1957

The Montana merit system

Gary Lawrence Cowan

The University of Montana

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THE MONTANA MERIT SYSTEM

by

Gary Cowan

B.A., Montana State University, 1956

Presented in partial fulfillment
of the requirements for the degree of
Master of Arts

MONTANA STATE UNIVERSITY

1957

Approved by:

[Signatures]

Chairman, Board of Examiners

Dean, Graduate School
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CHAPTER I

FEDERAL MONEY AND MONTANA PERSONNEL ADMINISTRATION

The Agency To Be Studied

The personnel functions of a government service can be handled in numerous ways, varying from the Greek system of selection of public officials by lot to the most progressive current schemes of personnel specialists of business and industry. Yet without exception every government has a history of patronage, which means filling government jobs with people selected for some reason other than their ability to do the work. In the federal service of the United States, patronage ruled supreme during the years when the spoils system was almost unchecked—from the first administration of President Jackson to the beginnings of a movement for civil service reform in the 1860's. In many states, counties, and municipalities of the union, patronage is still a standard practice.

With passage of the Civil Service Act in 1883, patronage in the federal departments began to give way to the merit system, as government employees were appointed because they took competitive examinations rather than because a politician thought they should have jobs. Public personnel administration has many more aspects than appointment.

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and retention in government jobs of qualified people, but this basic merit system reform has been the foundation of better personnel administration in American government.

With but one formal exception, patronage persists in the state government of Montana. This exception is the Montana Merit System, which performs limited functions in personnel selection, job tenure, and other areas for the Montana Department of Public Welfare, the Montana State Board of Health, the Montana Unemployment Compensation Commission, and the Montana Department of Mental Hygiene. The Merit System is not a result of reform by the state government of Montana; its existence in a state where public personnel administration has made notably slight advance is necessitated by federal law. Montana's eligibility to receive federal funds for unemployment insurance administration, public welfare, and public health is conditional on merit system administration of the state personnel who administer these federally-supported programs.

The Development of Federal Control of Grant-in-Aid Funds

The history of the federal policy of financial assistance to states, of which the Montana Merit System is one manifestation, goes back to 1785, when the Confederation government made the first land grants to states. The land-grant policy was continued in the Northwest Ordinance of 1787, and in 1836 the federal government distributed $28 million from the United States treasury among the states. The Morrill Act of 1862 set aside land for the support of colleges of agriculture and mechanic arts.
The current federal program for giving money to states can be traced to the Hatch Act of 1887, which authorized payments for the purpose of establishing agricultural experiment stations. Since 1887, the area included within the money grant-in-aid program has continually expanded. Grants for the county agent system of agricultural extension work, a joint U. S. Department of Agriculture-land grant colleges project, began with the Smith-Lever Act of 1914; grants for forest fire control, with the Weeks Act of 1911; grants for highways, with the Federal Aid Road Act of 1916; grants for vocational education and rehabilitation, with the Smith-Hughes Act of 1917; grants for public health, with the Chamberlain-Kahn Act of 1918; grants for the establishment and maintenance of public employment offices, with the Wagner-Peyser Act of 1933; and grants for assistance to the aged, the blind, and dependent children and for administrative costs of state unemployment insurance schemes, with the Social Security Act of 1935. In 1946 bills providing grants-in-aid for school lunch programs and public airport construction were enacted into federal law. Late in July, 1957, the U. S. House of Representatives narrowly defeated a bill for grant-in-aid money for school construction.

The scope reached by the federal grant-in-aid program can be determined from Table 1, which shows the amount of federal money Montana received for various purposes during the fiscal year ending June 30, 1956, and the agencies administering grant-in-aid funds in the state.
TABLE 1
FEDERAL GRANTS TO MONTANA, STATE AND LOCAL UNITS,
DURING FISCAL 1955-56a

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Federal Payments</th>
<th>Administrative Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural experiment stations</td>
<td>$309,808</td>
<td>Montana Agricultural Experiment Station</td>
</tr>
<tr>
<td>Agricultural extension work</td>
<td>377,361</td>
<td>Montana State College</td>
</tr>
<tr>
<td>Forestry projects</td>
<td>99,490</td>
<td>Montana Forestry Dept.</td>
</tr>
<tr>
<td>Land grant colleges</td>
<td>75,490</td>
<td>Montana State College</td>
</tr>
<tr>
<td>School construction in federally affected areas</td>
<td>1,019,371</td>
<td>Mont. Dept. Public Inst.</td>
</tr>
<tr>
<td>School lunch</td>
<td>296,310</td>
<td>Mont. Dept. Public Inst.</td>
</tr>
<tr>
<td>Vocational education</td>
<td>189,168</td>
<td>Mont. Dept. Public Inst.</td>
</tr>
<tr>
<td>Cancer control</td>
<td>12,980</td>
<td>Montana Board of Health</td>
</tr>
<tr>
<td>Crippled children's services</td>
<td>130,994</td>
<td>Montana Board of Health</td>
</tr>
<tr>
<td>Public health (general)</td>
<td>53,410</td>
<td>Montana Board of Health</td>
</tr>
<tr>
<td>Heart disease control</td>
<td>12,751</td>
<td>Montana Board of Health</td>
</tr>
<tr>
<td>Hospital construction</td>
<td>119,850</td>
<td>Montana Board of Health</td>
</tr>
<tr>
<td>Maternal and child health</td>
<td>84,207</td>
<td>Montana Board of Health</td>
</tr>
<tr>
<td>School operation in federally affected areas</td>
<td>248,442</td>
<td>Mont. Dept. Public Inst.</td>
</tr>
<tr>
<td>Mental health</td>
<td>19,420</td>
<td>Mont. Dept. Mental Hygiene</td>
</tr>
<tr>
<td>Tuberculosis control</td>
<td>19,645</td>
<td>Montana Board of Health</td>
</tr>
<tr>
<td>Public low-rent housing</td>
<td>121,152</td>
<td>U.S. Public Housing Admin.</td>
</tr>
</tbody>
</table>
TABLE 1 - Continued

