

MEMORANDUM

Date: February 8, 2012

To: Nancy Wyman, Lieutenant Governor
Donald DeFronzo, Commissioner of Administrative Services
Benjamin Barnes, Secretary of Policy and Management
Linda Yelmini, Director of Labor Relations

From: Ram Aberasturia, Chair, Management Advisory Council
Barbara Spear, Vice-Chair, Management Advisory Council
Elise Gaulin-Kremer, Secretary, Management Advisory Council
Claudia Helfgott, Treasurer, Management Advisory Council

Re: Concerns of the Managerial Workforce

On November 9, 2011 the Management Advisory Council (MAC) Board met with Department of Administrative Services (DAS) Commissioner DeFronzo and Deputy Commissioner Anderson to discuss longstanding concerns of managers in State service. The meeting was positive and productive with an open exchange of ideas that we hope will lead us to collectively begin to address the challenges ahead. At the conclusion of the meeting, MAC was asked to submit a position statement in order to document the concerns of managers in the State workforce.

In the spirit of working towards a more effective and efficient government, we write today to illustrate the challenges facing not only managers, but the State as a whole. The hope is to enlighten today's executive and political leaders, while addressing existing misperceptions. Our ultimate goal is to establish an effective and sustainable approach to retaining and recruiting the best and brightest individuals to state government, while establishing a viable plan for the future leadership.

Background on MAC

The Management Advisory Council was established by Executive Order #6 in 1983 by then Governor William A. O'Neill. In establishing MAC, Governor O'Neill stated "*The value of managerial employees is recognized as being crucial to the efficient and effective administration of the business of State government.*"

MAC's charge is to provide a forum for communication between managers and appointed and elected officials to improve managerial effectiveness and the productivity of State executive branch agencies. This includes addressing such issues as career development and training, compensation, benefits, and working conditions.

Improving State Government

While a difficult challenge, we are committed to participate in the Administration's efforts to improve State government. We understand the need for change and welcome the opportunity. We appreciate the inclusion of MAC leaders in the Joint Labor

Management Committee to work hand-in-hand with union leaders and the Administration in addressing the challenges facing our State.

As MAC members consist primarily of Connecticut residents who have chosen public service as their career, the charge to make State government better is a goal we value most, as we are all vested in our State.

Barriers to Improvement

For several years, we have become increasingly aware of the issue of salary compression – defined as the ever diminishing gap in salaries between managers and the employees they supervise. In fact, in 2006, MAC was advised at one of its meetings that “DAS is working on the salary compression issue with OPM and recognizes it as a very serious issue.” Salary compression has been left unaddressed for so long that we are now experiencing an even greater obstacle, which is salary inversion – defined as managers making less than union employees reporting to them. Compression/inversion is a critical issue as it has significant impacts and unintended consequences with respect to succession planning as well as to the quality of the workforce.

For example, some of the potential impacts include:

- o No viable succession planning
 - o Reduced incentive for union members to excel and aspire to managerial positions
 - o Limited ability to recruit – due to increasing disparity with private sector compensation
 - o Vacancies in management positions
- o Erosion of confidence in career State managers
- o Departure of managers for other opportunities and the resulting loss of expertise and institutional knowledge

The most compelling reason we would argue for caring about salary compression/inversion is that, if left unaddressed, we will have a less efficient government due to a void in leadership. As senior managers leave, there will be a need to fill vacancies. We believe that in the near future, if these issues are not addressed, managerial positions will be left vacant or, worst yet, filled by unqualified candidates.

Service demands on managers have also increased despite the corresponding reduction in managerial numbers as well as staff reductions. In fact, over the last 5 years, managerial ranks have decreased over 20%. Please refer to the chart below for specifics:

	12/31/07	12/31/08	12/31/09	12/31/10	12/28/11
# Managers	2,157	2,166	1,851	1,878	1,654
5 Year Change	-503		23% reduction		

Recruiting and retaining quality managers is critical to productive succession planning. In order to recruit and retain quality managers, there must be an incentive for potential candidates. If there is little or no difference in pay, for a greater skill level and higher-level responsibilities, coupled with less job security, there is little incentive for potential candidates to become managers. In fact, given the inversion which already exists in some cases, the opportunity for advancement is compromised. We believe that, in the environment that has been created over prior administrations, most candidates would decline the opportunity to lead, preferring the advantages of their present and more secure position.

Short Term Suggestions

Managers want nothing more and nothing less than other state employees. The simple answer is fairness. Today there exist inequities between what managers and all other state employees are afforded. Some areas of inequity include:

- Salary increments and expansions of salary ranges (additional “steps”)
- Tuition reimbursement
- Conference funds
- Reimbursement for mandatory continuing education for licensed professionals
- Compensatory time for significant additional hours worked
- Freezing of longevity payments (temporary vs. permanent)
- Flex Time/Alternate Work Schedules
- Telecommuting

Despite the lean times, we believe there are steps the administration can take to demonstrate that it values its state managers and is committed to the long-term well-being of public service in State government. We look forward to ongoing discussions to find common solutions for our State and to being your partners in the honor of State service.

Your partners in State Service,

Ram Aberasturia

Ram Aberasturia, Chair

Barbara C. Spear

Barbara C. Spear, Vice Chair

Elise Kremer

Elise Kremer, Secretary

Claudia Helfgott

Claudia Helfgott, Treasurer

