Should Measure the Source of State Agency Hires.

The Division of Personnel indicated that it seeks to measure its recruiting by assessing the speed and efficiency of the hiring process. Although administrative tasks and processing times can contribute to the overall success of the recruitment process, other aspects of recruitment should be tracked and evaluated as well. The DOP records the source that first attracted applicants to apply with the State; however, it does not expand that tracking to agency hires. If this information was tracked, it could allow the DOP to determine not only the source of quality hires but also the media cost per placement. By measuring the media cost per placement, the DOP could make more informed decisions concerning whether or not to cut back or invest more in its candidate attraction strategies. The Legislative Auditor found that the DOP does not analyze recruitment advertising costs and the number of applicants or hires associated with those costs. The DOP agrees that it needs to be more aggressive in its recruiting efforts, but it has not developed a process to track or measure the effectiveness of those efforts. The DOP should measure the effectiveness of its recruiting efforts by tracking the number of new hires who are recruited by various state government efforts.

Recommendations:

- 1. The Legislative Auditor recommends that the Legislature modify Legislative Rule §143-1-8.2(e) by clarifying the intent of the rule as it relates to the order and time frame for state agencies to contact applicants from the Division of Personnel register.*
- 2. The Legislative Auditor recommends that the Legislature clarify whether West Virginia Code §31-20-27(c) exempts the Regional Jail and Correctional Facility Authority from Legislative Rule §143-1-8.2(e) which requires state agencies to contact applicants from a Division of Personnel register by written inquiry.*
- 3. The Legislative Auditor recommends that the Legislature require state agencies to contact individuals on the Division of Personnel registers in chronological order starting with the individual ranked in the first position.*
- 4. The Legislative Auditor recommends that the Legislature require*

state agencies to submit a statement of justification along with supporting documentation to the Division of Personnel when the state agency hires someone from the Division of Personnel register with a lower ordinal ranking than 10.

5. *The Legislative Auditor recommends that the Division of Personnel review state agencies that are regularly hiring individuals at ordinal number rankings lower than 10.*

6. *The Legislative Auditor recommends that the Legislature consider reviewing the salary for the position of director with the Division of Personnel in order to maintain continuity in the Division's operations.*

7. *The Legislative Auditor recommends that the Division of Personnel utilize free, reputable internet job sites, such as Craigslist to increase exposure and reach potential qualified applicants.*

8. *The Legislative Auditor recommends that the Division of Personnel consider reviewing the answer choices provided for this application question and consider amending the list to allow for a wider range of more specific selections.*

9. *The Legislative Auditor recommends that the Division of Personnel develop a system for measuring the effectiveness of recruitment efforts.*

OBJECTIVE, SCOPE & METHODOLOGY

This agency review of the Division of Personnel was conducted as part of the Departmental Review of the Department of Administration and is authorized by the Performance Review Act, Chapter 4, Article 10, of the West Virginia Code.

Objective

The objective of this review was to determine whether state agencies were complying with the civil service system requirements of the West Virginia Code (§29-6-1 et seq.), determine the cause(s) of the Division of Personnel's high turnover in the position of Director, examine the use of internet sources for recruiting purposes, and to determine the extent to which the Division of Personnel measures the effectiveness of its recruiting efforts.

Scope

The scope of this report encompasses civil service hires for Fiscal Years 2006 through 2008, the employment history of the Division of Personnel director position from the year 1990 through 2008, civil service applicants from August 2007 through August 2008, and current recruitment measurement practices.

Methodology

In order to verify that state agencies are adhering to the hiring standards set by statute, the Legislative Auditor requested a complete list of all individuals hired from the Division of Personnel registers from Fiscal Years 2006-2008. From the 4,958 individuals on the list, the Legislative Auditor took a statistical sample of 357 hires based on a 95 percent confidence level. The Legislative Auditor corresponded with the Department of Administration, Division of Personnel, Division of Motor Vehicles, Division of Juvenile Services, Regional Jail and Correctional Facility Authority, Division of Labor, Fire Commission, and the Division of Corrections for additional supporting documentation regarding hires

included in the sample.

Additionally, the Legislative Auditor contacted six of the seven most recent former directors of the Division of Personnel by either telephone or email to gather information concerning their previous employment with the Division of Personnel. The Legislative Auditor excluded one former acting director from the study because that person is currently employed by the Division of Personnel. Salaries of West Virginia state employees were retrieved from the Division of Personnel and the State Auditor's Office. An independent source, The Council of State Governments' annual publication, *The Book of the States, 2008 edition* provided the annual salaries of other state's personnel administrators. The Legislative Auditor also had multiple correspondences with the Division of Personnel concerning recruitment efforts and measurement practices. All aspects of this review followed the Generally Accepted Governmental Auditing Standards (GAGAS).

ISSUE 1

The Legislative Auditor Finds That Improvements Can Be Made in West Virginia’s Civil Service System to Further Ensure That Individuals Are Being Hired Based on Merit Rather Than Favoritism.

Issue Summary

The Legislative Auditor analyzed the hiring practices of state agencies for positions that are covered by the civil service system. The purpose was to determine whether state agencies were complying with the civil service system requirements of the West Virginia Code (§29-6-1 et seq.). The Legislative Auditor took a sample of the 4,958 individuals hired by state agencies through the civil service system from fiscal years 2006-2008. The sample size was 357 with a 95 percent confidence level. According to the sample, state agencies hired on average the twelfth ranked individual from the register of competitive examinations provided by the Division of Personnel. The Legislative Auditor understands that a state agency can have, by law, justified reasons for not hiring an individual who is ranked closer to the top of a register of eligible candidates for employment. This study showed that while several state agencies frequently hired individuals with the highest examination score on a register, many agencies hired individuals who were much further down on a register. The Legislative Auditor has some concern that the selection average of 12 may be unduly high and reflective of bias or favoritism in the hiring process. One reason for this concern is that the legislative rules do not clearly state a method in which state agencies must use in considering individuals on a register. The rules make a general statement that an appointing authority may select “any persons scoring at or above the ninetieth percentile on the open competitive examination.” The competitive register referred to the agency represents those who scored in the ninetieth percentile on competitive examinations. The legislative rules suggest that a state agency can hire anyone on a register regardless of where they are ranked on the list. This review suggests that a lack of clarity of the legislative rules in how state agencies should consider individuals on a register for employment may be allowing state agencies to hire individuals based on favoritism rather than merit. Thus, the Legislative Auditor recommends that the Legislature modify the enacting law of the civil service system to specify how state agencies are to consider individuals on an employment register.

This study showed that while several state agencies frequently hired individuals with the highest examination score on a register, many agencies hired individuals who were much further down on a register.

This review suggests that a lack of clarity of the legislative rules in how state agencies should consider individuals on a register for employment may be allowing state agencies to hire individuals based on favoritism rather than merit.

Civil Service System Hiring Standards Are Mandated in West Virginia Code §29-6-1 et seq. and Legislative Rules

One of the primary responsibilities of the Division of Personnel (DOP) is to ensure that all appointments made to positions in the classified civil service system are based on merit and fitness. When a state agency has an opening or a new position is created, a requisition is submitted to the DOP. The requisition states the number of open positions, classification, and any other essential information regarding the position. Upon receiving the requisition, the Division of Personnel certifies and submits either a preference register or a competitive register to the agency. A **preference register** consists of laid off, classified employees ranked in order of seniority. Eligibility for inclusion on a preference register is one year. A **competitive register** is an official list of current eligible applicants for the particular job class ranked in order of their examination score. If there is no preference register for the particular position, the Division of Personnel certifies and submits the competitive register to the agency. The competitive register consists of the top ten names of any person scoring at or above the ninetieth percentile on the examination.

According to West Virginia Code §29-6-10(7), when hiring individuals, a state agency shall:

...make (its) selection from the top ten names on the appropriate lists of eligibles, or may choose any person scoring at or above the ninetieth percentile on the examination.

Legislative Rules §143-1-9.2 stipulates that the agency shall:

...give due consideration, based on job related criteria, to all available eligibles and may examine their applications and reports of investigations and may interview them.

When selecting an individual for hire, the agency may eliminate individuals from consideration if they fail to respond to agency communications. According to Legislative Rules §143-1-8.2(e), an individual can be considered “not available” if the person fails to respond to a written inquiry after five days or to telephone calls after an additional 48 hours. Individuals may also inform the agency that they are not interested in the position. It is the responsibility of the state agency to transmit evidence of non-availability, declination of the position, and other data to the

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Division of Personnel. Upon receipt of this information, the Division of Personnel is in a position to address any concerns or irregularities with the agency's hiring protocol in relation to the agency's final hire. Additionally, following selection of the individual to be hired, the agency must submit a statement to the Director of the Division of Personnel certifying that the agency:

...did not make the selection based on favoritism shown or patronage granted; and, considered all available eligibles for the position.

It must be noted that there are few restrictions on state agencies in regards to making final selections from the register provided by DOP. There are no requirements on how many individuals an agency must attempt to contact, agencies are not required to contact the top ten names, nor are agencies required to contact individuals numerically from the person with the highest ranking. A state agency can essentially pick anyone for employment as long as his or her name is within the ninetieth percentile on the register. Thus, there is a lack of clarity in the legislative rules that could make it possible for agencies to hire based on favoritism, which the civil service system was created to prevent. The Legislative Auditor will further address this issue after the following analysis of state agency civil service system hires.