<table>
<thead>
<tr>
<th>Purpose</th>
<th>Federal Payments</th>
<th>Administrative Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport construction</td>
<td>317,561</td>
<td>Mont. Aeronautics Commission</td>
</tr>
<tr>
<td>Highways</td>
<td>9,513,198</td>
<td>Mont. Highway Commission</td>
</tr>
<tr>
<td>Child welfare services</td>
<td>64,054</td>
<td>Mont. Dept. Public Welfare</td>
</tr>
<tr>
<td>Aid to blind</td>
<td>188,372</td>
<td>Mont. Dept. Public Welfare</td>
</tr>
<tr>
<td>Aid to dependent children</td>
<td>1,500,964</td>
<td>Mont. Dept. Public Welfare</td>
</tr>
<tr>
<td>Aid to disabled</td>
<td>611,549</td>
<td>Mont. Dept. Public Welfare</td>
</tr>
<tr>
<td>Old-age assistance</td>
<td>3,417,981</td>
<td>Mont. Dept. Public Welfare</td>
</tr>
<tr>
<td>Unemployment compensation and public employment service</td>
<td>1,159,219</td>
<td>Mont. Unemployment Compensation Commission</td>
</tr>
<tr>
<td>Vocational rehabilitation</td>
<td>157,013</td>
<td>Mont. Bureau Vocational Rehab.</td>
</tr>
<tr>
<td>Other</td>
<td>2,967,034</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>23,086,794</td>
<td></td>
</tr>
</tbody>
</table>


bA federally affected area occurs where a federal establishment, e.g., a military post, causes an influx of school children.

With federal aid came federal control. Every grant-in-aid bill has prescribed the purpose for which the federal land or money must be used; each bill has set other requirements with which states must comply.
in order to receive assistance. Some of the controls present in early acts were requirement of a yearly report to Congress from the governor of each state receiving aid (Morrill Act), a federal audit of state expenditures of federal funds (1895 amendment to the Hatch Act), and a provision that federal funds be withheld from states failing to fulfill the obligations imposed by Congress (Adams Act of 1906). Two characteristics of federal control associated with grant-in-aid bills since World War I were present in the Smith-Lever Act: States were required to match federal funds, and, in order to receive aid, states had to obtain advance federal approval of plans for an agricultural extension program. The requirement that every state receiving aid must provide a proper agency to administer the funds was introduced by the Road Act of 1916 and continued by the Social Security Act of 1935.

In sum, four kinds of general federal control associated with present day grant-in-aid bills can be listed: Federal statement of purpose, federal supervision of state spending, federal insistence that states pay part of the bill, and federal standards of state administration of funds. However, it must be borne in mind that each grant-in-aid bill is a separate entity in which Congress prescribes

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2The above portion of the section "The Development of federal control of grant-in-aid funds"—with the exception of Table 1—is drawn from Council of State Governments Committee on Federal Grants-in-Aid, Federal Grants-in-Aid (Chicago: Council of State Governments, 1949), pp. 1-14.

3Ibid., p. 6.

4U.S., Statutes at Large, LIII, Part 2, 1360, 1378, 1379, 1380, 1381, 1397.
controls that apply only to the grants therein appropriated and that a state submits to federal control only if it accepts grant-in-aid money.

Specific federal control of the personnel policies of state agencies administering expenditures of grant-in-aid funds for the blind, dependent children, maternal and child welfare, maternal and child health, old age assistance, and unemployment compensation became law with a 1939 amendment to the Social Security Act of 1935. This amendment orders states to "provide such methods of administration (including after January 1, 1940, methods relating to the establishment and maintenance of personnel standards on a merit basis, except that the Social Security Board shall exercise no authority with respect to the selection, tenure of office, and compensation of any individual employed in accordance with such methods) as are found by the Board to be necessary for the proper and efficient operation of the plan. . . ."

Creation of the Montana Merit System

This 1939 amendment made a merit system necessary for the Montana Department of Public Welfare, Board of Health, and Unemployment Compensation Commission if the state were to continue receiving federal funds under the Social Security Act. Furthermore, the amendment specifically left the selection, tenure of office, and compensation of employees to the state, obliging the existence in Montana of some organization to carry out these personnel functions.

To some extent, Montana's legislature had anticipated the merit system requirement. Included in the Public Welfare Act of 1937, which

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5 Ibid.

6 Montana, Session Laws, (1937), c. 32.
created the Department of Public Welfare to administer grant-in-aid funds for old age assistance, dependent children, the blind, and child welfare, was the provision that the department must establish a merit system within one year.\(^7\) An unemployment compensation law\(^8\) passed during the same session (1937) required a merit system for examination of job applicants, salary schedules, and position classification.\(^9\) This law governs the Unemployment Compensation Commission, a Montana agency receiving grant-in-aid funds for administrative costs. Since federal funds for maternal and child health were being spent by the Montana Board of Health, the Social Security Act amendment of 1939 also required that agency to have a merit system, but the state legislature did not enact this rule into Montana law until 1949.\(^10\)

Although the Department of Public Welfare had had a germinal merit system since March 1, 1938, and the Unemployment Compensation Commission and the Board of Health had begun making classification and compensation plans prior to 1940, the three agencies decided to place their merit systems in the hands of one joint organization, and by their adoption of concurrent rules effective May 20, 1940, the Montana Merit System was created. The first members of the Merit System Council, approved by Governor Roy Ayers, were Fr. Emmet J. Riley of Helena, president of Carroll College, E. Martin Larson, Great Falls physician, and Francis A.

\(^7\)Ibid., sec. 3.

\(^8\)Ibid., p. 137.

\(^9\)Ibid., sec. 11.

Thomson of Butte, president of the Montana School of Mines. Since 1940, the Merit System has been in continuous operation as a public personnel agency.

The Montana Employment Service was detached from the Unemployment Compensation Commission from January 1, 1942, until November 16, 1946, as a result of President Franklin Roosevelt’s request that it be transferred to the federal government during wartime, but this transfer interfered very little with the Merit System. While the employment service was under federal control, the Merit System continued to recruit its employees, examine them, and make certifications to appointing authorities. Employment service personnel hired by the federal government without Merit System examination were given qualifying examinations after the service was returned to state control.

In 1948 Merit System jurisdiction was broadened when the Montana Department of Mental Hygiene, created by the state legislature in 1947 to administer grant-in-aid funds for mental health, adopted rules placing its personnel under the Merit System. This agency and the three that joined in 1940 have cooperated to maintain the Merit System during the past nine years.


14 Montana, Session Laws (1947), c. 103, sec. 1.

Initially, the three agencies under the Merit System all had separate rules, but on May 1, 1948, the Board of Health and the Department of Public Welfare adopted a set of joint Merit System rules, and to these the Department of Mental Hygiene adhered December 15, 1948. The Unemployment Compensation Commission retains its separate set of rules.\(^\text{16}\)

\(^{16}\) MMSC, Joint Merit System Rules (mimeographed in Helena, Mont.), p. 24.

\(^{17}\) Montana, Unemployment Compensation Commission, Rules and Regulations for Merit System of Personnel (mimeographed in Helena, Mont.; 1955). The Montana Unemployment Compensation Commission is hereinafter cited as MUCC.
Development of Uniform Standards

The words that Congress added to the Social Security Act with the 1939 amendment requiring "establishment and maintenance of personnel standards on a merit basis" were few, and they did not specify in any detail what "a merit system basis" is or how states should go about installing it. Interpretation of the brief Congressional injunction fell, therefore, to the federal administrative agencies in charge of disbursing funds under the Social Security Act. At the time the Act was passed, these agencies were four in number. The Bureau of Public Assistance of the Social Security Board had charge of grant-in-aid money for assistance to the blind, dependent children, and the aged. The Children's Bureau of the Department of Labor administered funds for child welfare services and maternal and child health, and the Bureau of Unemployment Compensation of the SSB handled funds for state administration of unemployment compensation. The United States Employment Service of the Department of Labor shared responsibility for services to working people with the Bureau of Unemployment Compensation by administering funds for the maintenance of public employment offices. Congress voted these last funds (for employment offices) in the Wagner-Peyser Act of 1933 rather than the Social Security Act, but...
the federal government required a merit system for state agencies—including the Montana Unemployment Compensation Commission—spending them.¹

Standards which these four federal agencies established to elaborate the language of the amendment to the Social Security Act are the foundation of the organization of the Montana Merit System. Initially, the Social Security Board (for the Bureau of Public Assistance and the Bureau of Unemployment Compensation), the Department of Labor (for the U. S. Employment Service), and the Children’s Bureau promulgated three separate sets of standards for a merit system of personnel administration. These standards were substantially the same, but there were minor differences,² which no doubt contributed to the lack of coordination that was already plaguing federal administration of grant-in-aid funds appropriated under the Social Security Act.³