The Legislative Auditor Reviewed State Agency Civil Service System Hires from Fiscal Years 2006 – 2008

In order to verify that state agencies are adhering to the hiring standards set by statute, the Legislative Auditor requested a complete list of all individuals hired from the Division of Personnel registers from fiscal years 2006-2008. There were 4,958 individuals on the list of hires from Personnel registers during that period. The list included the individual's name, contact information, position obtained, hiring agency, hire date, and their final rank on the register. From the list of 4,958, the Legislative Auditor took a random sample of 357 hires based on a 95 percent confidence level, and obtained from the Division of Personnel, the complete register that the hire was selected from along with other supporting documentation. All departments within West Virginia government were represented in the sample with the exception of the Department of Education, which is exempt from the civil service

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system. More specifically, the following agencies were represented in the sample:

- Division of Corrections
- Division of Criminal Justice
- Division of Culture and History
- Division of Labor
- Division of Natural Resources
- Division of Emergency Services
- Bureau of Employment Programs
- Environmental Protection¹
- Fire Commission
- Division of Forestry
- Division of General Services
- Health (DHHR)
- Human Services (DHHR)
- Insurance Commission
- IS&C
- Juvenile Services
- Library Commission
- Lottery
- Office of Miners Health Safety and Training
- Division of Motor Vehicles
- Public Employees Insurance Agency
- Division of Personnel
- Public Service Commission
- Division of Rehabilitation Services
- Regional Jail and Correctional Facility Authority
- Tax Division
- Division of Travel Management
- Division of Veterans Affairs
- Division of Veterans Affairs Veterans Home

All departments within West Virginia government were represented in the sample with the exception of the Department of Education, which is exempt from the civil service system.

According to DOP, the Division of Highways opts to maintain a separate computerized human resources information system which does not interface with DOP's system.

Notably, the Division of Highways was not in the sample, nor was it represented in the list of 4,958 individuals from the Division of Personnel. According to the DOP, the Division of Highways opts to maintain a separate computerized human resources information system which does not interface with DOP's system. This thereby eliminated the Division of Highways from this analysis. The Legislative Auditor will test the Division of Highways separately to determine whether it is complying with the requirements of the state civil service system.

¹ The Division of Personnel does not separate the Department of Environmental Protection into specific individual agencies.

Sample Results Show That the Average Ranking for an Individual Hired by State Agencies Is Twelve and the Median Ranking Is Eight

The Legislative Auditor reviewed the sample and calculated the average, range, median, and mode. Statistics from the survey are displayed in Table 1. Based on sample results, the average ordinal number ranking was 12. Thus, on average, state agencies hired the twelfth person listed on the register provided by the Division of Personnel. Based on the median, state agencies hired the eighth person listed on the register provided by the Division of Personnel. Most notably, the most common ranking or mode was the individual ranked at number 1 on the list, which occurred 35 times. Additionally, 61 percent of individuals were hired from the top 10 individuals listed on the register provided by DOP, and 80 percent were at least within the top 20.

On average, state agencies hired the twelfth person listed on the register provided by the Division of Personnel.

Table 1 Statistical Results from Sample of Civil Service System Hires (FY 2006 – FY 2008)	
Calculation Type	Result
Average ranking	12
Range	1- 119
Median ranking	8
Most common ranking (mode)	1
Percentage hired from the top 5 on the register	35%
Percentage hired from the top 10 on the register	61%
Percentage hired from the top 20 on the register	80%
<i>Source: Legislative Auditor’s analysis of civil service hires from FY 2006 – FY 2008</i>	

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Most Departments Hire an Applicant Ranked Within the Top Ten on the Division of Personnel Registers

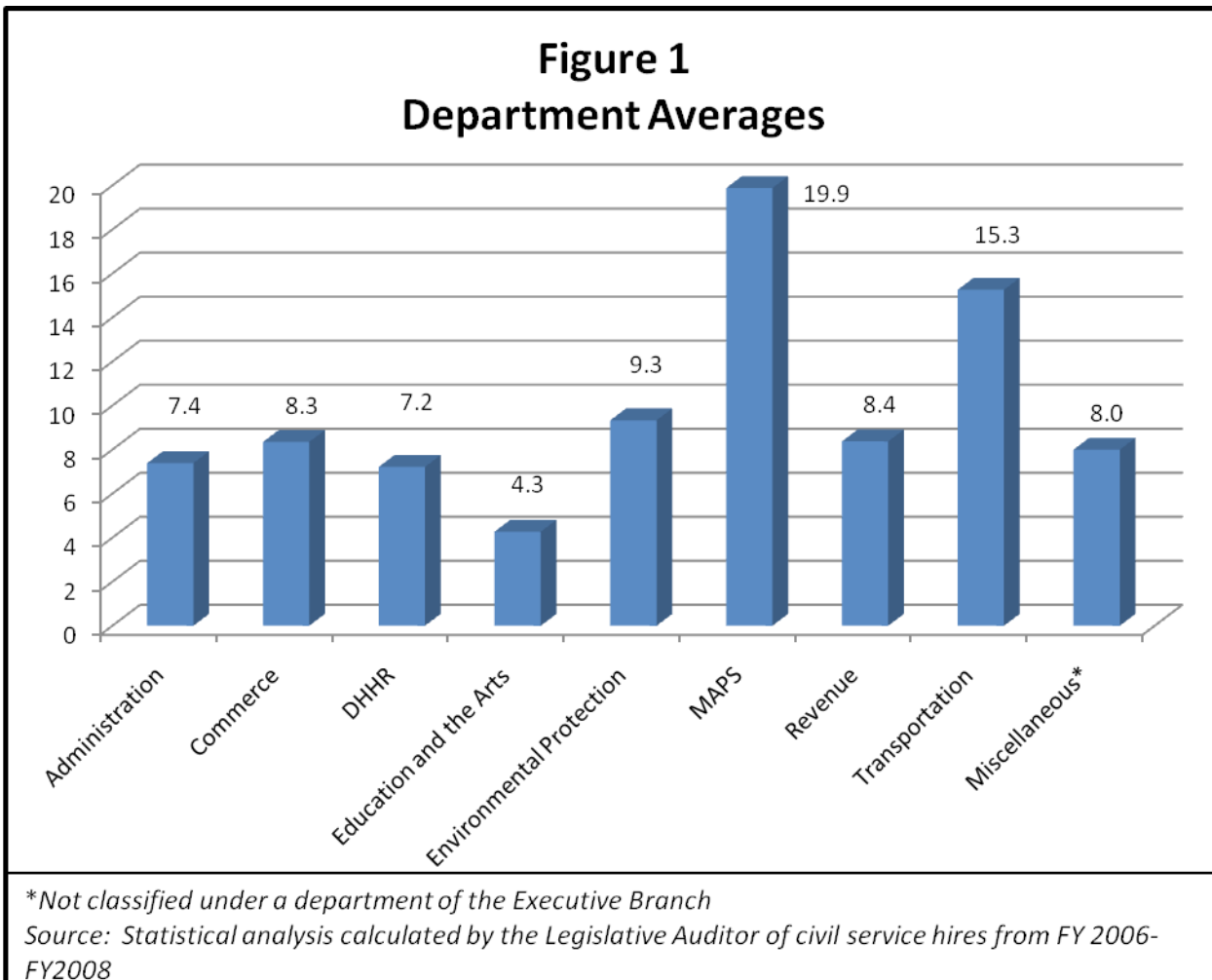
As stated previously, overall state agencies hired on average the individual ranked at number 12 on the register. In order to determine whether there were any outliers, the Legislative Auditor separated the sample by governmental department. The results are shown in Figure 1. With the exception of the Department of Military Affairs and Public Safety (MAPS) and the Department of Transportation, all of the departments on average hire an individual that is ranked within the top 10 on the

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Division of Personnel registers. It should be noted that the Department of Health and Human Resources (DHHR) and the Department of Military Affairs and Public Safety accounted for roughly 75 percent of the sample. The DHHR’s overall average hire was ranked at approximately 7, while MAPS was approximately 20.

The Department of Military Affairs and Public Safety is the outlier department in this sample since it has a higher average than the other departments. Thus, the Legislative Auditor removed MAPS from the sample to determine how this affected the average and mean for the other departments. Removing MAPS had a fairly significant effect with the average for agencies going from 12 to 8. Thus, excluding MAPS, departments of West Virginia state government are selecting on average the 8th ranked individual on registers provided by the Division of Personnel. The median was affected as well when excluding MAPS by going from 8 to 6.

Excluding MAPS, departments of West Virginia state government are selecting on average the 8th ranked individual on registers provided by the Division of Personnel.