By 1948, federal reorganization had transferred the Children’s Bureau from the Department of Labor to the Federal Security Agency, under which the Social Security Administration had also been placed.⁴ It was thus possible for the Federal Security Agency in 1948 to formulate a set of uniform standards for state merit systems that applied to state agencies administering all Social Security Act grants except those under the


³Key, pp. 211 ff.

control of the Department of Labor, and this department cooperated by adopting the FSA standards. The U.S. Public Health Service was handling funds for mental health to be spent by state agencies including the new Montana Department of Mental Hygiene, but since the Health Service was also under the Federal Security Agency, it too accepted the uniform standards. Thus at the end of 1948, all four Montana agencies under the Montana Merit System—the Unemployment Compensation Commission, the State Board of Health, the Department of Public Welfare, and the Department of Mental Hygiene—were governed by one set of federal merit system standards, issued by the Federal Security Agency.

These standards have now (July, 1957) been in force for almost nine years without amendment. Since 1948, however, the Federal Security Agency has become the Department of Health, Education, and Welfare, of which the Social Security Administration is one division. The SSA’s Bureau of Public Assistance still handles grant-in-aid money for the blind, dependent children, and the aged, which in Montana goes to the Department of Public Welfare. The Children’s Bureau, transferred to Health, Education, and Welfare and placed under the SSA, continues to disburse funds for child welfare to the Montana DPW and funds for maternal and child health to the Montana State Board of Health, but administration of grants-in-aid for both public employment offices and unemployment insurance, which pay administrative costs of the Montana Unemployment Compensation Commission, has been consolidated in the Department of Labor’s Bureau of Employment Security. Funds for mental health still go to the Montana Department of Mental Hygiene.

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Mental Hygiene through the U. S. Public Health Service, now a part of Health, Education, and Welfare.6

The uniform federal standards for a merit system of personnel administration are directed to Montana agencies spending federal money under the Social Security Act rather than to the Montana Merit System itself. It is the agencies which are held primarily responsible by the federal government for seeing that the standards are followed in Montana, and they make them effective on the Merit System through rules they adopt to govern it.

Terms of the Uniform Standards7

In states not having a comprehensive civil service system, the federal rules require establishment of a merit system headed by a three-member merit system council, appointed by state agencies under its jurisdiction or by the governor on recommendation of the agencies. If possible, one merit system is to serve several agencies. State agencies must place under the jurisdiction of their merit system all employees except those holding jobs specifically exempted.8


7This section is drawn from U.S., Federal Security Agency, Standards for a Merit System, pp. 1-4.

8Federal rules allow exemption of members of state and local boards or commissions, members of advisory groups paid only for attendance at meetings, state and local officials "serving ex officio and performing incidental administrative duties," the executive head of an agency, a confidential secretary to an exempt official, janitors, part-time professional personnel, legal counsel, and members of unemployment compensation appeals tribunals and boards of review. On application of the proper state authority, hospital, sanitorium, and local health department personnel may also be exempted. Ibid., p. 2.
Every state agency spending federal money under the Social Security Act must prepare orderly position classification and compensation plans. Each job classification, written after investigation and analysis, must include a title for each class of position, a description of duties and responsibilities, and a statement of minimum qualifications. The compensation plan is to assign pay to various jobs according to difficulty and responsibility of the work, and it has to show minimum, intervening, and maximum rates of pay within the range assigned a job. One of the criteria for determining rates of pay must be the amount paid for similar work by other state agencies.

The most extensive federal regulation has to do with entrance into employment with a state agency under a merit system. Where possible, entrance must be obtained by competing in an open examination "practical in nature, constructed to reveal the capacity of the applicant for the position for which he is competing." These examinations are to consist of written tests, ratings of training and experience for positions of responsibility, oral interviews for positions involving important supervisory and administrative duties or frequent contact with the public, and performance tests for positions involving the operation of office machines. Such an examination battery the federal rules term "assembled examination." Where competition for positions involving exceptional scientific or professional ability by means of assembled examination is

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impracticable, however, selection may be made with "unassembled examination." Only persons who possess the minimum qualifications for the jobs for which they apply may be admitted to examination. Federal standards forbid the disqualification of any applicant for employment because of his religious or political affiliations, but once hired, he may not engage in any political activity except "to express his views as a citizen and to cast his vote."

After examination, the names of the persons who passed go on a register in the order of their final scores. Appointments to all positions except those exempted from merit system jurisdiction must be made from certifications of a "limited number" of eligibles from the top of an appropriate register. Responsibility for the conduct of examination, preparation of registers, and certification is to be assigned to a merit system supervisor whose qualifications include training and experience related to merit system administration and "known sympathy with the principles of the merit system."

If merit system recruitment cannot provide adequate registers, the federal standards permit provisional and emergency appointments. A provisional appointment is an extraordinary appointment of a person who meets minimum requirements for his position; the term "emergency appointment" is not defined. In no case may any individual receive successive provisional or emergency appointments. Even after appointment through competitive examination, an employee is not allowed permanent status until he has served a probationary period and received satisfactory written evaluations of his performance.

Unassembled examination "consists of evaluating candidates individually, largely on the bases of education and experience." Ibid.
The federal standards allow state agencies considerable discretion in dealing with employees incumbent when the merit system is installed. An agency may fire all incumbents who do not qualify through open competitive examination. On the other hand, it may retain employees who pass qualifying examinations only, and it may admit incumbents to examinations for positions they hold regardless of what training and experience they have had.

Promotion in an agency under a merit system is supposed to go to permanent employees qualified by capacity, quality of work, and seniority, but the state agency may, if it chooses, promote any person whom the merit system supervisor certifies as meeting the minimum requirements for the new job. With regard to separations and furloughs from service, the federal rules require state agencies to adopt standards designed to foster "adequate competition among employees" and "retention of employees based upon systematic consideration of type of appointment, length of service and efficiency." An employee who has gained permanent status following a satisfactory probationary period may be dismissed only for cause, because of curtailment of work, or because of lack of funds. Finally, the federal rules require state agencies under a merit system to make periodic service ratings of their employee's performance and to maintain adequate personnel records.

Federal Enforcement

Federal agencies charged with administration of grant-in-aid laws that preceded the Social Security Act developed, over a period of years, procedures to insure that insofar as possible states were made to comply with federal regulations governing the spending of grant-in-aid money.
In their broad aspects, these procedures became standard. Three general techniques evolved: Inspection of state activities by federal agents, audit of state spending and state performance records, and installation in state agencies of methods of record-keeping and reporting designed to provide the federal government with meaningful data about the operations of state agencies spending grant-in-aid funds.\textsuperscript{11}

The federal government has continuously applied these same techniques of control since 1935 in administering the Social Security Act, including, after 1939, the merit system requirement. As noted above, federal standards are enforced on agencies under the Montana Merit System by four federal bureaus. Each of these bureaus sends to Montana inspectors, given more pleasant sounding titles such as "representatives," who confer with officers of the Merit System agencies, give advice, and exert control. In the field of personnel administration, all agency plans for positions classification, pay policy, Merit System rules, and vacation and leave rules must have federal approval. The federal field representatives advise the Montana agencies whether proposals are satisfactory, but they have little authority to give final approval or disapproval, since most decisions are made in Washington. In the majority of cases, however, proposals that get a field representative's approval are accepted, with about a month elapsing between Montana application and federal action.

The periodic audits that federal agents conduct in agencies under the Montana Merit System deal with all sorts of agency records, financial and operational. Included in the financial audit is an examination of payments the agencies have made to support the Merit System. This is a post-

\textsuperscript{11}Key, pp. 109-155.
audit which supplements federal power to disapprove proposed Merit System budgets. 12

In order to facilitate the compilation of reports they submit to federal departments, the Montana agencies have put into operation methods of keeping records designed to provide the necessary data. The agency reports that deal with personnel administration include such information as total number of employees, number of classifications, number of vacancies, number of separations, and number of accessions. Other reports on personnel administration in Montana agencies receiving money under the Social Security Act are filed by the Merit System. 13

In addition to the control exercised on the four Montana agencies under the Merit System by the federal Department of Labor and the Department of Health, Education, and Welfare, the Division of State Merit Systems of the DHEW (formerly the State Technical Advisory Service of the Social Security Administration) supervises the Merit System directly. Thus there are two channels through which the federal government directs personnel practices of the Montana Merit System.

Inspection and audit of the Merit System are conducted by federal agents working out of the Health, Education, and Welfare office for region VIII in Denver. To insure that the Merit System uses acceptable personnel practices and to prevent violation of federal regulations, a federal representative 14 makes a thorough annual audit of the supervisor's Helena

12 See below, chap. VIII.

13 Melvin P. Martinson, Montana Merit System Supervisor (interview June 28, 1957); Robert James, MSBH Personnel Officer (interview July 1, 1957); Ted Curkulis, MDPW Director of Research and Statistics (interview July 1, 1957).