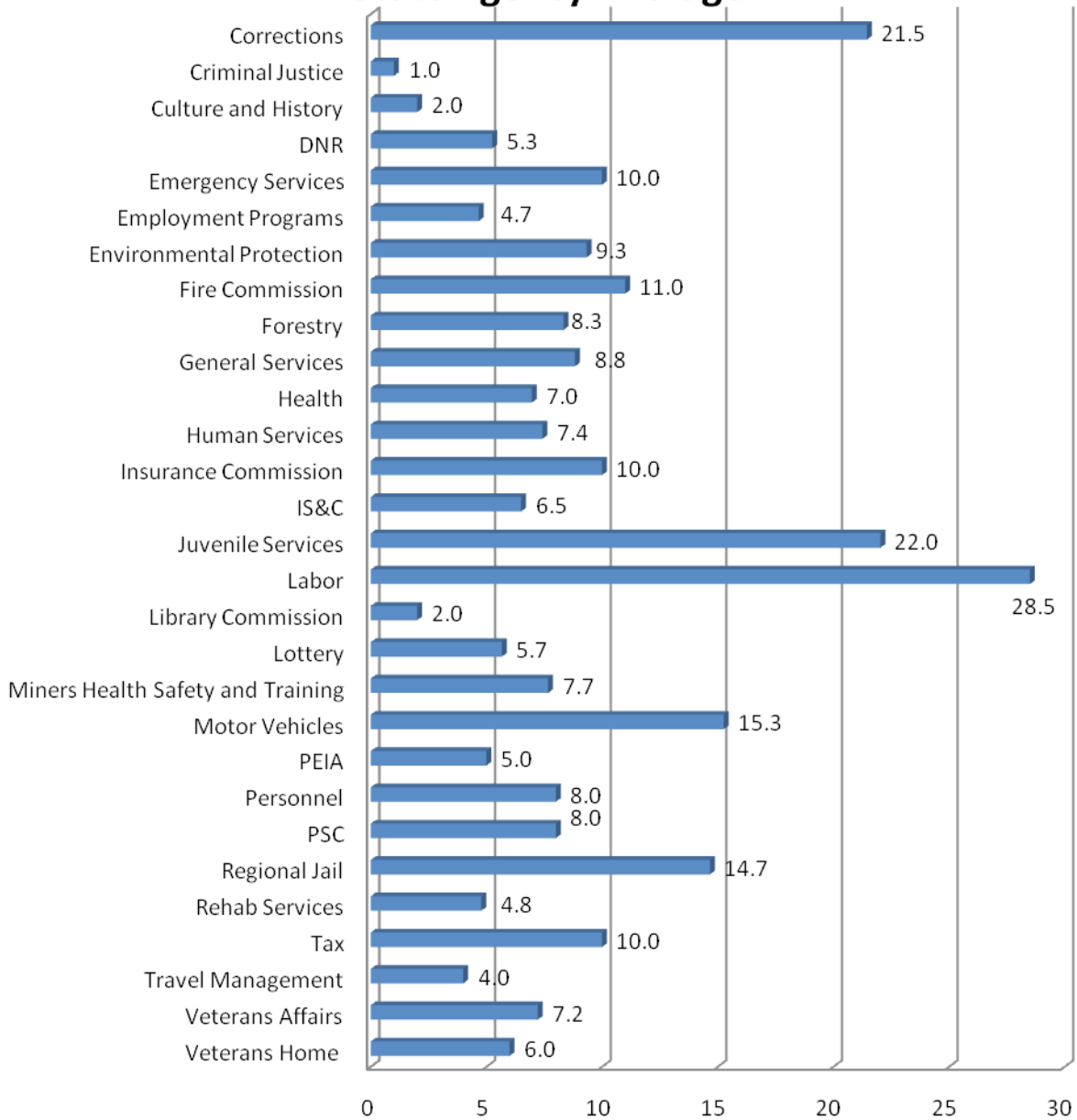
Twenty-three Out of the Twenty-nine State Agencies Sampled Hired an Applicant Ranked Within the Top Ten on the Division of Personnel Registers

The Legislative Auditor further broke the sample down by state agencies. Twenty-nine agencies were represented in the sample. As shown in Figure 2, the Division of Labor had the highest average of approximately 28.5, followed by the Division of Juvenile Services with an average of 22, and the Division of Corrections with approximately 21.5. The lowest averages were with the Division of Criminal Justice Services with an average of 1 followed by the Division of Culture and History and also the Library Commission both with an average of 2. It must be noted that each of these agencies were only represented in the sample one time.

The Division of Corrections was represented the most in the sample with 83 individuals hired during FY 2006 – FY 2008. The Human Services and Health Divisions of the Department of Health and Human Resources followed and accounted for 71 and 70 representations in the sample respectively. The Division of Corrections had an average of 21.5, and the Division of Health and the Human Services Division had averages of 7 and 7.4 respectively. Additionally, the break down by state agency shows that 23 out of the 29 in the sample are hiring on average within the top 10 selections on the DOP register.

The Division of Labor had the highest average of approximately 28.5, followed by the Division of Juvenile Services with an average of 22, and the Division of Corrections with approximately 21.5.

Figure 2
State Agency Average



Source: Statistical analysis calculated by the Legislative Auditor of civil service hires from FY 2006-FY2008

The Legislative Auditor Has Some Concern With Agencies That Have Averages Higher Than Ten

As shown in Figure 2, there are six state agencies that on average hire individuals ranked outside of the top ten. These agencies are the:

- Division of Corrections (21.5)
- Fire Commission (11)
- Division of Juvenile Services (22)
- Division of Labor (28.5)
- Division of Motor Vehicles (15.3)
- Regional Jail and Correctional Facility Authority (14.7)

The Legislative Auditor requested supporting documentation from each of the above listed state agencies. The Legislative Auditor received an explanation along with documentation from each agency stating as to why each individual was hired from the register and the status of the individuals that were ranked on the register before them. Supporting documentation showed applicants on the register who failed to respond or show up for an interview, the applicants who declined the position, the applicants who were tested or interviewed, and also in some cases applicants who were hired in addition to the individual who was included in the sample.

Additionally, the Legislative Auditor received an explanation of each agency's hiring procedures. According to Legislative Rule §143-1-8.2(e), an agency must contact individuals on the register by written inquiry and wait for five days for a response. If no response to the written inquiry, the agency may attempt to contact individuals by telephone and wait 48 hours for a return call. All agencies appear to be in compliance with this requirement with the exception of the Regional Jail and Correctional Facility Authority (RJCF). According to staff with the RJCF, individuals on the register were notified exclusively by telephone. West Virginia Code §31-20-27(c), allows the RJCF to hire individuals from the correctional officer register without regard to his or her position. The Division of Personnel interprets this section of the Code as also exempting the RJCF from Legislative Rule §143-1-8.2(e). The Legislative Auditor finds that §31-20-27(c) of the Code is vague, and the Legislature should clarify whether the RJCF is exempt from the rule. Additionally, the Legislative Auditor finds that Legislative Rule §143-1-8.2(e) itself is confusing as to the method, order, and time frame for state agencies to contact applicants from the Division of Personnel

There are six state agencies that on average hire individuals ranked outside of the top ten.

Review of supporting documentation from agencies under the Department of Military Affairs and Public Safety (MAPS) show a significant number of individuals who are failing to respond to communications from MAPS or are failing to appear at interviews.

register. The Legislative Auditor recommends that the intent of this rule be clarified.

Review of supporting documentation from agencies under the Department of Military Affairs and Public Safety (MAPS) show a significant number of individuals who are failing to respond to communications from MAPS or are failing to appear at interviews. At this time, the Legislative Auditor does not know the reasons that contribute to individuals' failure to respond or appear. The Legislative Auditor will attempt to identify these reasons along with any other factors that may contribute to higher averages with MAPS agencies in a future analysis.

The Legislative Auditor is Concerned That There is a Lack of Clarity in West Virginia's Civil Service System That May Enable Favoritism in the Hiring Process

One of the main objectives of the civil service system is to ensure that state agencies hire individuals based on merit and fitness rather than favoritism. The current civil service system does that to some extent, but the Legislative Auditor has identified several loopholes in the system. There has been concern among some state officials that all an individual has to do is score adequately on the civil service test, get placed on the DOP register, and their friend in state government can hire them simply because their name was on the register. As stated previously, state agencies are not required to contact the top ten names on the register; there are no requirements on the number of individuals that must be contacted; and there are no requirements to contact individuals in numeric order from the person with the highest ranking. There is nothing preventing a state agency representative from hiring a family member or friend based on favoritism as long as their name falls within the ninetieth percentile on the register. **Thus, the Legislative Auditor recommends that the civil service system's enacting statute and rules be modified requiring state agencies to contact individuals numerically from the Division of Personnel register starting with the individual in the first ordinal number rank.**

Additionally, the Legislative Auditor recommends that when a state agency ultimately hires an individual with an ordinal ranking lower than 10, then the state agency must submit a statement of justification along with supporting documentation to the Division of Personnel. The

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The Legislative Auditor recommends that when a state agency ultimately hires an individual with an ordinal ranking lower than 10, then the state agency must submit a statement of justification along with supporting documentation to the Division of Personnel.

statement and documentation should be sufficient evidence to prove to the Division that the individual selected was based on merit and fitness. Likewise, this will put some added responsibility on the Division of Personnel. With this added documentation, the Division should put a system in place to be able to track agencies which are regularly hiring individuals with lower ordinal number rankings. Furthermore, the Division should verify that individuals with ordinal rankings higher than the individual hired were actually contacted by the hiring agency. Verification could occur when the Division questions a hire or when the Division has flagged an agency for regularly hiring individuals with lower ordinal rankings. Additionally, the Division of Personnel may be able to identify problems in its own system if on a regular basis an agency can not find a qualified individual with higher ordinal numbers.

These recommendations should clarify possible loopholes in the West Virginia's civil service system as currently mandated. Thus, the civil service system will further ensure that state agencies are hiring individuals based on merit and fitness rather than favoritism.

Conclusion

The Legislative Auditor finds that the Division of Personnel is administering the civil service system according to its current objectives, but has found there is a lack of clarity in the legislative rules that may allow state agencies to hire individuals based on favoritism. While a basic statistical analysis found that the average ordinal number rank hire in state government was 12, there were six of the 29 agencies sampled that had a higher than average ordinal number rank of 10. Although most state agencies on average are hiring an individual who places in the top 10 names on the Division of Personnel register, the Legislative Auditor is concerned about those outlier agencies that are on average hiring individuals with ordinal rankings lower than 10. The Legislative Auditor recommends that the Legislature modify the enacting statute and rules of the civil service system to further ensure that state agencies are hiring individuals based on merit and fitness rather than favoritism.

The Legislative Auditor finds that the Division of Personnel is administering the civil service system according to its current objectives, but has found there is a lack of clarity in the legislative rules that may allow state agencies to hire individuals based on favoritism.

Recommendations:

1. *The Legislative Auditor recommends that the Legislature modify Legislative Rule §143-1-8.2(e) by clarifying the intent of the rule as it relates to the order and time frame for state agencies to contact applicants from the Division of Personnel register.*
2. *The Legislative Auditor recommends that the Legislature clarify whether West Virginia Code §31-20-27(c) exempts the Regional Jail and Correctional Facility Authority from Legislative Rule §143-1-8.2(e) which requires state agencies to contact applicants from a Division of Personnel register by written inquiry.*
3. *The Legislative Auditor recommends that the Legislature require state agencies to contact individuals on the Division of Personnel registers in numerical order starting with the individual ranked in the first position.*
4. *The Legislative Auditor recommends that the Legislature require state agencies to submit a statement of justification along with supporting documentation to the Division of Personnel when the state agency hires someone from the Division of Personnel register with a lower ordinal ranking than 10.*
5. *The Legislative Auditor recommends that the Division of Personnel review state agencies that are regularly hiring individuals at ordinal number rankings lower than 10.*

Issue 2

Salary Is a Significant Contributing Factor in Frequent Turnover in the Position of Director of the Division of Personnel.

Issue Summary

The Division of Personnel has historically experienced high turnover in the director position. Since 1990, the DOP has had 11 directors and/or acting directors. The Legislative Auditor contacted six of the seven most recent former directors, and all six cited salary as either a primary or secondary reason for either resigning from the position of director or not accepting the director position permanently. Reasons other than salary were also cited for not remaining with the Division, although none were as consistent among all the respondents. Currently, the salary for the director of the West Virginia Division of Personnel is \$70,000, the lowest in the nation. The average annual salary for all of the states is \$109,712. As a result of interviewing former employees and the states' salary comparison, the Legislative Auditor finds that salary is likely a significant contributing factor in the high turnover of the DOP's director position.

As stated in the Legislative Auditor's December 2008 report on the Division of Personnel (DOP), the position of director has historically experienced high turnover. This high turnover was cited in the report as a possible cause for the failure to implement a strategic workforce planning initiative. Since 1990, the DOP has had 11 directors and/or acting directors. As a result of the turnover, the Legislative Auditor conducted this study to determine the reasons for the high turnover, whether or not salary was a contributing factor in turnover, and to compare the salary to state personnel directors in other states.

The Legislative Auditor contacted six of the seven most recent former directors and discussed with them their reasons for either leaving the DOP or in the case of acting directors, reasons for not accepting the director position permanently. Of the six respondents, two held the position of Acting Director and the remaining four were employed as the permanent Director. The Legislative Auditor excluded one former acting director from the study because that person is currently employed by the DOP. The table below displays the employment history of the director of DOP. Note that the past ten years has seen a change in the position eight times.

Currently, the salary for the director of the West Virginia Division of Personnel is \$70,000, the lowest in the nation.

Since 1990, the DOP has had 11 directors and/or acting directors.

The Legislative Auditor contacted six of the seven most recent former directors and discussed with them their reasons for either leaving the DOP or in the case of acting directors, reasons for not accepting the director position permanently.

Table 2
History of Division of Personnel Directors

Position	Start Date	End Date
Director	3/16/1990	6/30/1993
Director*	7/1/1993	5/31/1997
Acting Director	6/1/1997	7/7/1997
Director	7/7/1997	1/29/1999
Acting Director	1/29/1999	4/1/2001
Director	4/1/2001	10/1/2003
Acting Director	10/1/2003	5/1/2006
Acting Director	5/1/2006	6/29/2006
Director	6/29/2006	8/4/2007
Acting Director	8/4/2007	2/19/2008
Director	2/19/2008	present
<i>*The Legislative Auditor was unable to contact this individual.</i>		
<i>Source: Division of Personnel</i>		

Former Directors and Former Acting Directors of the Division of Personnel Cited Salary as a Reason for not Remaining With the Division or for not Accepting the Promotion to Director

All six of the former employees contacted cited salary as either a primary or secondary reason for either resigning from the position of director or not accepting the director position permanently. Both of the former acting directors contacted indicated to the Legislative Auditor that their salaries exceeded the compensation statutorily designated for the director position. Therefore, those individuals would have taken a pay cut had they accepted the permanent position as director of the DOP. Currently two Assistant Directors are earning an annual salary greater than that of the Director. Below are selected quotes from comments made to the Legislative Auditor from respondents concerning the salary of the Director of Personnel. Please note that each separate quote is from a different individual.

The DOP Director is directly responsible for overseeing a significant amount of transactions/positions in State government. I believe that to improve retention in that position, the salary must be increased. If the salary were at a higher level, I more likely than not would not have resigned from my position.

All six of the former employees contacted cited salary as either a primary or secondary reason for either resigning from the position of director or not accepting the director position permanently.

Both of the former acting directors contacted indicated to the Legislative Auditor that their salaries exceeded the compensation statutorily designated for the director position.

When I attended those [NASPE²] meetings, I was always careful not to disclose my salary. It would have been too embarrassing. All of the directors from other states with whom I had significant contact made significantly more than \$100,000.

The high turnover makes it difficult for the state to move forward with strategic planning. ... Compared to other state directors in the country, WV has the lowest paying salary. ... Most of the associate directors [at DOP] made \$20,000 more than me.

My salary as Assistant Director exceeded the compensation statutorily designated for the director position with the DOP. ... Had the salary for the Division of Personnel director position been higher, I would have seriously considered continuing my employment as Director of the Division of Personnel.

Other Factors Contributed to Turnover, but None Were Consistent Among Respondents

Former directors and assistant directors did cite reasons other than salary for not remaining with the Division, although none were as consistent among all the respondents. One factor mentioned by two respondents was job security due to the political nature of the selection procedure for the position, i.e. appointment. The Director of Personnel, a will and pleasure position is appointed by the Secretary of the Department of Administration, who is appointed by the Governor for a term not to exceed the Governor's. Nearing the end of a Governor's term it is prudent to consider the fact that as Director of Personnel, one may not be guaranteed continued employment. Therefore a new employment opportunity that requires immediate action could cause the premature resignation of a director. Additionally, respondents cited other professional and personal reasons that contributed to leaving the Division, including a former acting director who retired and left the State. Thus, salary is not the only determining factor in director turnover.

Only one respondent continued working in the personnel/human resources field after leaving the DOP. Therefore, the Legislative Auditor concludes that personnel directors are not being lost to other states' human resource departments or those of the private sector. However, of the five respondents who continued working after leaving the DOP, all of them

² National Association of State Personnel Executives.