14 Currently (July, 1957) the representative is Leigh C. Douglas.
office and spot checks various records at irregular intervals. To date (July, 1957), the federal audit has never discovered any irregularity in operation of the Merit System office. The annual reports that the Merit System files with the Department of Health, Education and Welfare are statistical, showing applications received, examinations administered, examination results, and figures which enable federal agents to compute reliability of Montana examinations.\footnote{Martinson (interview June 28, 1957).}

Legally, the power of a federal agency to force states to comply with regulations of expenditure of grant-in-aid funds lies in its power to withhold further federal money by refusing to certify that the state is entitled to it. In practice, however, this weapon has not proved very potent. The state can always appeal to Congress, and occasionally this has been done with success. Cutting off federal money is a drastic step which federal agencies hesitate to take except in cases of gross violation, and they usually prefer inferior state administration to the state's completely neglecting an activity. State administration can actually be very inefficient while fulfilling the letter of federal standards.\footnote{Key, pp. 106-108, 173-177.}

The general result of these obstacles to disciplining state agencies spending grant-in-aid money has been a tendency for federal agents to give advice rather than orders.\footnote{Roger H. Wells, "General Analysis," Chap. I of The Impact of Federal Grants-in-Aid on the Structure and Function of State and Local Governments (Washington, D.C.: Commission on Intergovernmental Relations, 1965), pp. 9-10.} Federal agencies have tried to make...
their men "consultants" instead of "inspectors" in function as well as title. The job of federal inspectors has tended to expand beyond enforcing compliance with minimum standards to include gathering information and serving as part-time consultants to state agencies. They seek to improve state services by "persuasion, stimulation, pressure, and encouragement." Federal agencies emphasize the need for federal-state cooperation, and a premium is placed on good personal relationships between federal representatives and state administrators.

The pattern of federal enforcement of merit system standards in Montana has been similar to that of enforcement of grant-in-aid bill regulations in general, with federal agencies emphasizing their advisory role. In all phases of merit system personnel administration in Montana (which are described in later chapters of this thesis), including position classification, pay policy, examination, and Merit System budgeting, the advice of federal personnel specialists has been important. It is difficult to determine which items of federal advice Montana administrators might have rejected without endangering the state's receipt of funds under the Social Security Act, but there is evidence that the Montana Merit System has carefully avoided putting itself at issue with federal representatives. Merit System Supervisor Melvin F. Martinson is on excellent terms with the Health.

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18 Klein, p. 106.

19 Ibid., pp. 87, 107-108; Wells, pp. 9-10.

20 For example, the Merit System did not make an attempt to go over the head of a Department of Labor representative who insisted that the UCC use a system of position numbering different from that of the other agencies. See below, p. 50. And the Merit System Council has deferred to federal desires on other occasions. See below, p. 155.
Education, and Welfare agent who inspects the Montana Merit System, and Martinson considers him a colleague in public personnel administration rather than an overseer. The feeling that the relationship with federal representatives is cooperative also prevails in the agencies under the Montana Merit System. In the words of an agency personnel officer, the federal men are "always willing to help."

An easily ascertained cause of a reduction of federal supervision of merit system personnel administration in Montana is that since the Montana Merit System was created in 1940, its work has become increasingly routine. At first, federal agents concerned themselves with many Merit System practices which, once established, require no more than infrequent inspections. An illustration of this decrease in supervision is the decrease of federal representatives' attendance at meetings of the Merit System Council. While the Merit System was being organized, two or three federal men were at almost every Council meeting, but as the Merit System continued to employ approved practices, their attendance dropped off, and the last Council meeting at which a federal agent was present was the one held April 8, 1954.

On the whole, cooperation and apparently good feeling have come to keynote the federal enforcement of minimum standards for a merit system of personnel in Montana agencies spending grant-in-aid funds appropriated under the Social Security Act of 1935. It by no means follows that there is

21 Martinson (interview June 28, 1957).

22 James (interview July 1, 1957).

23 MSC, Official Minutes, I (Sept. 27, 1940, to April 8, 1954), 292 (in files of Merit System office, Helena, Mont.).
any laxity of enforcement. Federal approval is still needed for all amendments of Montana Merit System rules, Merit System budgets, changes in pay plans, revisions of position classification, and a number of more minor items such as granting extraordinary salary increases. Close adherence to federal standards marks all personnel practices of the Merit System in Montana. 24

Montana Merit System Anatomy

The Council

All four agencies which support the Montana Merit System are agreed that members of the Council which heads it shall be "public-spirited persons of recognized standing in the State of Montana and of known interest in improving public personnel administration." 25 Excluded from Council membership are persons who have engaged in political activity or been employed by one of the agencies under the Merit System during the year preceding appointment. Council members serve six-year terms, arranged so that the term of one member expires every two years. Their compensation is $10 per diem on meeting days plus traveling expenses. 26

Surprisingly enough in a state where the governor's control over his operating agencies is limited, the four Montana agencies have chosen to have the Merit System Council appointed by the governor rather than by the agency heads. When a vacancy on the Council occurs or a member's term expires, the agency heads meet and recommend an appointment to the governor.

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24 Martinson (interview June 28, 1957).
25 MMSC, Rules, p. 2; MUCC, Rules and Regulations, p. 3.
26 MMSC, Rules, pp. 1, 2, 3; MUCC, Rules and Regulations, pp. 4, 5.
During the administrations of Governors Ford and Bonner, the agency heads always recommended incumbent Council members for re-appointment without providing alternates, but Governor Aronson prefers to have a choice, and the agency chiefs have obliged him.