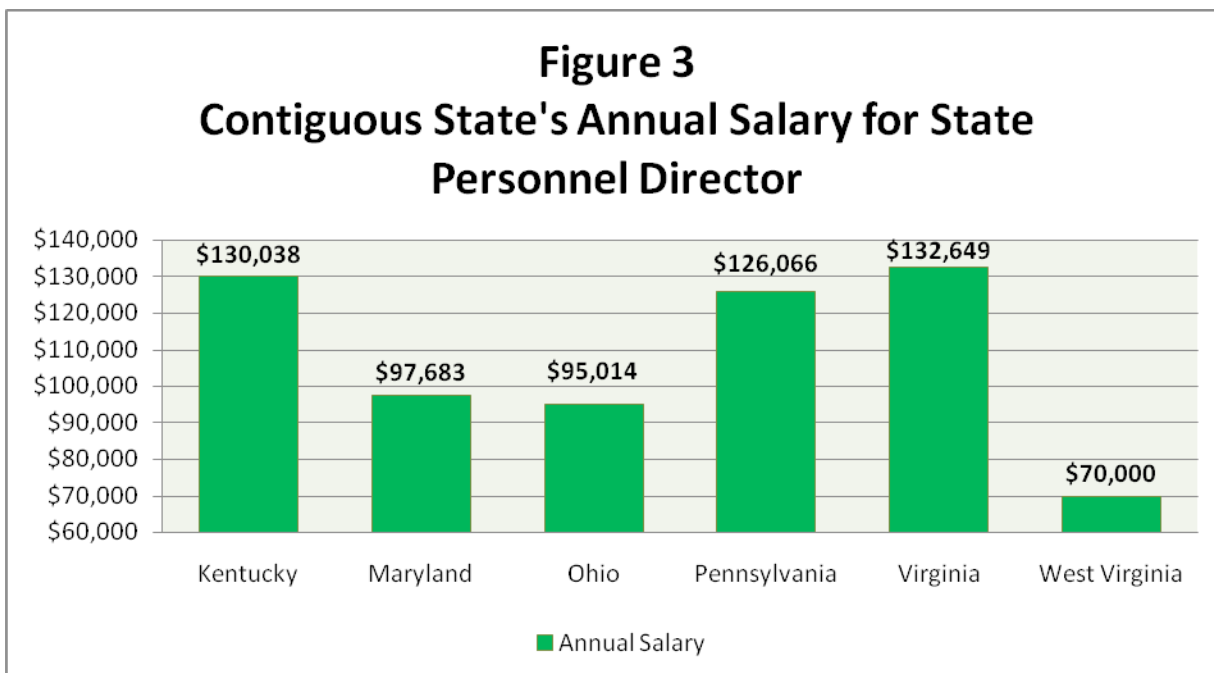
noted a significant salary increase with their new employment regardless of the field.

West Virginia’s State Personnel Director is Lowest Paid of States Surveyed by the Council of State Governments

Currently, the salary for the director of the Division of Personnel is \$70,000. The Legislative Auditor reviewed the salary of personnel officials in other states for comparison. According to data in the Council of State Governments’ publication entitled *The Book of the States, 2008 edition*, West Virginia has the lowest salary for director of personnel (Information was not available for Texas and Illinois). Nationwide, Maine pays the next salary above West Virginia at \$79,789. Thirty states have state personnel directors making at least \$30,000 more than West Virginia.

Thirty states have state personnel directors making at least \$30,000 more than West Virginia.

The average annual salary for all of the states listed is \$109,712. The table in Appendix B lists each state’s salary for its personnel administrator in order from highest to lowest paid. Additionally, the following figure displays the annual compensation of the five surrounding states’ personnel officers in comparison to West Virginia. Of the five surrounding states, Ohio’s personnel director’s salary of \$95,014 is closest to that of West Virginia at \$70,000 per year.



Conclusion

There is clearly a problem with continuity in the position of director with the Division of Personnel. The Division has experienced a change in leadership eight times over the past ten years. As a result of interviewing former employees, the Legislative Auditor finds that salary is likely a significant contributing factor in the high turnover of the DOP's director position. **It is the Legislative Auditor's position that an improvement in stable leadership within the DOP could result in an improvement in the Division's personnel efforts for state agencies.** Turnover was cited by the Legislative Auditor to be a contributing factor in the lack of the DOP's ability to create a comprehensive workforce plan.

As a result of interviewing former employees, the Legislative Auditor finds that salary is likely a significant contributing factor in the high turnover of the DOP's director position.

Additionally, a former director stated independently that high turnover made it difficult for acting upon a strategic plan. While inconsistency in the position may discontinue with the current Director, the Legislative Auditor is concerned about the causes for previous turnover. Furthermore, the salary may make it difficult to attract the most qualified candidates for the position in the future. Since salary has been cited as a reason for instability by six former employees, the Legislative Auditor recommends that the Legislature consider reviewing the salary for the position of director in order to maintain continuity in the Division.

Recommendation

6. *The Legislative Auditor recommends that the Legislature consider reviewing the salary for the position of director with the Division of Personnel in order to maintain continuity in the Division's operations.*

ISSUE 3

The Division of Personnel Should Increase Its Presence on the Internet and Advertise on Free Classified Internet Sites Such as Craigslist.

Issue Summary

The Division of Personnel does not take advantage of a free classified internet site called Craigslist (www.craigslist.org). The site provides for the free posting of advertisement, and includes a section on employment advertisements. The Legislative Auditor maintains that the Division should take advantage of a free service, and include Craigslist in its recruiting efforts. The Division stated that there would be no downside in using the site. Thus, the Legislative Auditor recommends that the Division of Personnel begin using the site in order to reach potential qualified candidates for employment with the state of West Virginia.

Many internet websites allow employers to post job openings and job seekers to browse those openings. Some job boards charge a fee to the employer posting an open position, while others are free.

Survey Suggests Internet Sources Are Popular and Effective Recruitment Methods

With the increasing usage and accessibility of computers, the internet has become the norm for not only the younger generation but for people of all ages. Additionally, the internet has become a valuable resource for employers and job seekers. Many internet websites allow employers to post job openings and job seekers to browse those openings. Many of the job websites allow job seekers to post resumes in addition to providing networking and other employment related services. The types of job websites that exist include: general job sites (such as Monster.com), industry specific sites (such as Teachingjobs.com), geographic specific sites (such as CharlestonHelpWanted.com), and job seeker niche sites (such as MBAJobs.com). Some job boards charge a fee to the employer posting an open position, while others are free.

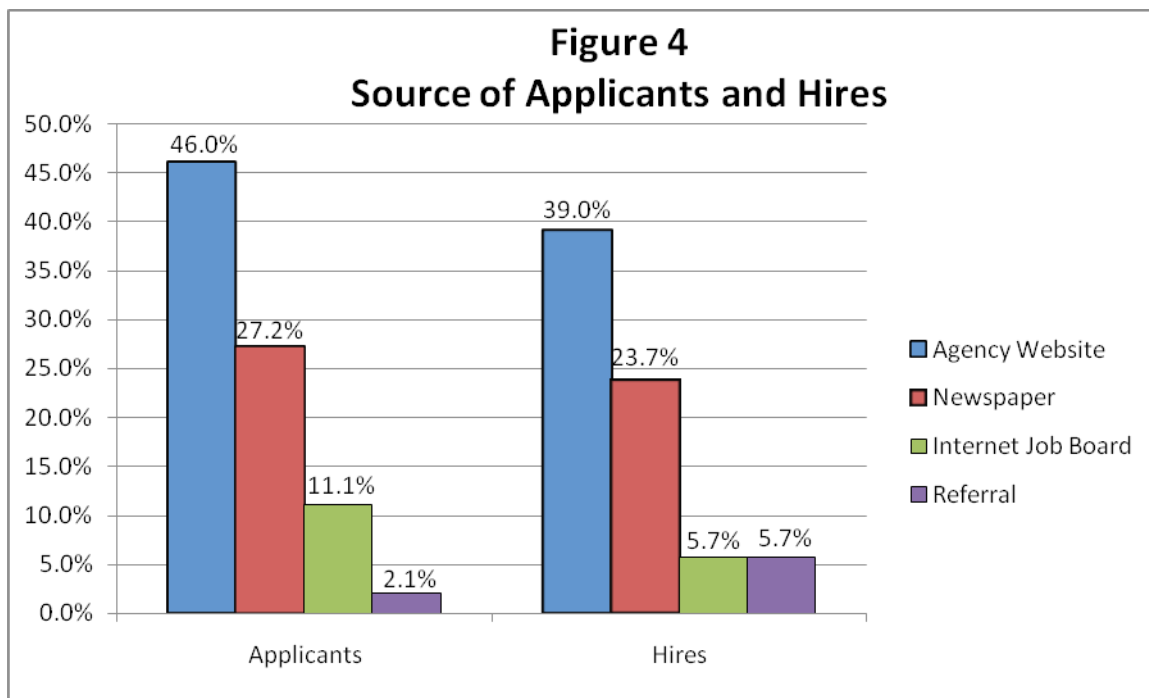
For both free and fee-paid job boards, the DOP stresses the idea that it is difficult to determine how effective this approach would be in attracting serious, high quality candidates.

In reference to fee-paid job websites, the Division of Personnel (DOP) considers them to be an approach that is most effective when initiated by individual agencies and focused on hard-to-fill and high skill jobs. For both free and fee-paid job boards, the DOP stresses the idea that it is difficult to determine how effective this approach would be in attracting serious, high quality candidates.

In 2006, the International Management Association for Human Resources (IMPA-HR) conducted a Recruitment and Selection Benchmarking Survey. Survey respondents indicated that internet job

boards provided the third highest (11.1 percent) source for applicants following an agency website (46 percent) and the newspaper (27.2 percent). Figure 4 below illustrates the survey results. Similar responses were received when respondents were asked, from which source do you get the most hires? Internet job boards and referrals tied with 5.7 percent each. These survey results suggest that for a majority of employers, internet sources such as an agency website and an internet job board combined have become the number one source of both applicants and hires. However 15.8 percent of respondents stated that the source of hires was unknown, indicating that some organizations are not tracking applicants through the hiring stage.

These survey results suggest that for a majority of employers, internet sources such as an agency website and an internet job board combined have become the number one source of both applicants and hires.