The first Council member to replace one of the original three was George E. Schotte of Butte, who succeeded Francis Thomson on January 9, 1951. A Helena physician, T. L. Hawkins, was appointed to the Council December 22, 1954, succeeding the late E. Martin Larson, and when Hawkins resigned after serving two years, another Helena doctor, E. Wynne Morris, was appointed to take his place. Otherwise, the governor has always re-appointed incumbents. Monsignor Riley has been Council chairman since its first meeting in 1940.

In addition to general authority to establish policies for the Merit System, both the joint rules and the Unemployment Compensation Commission rules give the Council specific responsibilities with regard to selection and control of a Merit System supervisor, classification plans, pay plans, appeals from employees and candidates for positions and employees' probationary periods. Formal appointment of a supervisor,

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27 In July, 1957, the agency heads were Dr. G. D. Carlyle Thompson, Executive Secretary of the Board of Health; Chadwick H. Smith, Chairman of the Unemployment Compensation Commission; W. J. Fouse, Administrator of the Department of Public Welfare; and Dr. Robert J. Spratt, Director of the Department of Mental Hygiene.

28 See letters from agency heads to governor on this subject (in files of Merit System office, Helena, Mont.).


31 Martinson (interview June 28, 1957).
executive officer of the Merit System, must be by agreement of the agencies, but appointment is on recommendation of the Council, which makes the actual selection and has authority to review the supervisor's work.\textsuperscript{32}

Since federal standards do not state in detail what responsibilities state agencies are to assign to their merit system council and staff, there are some differences in agency rules that govern the Montana Council. All four agencies refer their classification plans, pay plans, and amendments thereto to the Merit System Council before they are adopted, but while the joint rules give the Council authority to approve or reject plans and amendments,\textsuperscript{33} the Unemployment Compensation Commission rules limit the Council to "review and recommendation."\textsuperscript{34} This is the major difference between the two sets of rules, and the UCC's unwillingness to give the Council more authority over pay policy and position classification is probably the main reason the UCC has never subscribed to the joint rules.

The joint rules also grant wider authority to hear appeals from employees and disappointed candidates for positions than do the UCC rules. When the appeal is made by a person who has not obtained an appointment, both sets of rules give the Council power to decide finally whether the appellant was improperly denied admission to examination, unfairly graded on his examination, or improperly removed from a register. When the appeal is made by a person who has obtained appointment, the

\textsuperscript{32}MMS\textit{c}, Rules, p. 2; MUCC\textit{c}, Rules and Regulations, p. 4.  
\textsuperscript{33}MMS\textit{c}, Rules, pp. 4, 5.  
\textsuperscript{34}MUCC, Rules and Regulations, pp. 4, 6, 7.
Council decision is never more than a recommendation to the employing agency, and the UCC rules deny the Council jurisdiction in two instances where the joint rules grant it. All four agencies permit an advisory decision in cases of employees who think they have been demoted, dismissed, or suspended for disciplinary reasons contrary to Merit System rules, but only the joint rules permit appeals to the Council by employees who have been reclassified or separated because of reduction in force. The UCC joins the other agencies, however, in giving the Council power to reject agency regulations pertaining to length of probationary periods.35

In 1949 the Council itself emphasized its lack of authority to hear appeals from Unemployment Compensation Commission employees with a questionable decision.36 At that time a UCC employee appealed his separation—which the agency claimed was because of reduction in force—on the ground that it was really a dismissal. The Council decided that it had no right to hear the appeal at all because it lacked jurisdiction. The decision that a reduction of force separation is different from a dismissal was no doubt correct; the doubtful part of the case is that the Council failed to reserve its jurisdiction to determine jurisdiction. It apparently held that the UCC can get rid of any employee it chooses to fire and then deprive him of his right to appeal by alleging that he was separated because of reduction in force, an allegation the truth of which the Council

35MUSC, Rules, pp. 8, 9, 10, 15, 21; MUCG, Rules and Regulations, pp. 19, 24, 25.

36MUSC, Minutes, I, 219-221.
will not investigate. Since 1949 there have been no similar cases, but as the decision stands, it is detrimental to the merit system principle of employee tenure.

The Merit System Supervisor

The work of carrying out merit system personnel policies established by rules of the federal government, the four Montana agencies, and the Merit System Council is handled by a Merit System office, located in rooms "separate and distinct from the offices occupied by the agencies" and headed by a supervisor with training and experience in a field related to merit system administration. The supervisor must be a person known to favor merit systems in principle who has not been employed by one of the agencies under the Montana Merit System for one year prior to his appointment nor held political office for three years prior to appointment. He may employ in his office only persons who have not worked for any agency under the Merit System for six months prior to being hired.

The principal duties that the agencies' Merit System rules assign the supervisor (and his staff) are to administer examinations designed to

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37 The Council was guided by a UCC attorney who said he realized the hearing was no place for legal formality and then read a motion beginning "Consent now the Unemployment Compensation Commission." The Council had no impartial legal advice. Ibid.