The Division of Personnel Should Include Craigslist in Its Online Recruiting Efforts

Craigslist (www.craigslist.org) is a well known free online classified posting website. With the exception of a few major cities and metropolitan areas, the website allows employers to post job announcements free of charge. The site is organized by location, either by state or metropolitan area and job postings are categorized by field or industry. West Virginia has a classified section on Craigslist, which is further broken down into several cities (Charleston, Huntington, Martinsburg, Morgantown, Parkersburg, and Wheeling). A preliminary review of the website revealed that the West Virginia State Police, the US Postal Service, and the US Census Bureau have utilized this website for advertising job openings. The Post Audit and the Performance Evaluation and Research Divisions of the Legislative Auditor's Office use Craigslist as well.

The Legislative Auditor asked the Division of Personnel whether or not it used either fee-paid or free internet job websites. The DOP indicated that it does not advertise job openings on any websites other than on the DOP's website. **The Legislative Auditor contends that the DOP's website should not be the only internet source advertising employment opportunities for the state of West Virginia.**

When specifically asked about Craigslist, the Director of Personnel indicated that:

As a free site, we see no downside in selectively including craigslist in our overall recruitment options.

The Division of Personnel Should At a Minimum Post a Craigslist Advertisement and Link to the DOP Website

The DOP is currently not using Craigslist. At a minimum, the DOP should post an advertisement on Craigslist, and explain the procedure to become employed with the state of West Virginia. With the Governor's "Come Home to West Virginia" initiative, which is a campaign to encourage former residents of West Virginia to move back, the DOP should utilize all avenues in order to make it easier for out-of-state natives to find employment with the State. Sites such as Craigslist are a central clearinghouse for job advertisements, thus a qualified individual looking for a job in the private sector may respond to an advertisement from the

Craigslist is a well known online classified posting website that allows employers to post job announcements free of charge.

A preliminary review of Craigslist revealed that the West Virginia State Police, the US Postal Service, and the US Census Bureau have utilized this website for advertising job openings.

With the Governor's "Come Home to West Virginia" initiative, which is a campaign to encourage former residents of West Virginia to move back, the DOP should utilize all avenues in order to make it easier for out-of-state natives to find employment with the State.

public sector. Advertising on Craigslist would make it more convenient for not only in-state residents, but even more convenient for out-of-state residents, who may not be aware of the Division of Personnel website.

The Legislative Auditor agrees with the DOP, that there is no downside in the usage of Craigslist, and that it would require minimal effort by the DOP. Therefore, the Legislative Auditor recommends that the DOP utilize free reputable internet job boards, such as Craigslist to increase exposure and reach potential qualified applicants. Additionally, the Division should encourage other state agencies to use Craigslist when advertising for job openings within the state. Using Craigslist could eventually allow state agencies to decrease their personnel advertising budgets for newspapers and for fee-paid internet sites, thus ultimately providing a cost savings to the State.

Advertising on Craigslist would make it more convenient for not only in-state residents, but even more convenient for out-of-state residents, who may not be aware of the Division of Personnel website.

Conclusion

Other than posting job advertisements on its own website, the DOP's internet exposure is limited. Survey results suggest that for many employers internet resources have become the number one source of both applicants and hires. In addition to agency websites, a wide variety of job posting and employment websites exist, such as Craigslist. The DOP indicated that it does not use any free or fee-paid employment websites but sees no downside in selectively including Craigslist in its overall recruitment options. The Division of Personnel should take advantage of utilizing a free service, and increase the exposure of the state of West Virginia as an employment option.

Using Craigslist could eventually allow state agencies to decrease their personnel advertising budgets for newspapers and for fee-paid internet sites, thus ultimately providing a cost savings to the State.

Recommendation

7. *The Legislative Auditor recommends that the Division of Personnel utilize free, reputable internet job sites, such as Craigslist to increase exposure and reach potential qualified applicants.*

ISSUE 4

The Division of Personnel Should Measure the Source of State Agency Hires.

Issue Summary

The Division of Personnel indicated that it seeks to measure its recruiting by assessing the speed and efficiency of the hiring process. Although administrative tasks and processing times can contribute to the overall success of the recruitment process, other aspects of recruitment should be tracked and evaluated as well. The DOP records the source that first attracted applicants to apply with the State; however, it does not expand that tracking to agency hires. If this information was tracked, it could allow the DOP to determine not only the source of quality hires but also where recruitment efforts should be concentrated. The DOP agrees that it needs to be more aggressive in its recruiting efforts, but it has not developed a process to track or measure the effectiveness of those efforts.

The DOP's written and on-line applications ask job seekers to identify the most important source(s) that influenced their decision to apply for employment with the state of West Virginia.

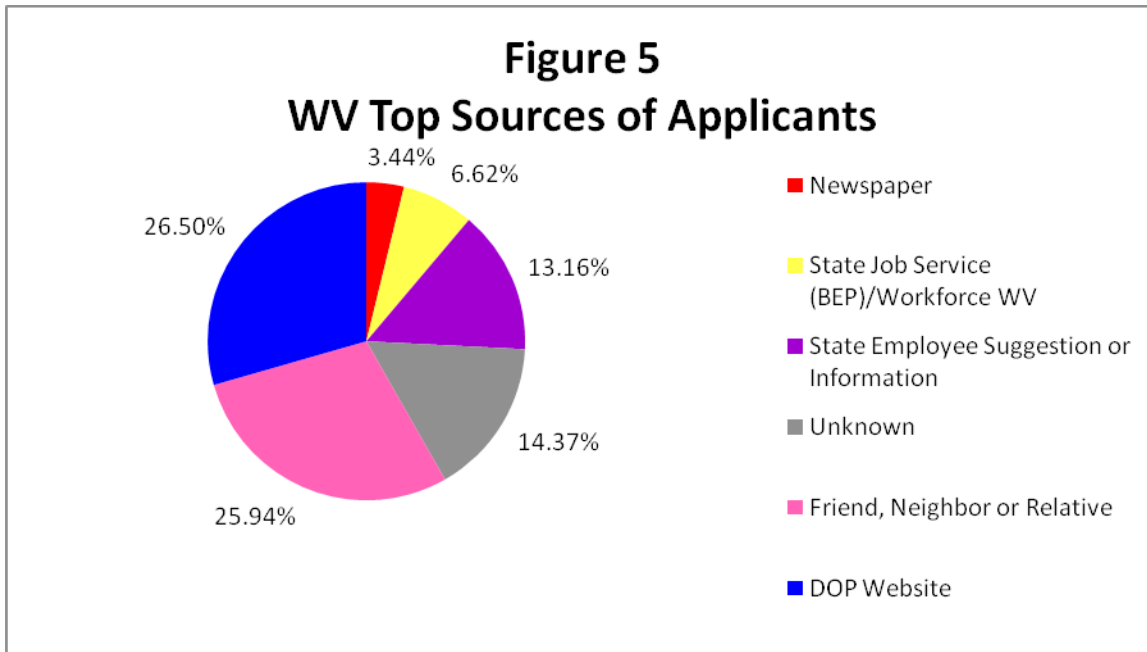
Top Sources for Job Applicants Are the Division of Personnel Website and Acquaintance Referrals

The Division of Personnel's (DOP) website is a powerful recruitment tool, providing the number one source of applicants for Civil Service Positions. The DOP's written and on-line applications ask job seekers to identify the most important source(s) that influenced their decision to apply for employment with the state of West Virginia (see Appendix C). The DOP collects the data and generates "application source reports" that provide a breakdown of each category by number of applicants and percentage of total applicants.

The answer choices provided on the application do not include important categories such as other internet sites or career/job fairs.

Figure 5 displays the top six applicant sources for the period of August 2007 through August 2008. As shown, the top source for applying for a state job is through the Division of Personnel website followed closely by a recommendation from a friend or relative. The answer choices provided on the application do not include important categories such as other internet sites or career/job fairs. The addition of a job fair answer selection is important because several state job fairs

were held throughout the state by the DOP in 2008. The Legislative Auditor recommends that the DOP consider reviewing the answer choices provided for this application question and consider amending the list to allow for a wider range of more specific selections.



The Division of Personnel Should Track the Sources of Agencies Hires

According to the DOP, source information is only a general indicator of where applicants are likely to obtain information about state jobs and the application process. The DOP claims that application source information is:

...of relatively little direct value in allocating recruitment resources since the primary source of the information, the Web site, has very low fixed cost and is used for all job advertising.

The Legislative Auditor disagrees with this statement in part. While the source of applicants alone is limited in its usefulness, if this

While the source of applicants alone is limited in its usefulness, if this information was tracked beyond the application process it could prove to be very important because the DOP could determine not only the source of quality hires but also where to direct its recruitment efforts.

information was tracked beyond the application process it could prove to be very important because the DOP could determine not only the source of quality hires but also where to direct its recruitment efforts.

Determining the effectiveness of recruitment techniques can be difficult. However one method of measurement is media source tracking which looks at the media source that first attracted an applicant, an interviewee, and more importantly a hire. Currently, the DOP does not determine the source of hires as it does with applicants.

If actual state agency hires were tracked from the application process to placement, the DOP could identify what medium of recruitment most effectively produces quality hires in a particular region, agency, or a specific job position. Once the sources of the hires are identified, the media cost per placement can be calculated. By measuring the media cost per placement, the DOP could make more informed decisions concerning whether or not to cut back or invest more in its candidate attraction strategies. This kind of information could be very useful to both the DOP and state agencies in developing recruitment strategies. Ultimately, the collection of data from the application potentially allows the DOP to identify the most effective means of advertising and recruitment practices.

As stated previously, several job fairs were held throughout the state in 2008. The job fairs were attended by the Division of Personnel as well as other state agencies. While the Division and other agencies tracked the number of individuals who attended the job fairs, the Division did not track the number of individuals that were hired as a result of the job fairs. Thus, the Division cannot fully measure the success of the fairs, and whether fairs should be held in the future.

The Division of Personnel Should Measure All Aspects of Its Recruiting Efforts

The Legislative Auditor asked the Division of Personnel how the effectiveness of its recruitment practices is measured. The DOP indicated that it seeks to measure its performance by assessing the speed and efficiency of the hiring process. Processing time goals have been

If actual state agency hires were tracked from the application process to placement, the DOP could identify what medium of recruitment most effectively produces quality hires in a particular region, agency, or a specific job position.

By measuring the media cost per placement, the DOP could make more informed decisions concerning whether or not to cut back or invest more in its candidate attraction strategies.

established by the DOP for internal job postings, exam scoring, applicant evaluations and referrals, and agency requisitions. The DOP measures the effectiveness of these clerical tasks by regularly monitoring actual processing times.

Although administrative tasks and processing times can contribute to the overall success of the recruitment process, other aspects of recruitment should be tracked and evaluated as well. The DOP provided the Legislative Auditor with limited information detailing the successes of non-clerical recruiting activities. This indicates to the Legislative Auditor that data from those forms of recruiting are not being compiled and/or analyzed for measurement purposes. The Legislative Auditor contends that the DOP should track and/or measure the success of all of its recruiting efforts. The DOP admits that:

We need to better identify recruitment sources and work with agencies in targeting those sources.

While the DOP agrees that it needs to be more aggressive in its recruiting efforts, it has not identified a process to determine the effectiveness of those efforts. Additionally, the DOP does not correlate those efforts with associated costs. The Legislative Auditor found that the DOP does not analyze recruitment advertising costs and the number of applicants or hires associated with those costs. The Director stated when discussing information collected by the agency that:

Certainly, tracking targeted recruitment activities, especially those that have relatively high cost (newspaper/ professional journal ad, radio spot, paid Web job board) might be useful in resource allocation.

The Legislative Auditor agrees with this statement. **A well designed measurement program will help ensure that the DOP as well as state agencies are spending marketing budgets wisely and will also help identify the most efficient and effective ways to attract quality candidates.**

The DOP should measure the effectiveness of its recruiting efforts by tracking the number of new hires who are recruited by various state government efforts. It is important that statistical data concerning the

Although administrative tasks and processing times can contribute to the overall success of the recruitment process, other aspects of recruitment should be tracked and evaluated as well.

The DOP does not analyze recruitment advertising costs and the number of applicants or hires associated with those costs.

The DOP should measure the effectiveness of its recruiting efforts by tracking the number of new hires who are recruited by various state government efforts.

success of recruitment practices is gathered. The DOP should develop a uniform procedure for data collection to create comparable information that can be used to determine trends, patterns and the effectiveness of various recruiting techniques. The DOP should be a resource for state agencies to access information as to where to obtain the best candidates. At this time, the Division is unable to do that. The Division of Personnel may have trouble improving its recruitment efforts until accurate recruitment data is gathered and successful practices are identified.

Conclusion

The Division of Personnel uses several recruitment tools and practices; however, the effectiveness of these efforts are not measured or consistently tracked by the DOP. The DOP's role should be that of an expert and advisor that can provide state agencies with guidance in critical areas such as recruitment. The DOP does not have a written policy or a practice in place that provides for a method of measuring the effectiveness of its recruitment activities. By not evaluating the success of its current practices, the DOP is not able to accurately identify the most useful recruitment practices thus possibly wasting resources on ineffective practices.

The DOP should be a resource for state agencies to access information as to where to obtain the best candidates.

Recommendations

8. *The Legislative Auditor recommends that the Division of Personnel consider reviewing the answer choices provided for this application question and consider amending the list to allow for a wider range of more specific selections.*
9. *The Legislative Auditor recommends that the Division of Personnel develop a system for measuring the effectiveness of recruitment efforts.*

Appendix A: Transmittal Letters

WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

January 29, 2009

Robert W. Ferguson, Jr., Cabinet Secretary
Department of Administration
Building 1, Room E-119
1900 Kanawha Boulevard, East
Charleston, WV 25305-0120

Dear Secretary Ferguson:

This is to transmit a draft copy of the Performance Review of the West Virginia Division of Personnel. This report is scheduled to be presented on February 10, 2009 at noon in the House Chamber during the interim meeting of the Joint Committee on Government Operations and the Joint Committee on Government Organization. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions the committees may have.

If you would like to schedule an exit conference to discuss any concerns you may have with the report, please notify me to schedule an exact time. In addition, we need your written response by noon on Wednesday February 4, 2009 in order for it to be included in the final report. We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Denny Rhodes".

Denny Rhodes

Enclosure
c: Otis G. Cox, Director

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Performance Evaluation and Research Division

Building 1, Room W-314
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610
(304) 347-4890
(304) 347-4939 FAX



John Sylvia
Director

January 29, 2009

James W. Spears, Cabinet Secretary
Department of Military Affairs and Public Safety
Building 1, Room W-400
1900 Kanawha Boulevard, East
Charleston, WV 25305

Dear Secretary Spears:

This is to transmit a draft copy of Issue 1 of the Performance Review of the West Virginia Division of Personnel. The issue is being provided to you as a result of findings and a recommendation involving the Department of Military Affairs and Public Safety. The full report is scheduled to be presented on February 10, 2009 at noon in the House Chamber during the interim meeting of the Joint Committee on Government Operations and the Joint Committee on Government Organization.

If you would like to schedule an exit conference to discuss any concerns you may have with the report, please notify me to schedule an exact time. In addition, if you would like to provide a written response to the issue, please do so by noon on Wednesday February 4, 2009 in order for it to be included in the final report. We request that your personnel not disclose the draft to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

A handwritten signature in cursive script that reads "Denny Rhodes".

Denny Rhodes
Research Manager

Enclosure

Joint Committee on Government and Finance

Appendix B: Personnel Director Annual Salary by State

Personnel Director Annual Salary by State			
State	Annual Salary	State	Annual Salary
Alabama	\$147,458	Mississippi	\$106,661
Michigan	\$146,143	New Mexico	\$104,998
Georgia	\$145,000	South Dakota	\$103,335
California	\$142,965	Nevada	\$103,332
New Jersey	\$141,000	Florida	\$100,000
Washington	\$137,160	Hawaii	\$98,316
Tennessee	\$135,000	Maryland	\$97,683
Connecticut	\$134,587	Wisconsin	\$97,152
Massachusetts	\$133,000	Alaska	\$95,928
Virginia	\$132,649	Ohio	\$95,014
Rhode Island	\$131,846	Nebraska	\$93,436
Kentucky	\$130,038	Arkansas	\$92,341
Pennsylvania	\$126,066	Kansas	\$90,167
Oregon	\$123,924	New Hampshire	\$89,388
New York	\$120,800	Missouri	\$88,245
Colorado	\$120,220	Wyoming	\$87,540
North Carolina	\$117,142	Vermont	\$87,006
Arizona	\$114,831	Idaho	\$86,008
Utah	\$114,297	Oklahoma	\$80,955
Iowa	\$114,296	Montana	\$80,935
Indiana	\$111,657	North Dakota	\$80,400
Louisiana	\$111,592	Maine	\$79,789
Delaware	\$108,850	West Virginia	\$70,000
South Carolina	\$108,651	Illinois	NA
Minnesota	\$108,388	Texas	NA
National Average - \$109,712			
<i>Source: The Book of the States, 2008. A publication of The Council of State Governments.</i>			

Appendix C: Division of Personnel Application Source Question

Division of Personnel Application Source Question

18. Select below the most important source(s) of information which influenced your decision to apply. You may mark more than one.

- Division of Personnel Recruiter/Job Counselor
- Division of Personnel Publication or Printed Materials
- Division of Personnel Web Site
- State Job Service (BEP) or Workforce WV Office
- School Counselor / Teacher / Placement Office
- State Agency Manager or Personnel Office
- Radio Announcement
- Newspaper Ad or Announcement
- State Employee Suggestion or Information
- Friend, Neighbor or Relative
- Other (List in next item)

Source: Division of Personnel application for employment

Appendix D: Agency Resonses



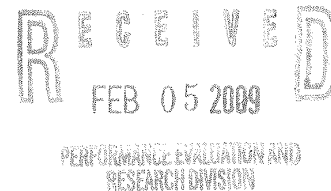
JOE MANCHIN III
GOVERNOR

STATE OF WEST VIRGINIA
DEPARTMENT OF ADMINISTRATION
OFFICE OF THE CABINET SECRETARY

ROBERT W. FERGUSON, JR.
CABINET SECRETARY

February 4, 2009

Denny Rhodes, Research Manager
Performance Evaluation and Research Division
Building 1, Room W-314
1900 Kanawha Blvd., East
Charleston, WV 25305



Dear Mr. Rhodes,

In response to the Legislative Auditor's report on the Division of Personnel conducted as part of the Departmental Review of the Department of Administration, the Department of Administration offers the attached response by the Division of Personnel.

It is our intent to continue working with the legislative branch to ensure that state government is equipped with its greatest resource – state employees – through a fair, efficient, and effective process.

Sincerely,

A handwritten signature in black ink, appearing to read "Rob Ferguson".

Robert W. Ferguson, Jr.
Cabinet Secretary

RWFJr:tma

Attachment

cc: Otis G. Cox, Director, Division of Personnel

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Issue 1: The Legislative Auditor Finds That Improvements Can Be Made in West Virginia’s Civil Service System to Further Ensure That Individuals Are Being Hired Based on Merit Rather Than Favoritism.

Division of Personnel Comments

- The Division of Personnel audits all original appointments (i.e., new hires) for classified (i.e., civil service) positions to ensure that these appointments comply with the statutory requirement for an appointing authority to “. . .make his selection from the top ten names on the appropriate lists of eligibles, or may choose any person scoring at or above the ninetieth percentile on the examination. . .”.
- The Division of Personnel requires that each original appointment for a classified position is accompanied by a certification from the appointing authority that, in making the appointment, the person charged with making the selection, “. . . did not make the selection based on favoritism shown or patronage granted; and, considered all available eligibles for the position.”
- Although the Legislative Auditor acknowledged that he had received explanations and documentation from agencies regarding applicants who were not available or eligible for employment, those applicants were still included in the average ranking data cited in the report. These include applicants who failed to reply to or declined invitations for interviews, stated that they were not available for employment, failed criminal background checks, failed drug tests, or were otherwise not available or eligible for employment. As such, the report is not an accurate representation of the rank of applicants hired relative to applicants available for employment. Again, all applicants hired to classified positions are verified by the Division of Personnel as meeting the statutory requirement of being within the top ten or top ten percent of available eligible applicants.
- Using the same sample as the Legislative Auditor, the average ranking of an applicant hired by the Division of Corrections for a Correctional Officer 1 position is 4.7 based on available eligible applicants. On average, the Division of Personnel referred 40.6 applicants to the Division of Corrections for each request for a certified list of eligible applicants. Of those 40.6 applicants, an average 13.7 were eligible for employment; that is, 26.9 applicants stated that they were not available for employment, failed criminal background checks, failed drug tests, or were otherwise not available or eligible for employment. Of the average of 13.7 applicants the Division of Corrections was able to consider for employment from each referral list, they hired 7.4 applicants.
- Legislation passed in 2007 added the employees of the Regional Jail and Correctional Facility Authority to the classified service, with the exception of employees in the office

of the Executive Director. That legislation amending West Virginia Code §31-20-27 provides the following:

(c) Notwithstanding the provisions of section ten, article six, chapter twenty-nine of this code, and any rule promulgated thereunder, on and after the first day of July, two thousand seven, any person applying for employment with the Regional Jail and Correctional Facility Authority shall be hired based on passage of the correctional officer examination without regard to his or her position on the correctional officer register and shall be placed in the civil service system as covered employees: Provided, That no such person shall be hired before an otherwise qualified person on a preference register.

Legislative Auditor's Recommendations

1. *The Legislative Auditor recommends that the Legislature modify Legislative Rule §143-1-8.2(e) by clarifying the intent of the rule as it relates to the order and time frame for state agencies to contact applicants from the Division of Personnel register.*
2. *The Legislative Auditor recommends that the Legislature clarify whether West Virginia Code §31-20-27(c) exempts the Regional Jail and Correctional Facility Authority from Legislative Rule §143-1-8.2(e) which requires state agencies to contact applicants from a Division of Personnel register by written inquiry.*
3. *The Legislative Auditor recommends that the Legislature require state agencies to contact individuals on the Division of Personnel registers in numerical order starting with the individual ranked in the first position.*
4. *The Legislative Auditor recommends that the Legislature require state agencies to submit a statement of justification along with supporting documentation to the Division of Personnel when the state agency hires someone from the Division of Personnel register with a lower ordinal ranking than 10.*
5. *The Legislative Auditor recommends that the Division of Personnel review state agencies that are regularly hiring individuals at ordinal number rankings lower than 10.*

Division of Personnel Response

1. It is our experience that most agencies contact applicants referred on certified lists in writing most of the time, as this is the most effective and efficient method to ensure clear and consistent communication of information regarding vacant positions to eligible applicants. Our rule, however, allows contact in writing or by phone.
2. Under current statutory provisions, the Regional Jail and Correctional Facility Authority is not required to comply with West Virginia Code §29-6-10 or provisions of rules

promulgated thereunder in hiring employees. If those provisions change or remain the same, we will ensure compliance with all statutory provisions.

3. It is our experience that state agencies regularly contact at least the top ten available individuals on certified lists of eligible applicants.
4. State agencies currently must document, by contact results of applicants not available or eligible, any hiring of individuals with a lower ordinal ranking of 10 or the top ten percent. Further, the Division of Personnel sends letters to applicants noted as not available or not eligible and advises them that their names are being removed from registers based on the contact results reported by agencies; these contact results are almost universally confirmed by the applicants. On the rare occasion that an applicant has questioned the contact results, we have investigated and confirmed the agency's contact results. These questions often arise in situations where an applicant is contacted by multiple agencies in a short period of time and confuses one agency with another.
5. The Division of Personnel currently reviews all hiring of classified employees by agencies to assure that each individual hired meets the statutory requirement of being within the top ten or top ten percent of available eligible applicants.

Issue 2: Salary Is a Significant Contributing Factor in Frequent Turnover in the Position of Director of the Division of Personnel.

Legislative Auditor's Recommendation

The Legislative Auditor recommends that the Legislature consider reviewing the salary for the position of director with the Division of Personnel in order to maintain continuity in the Division's operations.

Division of Personnel Response

The Division agrees with the recommendation.

Issue 3: The Division of Personnel should increase its presence on the Internet and advertise on free classified internet sites such as Craigslist.

Legislative Auditor's Recommendation

The Legislative Auditor recommends that the Division of Personnel utilize free, reputable internet job sites, such as Craigslist to increase exposure and reach potential qualified applicants.

Division of Personnel Response

For the past 3 years the Division of Personnel has routinely advertized jobs and accepted applications on the Internet. This has resulted in a substantial increase in job applications and recruitment outreach. The Division currently contracts for Internet job posting services through our applicant tracking system (GovernmentJobs.com). A simple Google search for "West Virginia Jobs" or "Jobs in West Virginia" ranks the Division of Personnel's site 6th place in the search results.

The Division of Personnel is aware of the Craiglist site and its features. We believe that to achieve our objective to increase the number of serious, high quality candidates, the use of such a site must be targeted and well planned. Merely increasing the number of applicants without increasing the quality of applicants can simply increase processing costs. Therefore, we believe that the use of Craigslist, where appropriate, could be a part of our overall recruitment strategy.

Issue 4: The Division of Personnel should measure the source of state hires.

Legislative Auditor's Recommendations

1. *The Legislative Auditor recommends that the Division of Personnel consider reviewing the answer choices provided for this application question and consider amending the list to allow for a wider range of more specific selections.*
2. *The Legislative Auditor recommends that the Division of Personnel develop a system for measuring the effectiveness of recruitment efforts.*

Division of Personnel Response

1. The Division of Personnel agrees with this recommendation.
2. The Division of Personnel agrees with this recommendation. Recruitment efforts must always be job specific. The strategy that works for highway equipment operators in Berkeley County may not work for nurses in Cabell County. Consequently, measuring the effectiveness of recruitment efforts will require the cooperation and input of every state agency.



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JOE MANCHIN III
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JAMES W. SPEARS
CABINET SECRETARY

MEMORANDUM

TO: Denny Rhodes
WV Legislature PERD Research Manager

FROM: James W. Spears
Cabinet Secretary *JWS*

DATE: 5 February 2009

RE: Performance Review of WV Division of Personnel

RECEIVED
FEB 05 2009
PERFORMANCE EVALUATION AND
RESEARCH DIVISION

Thank you for the opportunity to comment on the recently completed performance review of West Virginia's personnel system relating to hiring practices throughout selected state agencies.

We are pleased to see your report identifies why our correctional agencies are outside the norm in their hiring from the Personnel Register (i.e. applicants failing to respond to interview requests, etc.).

Additionally, the Department of Military Affairs and Public Safety (DMAPS) is reviewing the hiring practices of the agencies identified in your Performance Review. This will provide DMAPS with a better understanding of the areas identified in the report, and provide supportive documentation for those agencies hiring practices. In the case where deficiencies are found, measures will be implemented to correct them.

I understand that DMAPS will have an opportunity to respond in greater detail once your Review is presented in final form. DMAPS looks forward to working with the Performance Evaluation and Research Division on your referenced in-depth follow-up study regarding certain state agency hiring practices.

JWS/jct

DMAPS OUTGOING
FEB 05 2009
Sent To: Legis.
From: JWS
Office of the Cabinet Secretary



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