38 The Montana Merit System office is now (July, 1957) located on the third floor of the Mitchell building in Helena.

39 The UCC rules permit appointment of a person who has held political office not less than two years prior to his appointment, but since one supervisor serves all four Montana agencies, the more restrictive joint rules prevail in this instance.

40 The Montana Merit System, Rules, p. 3; MUCC, Rules and Regulations, p. 5.
find the best available personnel for agency jobs, to prepare registers of the names of persons who are successful in examinations, and to certify to agency appointing authorities the names of persons best qualified for open jobs. Further, the supervisor is charged with keeping records of examination results, service ratings, and employment histories, with making arrangements for Council hearings of appeals, and with compiling reports of Merit System activity. Significantly, neither the joint rules nor the UCC rules give the supervisor either duties or responsibilities with regard to position classification or pay plans.

The supervisor's authority to insure that agencies under the Merit System comply with its standards lies in payroll certification. All four agencies must submit all changes made in their payrolls to the Merit System office for the supervisor's inspection; the supervisor is ordered by the rules not to certify until he has satisfied himself that all payments were made in accordance with Merit System rules. This is a post-audit, made within two weeks after salaries are paid, but if an irregularity occurs, the supervisor can cause the matter to be investigated and refuse further certifications until the situation is remedied.

Liaison between the Merit System supervisor's office and the agencies under Merit System jurisdiction is the responsibility of the supervisor and the personnel officers whom both the joint rules and the UCC rules require the agencies to appoint. Personnel functions in all four

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41 MMSR, Rules, p. 3; MUCR, Rules and Regulations, p. 5.

42 MMSR, Rules, pp. 8, 14, 15, 18, 21; MUCR, Rules and Regulations, pp. 20, 24, 25, 26.

agencies are divided among various managers, but according to Merit System rules, coordination and control is to be the responsibility of a single personnel officer in each agency. One of the personnel officer's duties is to see that personnel records are properly kept so that reports to the Merit System, the state government, and the federal government can be made. He is also charged by the rules with "preparation and administration" of classification and compensation plans, and he must work closely with the Merit System supervisor in planning recruiting and examination programs.

With the assistance of federal personnel specialists, the Merit System Council in 1940 drew up a specification for the position of Montana Merit System supervisor that has remained in force since. To a statement of the supervisor's duties, drawn from agency rules, the specification adds an extensive list of examples of work the supervisor is expected to do. In the area of recruitment and examination, this work includes publicizing opportunities to compete, determining relative weights given different parts of an examination battery, and setting passing grades. As an administrator, the supervisor is in charge of employees reviewing applications for statement of minimum qualifications, taking care of office correspondence, and rating applicants' training and experience on forms designed by the supervisor. He must prepare registers and keep them current. He is responsible for making certifications, and his miscellaneous duties include preparing a Merit System budget to submit to the Council and advising with agencies on position classification and preparation of job specifications.

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44 MMSC, Rules, p. 15; MUCC, Rules and Regulations, pp. 5-6.
45 MMSC, Minutes, I, 6-7.
The specification also states the minimum qualifications of training and experience that candidates for the job of supervisor must present. The supervisor must be a college graduate who has done one year's graduate study in psychology, education, public or business administration, industrial engineering, or personnel management, and this graduate work must include courses in mental testing and statistics. Candidates for supervisor are required to have spent at least three years of the ten preceding appointment in successful, full-time paid employment in public or private personnel administration, college or university teaching in selected fields, or secondary school administration involving the administration of examinations. One year of experience may be substituted for one year of graduate study and vice versa, except that experience as a secondary school administrator may not be substituted for graduate work in psychological testing.47

From eleven candidates who appeared before the Merit System Council for oral interview for the position of supervisor, the Council on October 26, 1940, chose three they considered best qualified and, with agency authorization, sent their names to Governor Ayers. The governor appointed Melvin P. Martinson of Helena, who has served as supervisor since November, 1940.

The new supervisor left a $175-per-month job teaching at Helena public high school and directing the school's visual education program to

46 Psychology, education, public administration, business administration, or personnel management.

47 Ibid.

48 Also recommended to the governor were Harold Tascher of Missoula and J. Sidney Coleman of Helena. Ibid., p. 4.
take over the new Merit System office at $250 per month. He had been teaching in Helena for five years. Martinson, born August 29, 1906, at Landa, North Dakota, went to grade school and high school there and then entered Augsburg college in Minneapolis, where he majored in mathematics, minored in history, and got a B.A. degree in 1927. As a high school instructor, he taught science, mathematics, and history and coached basketball. His first teaching job was at Ambrose, North Dakota, where he worked during the 1929-29 school year. Before going to Helena, he taught at Froid, Westby, and Alberton, Montana. 49

While he was teaching in Montana, Martinson spent summers from 1933 to 1937 at the state university, working on a master's degree in education, with emphasis on the use of written tests. His thesis is titled "The Predictive Value of the Thurstone Psychological Exam"; it shows good knowledge of a large quantity of literature dealing with testing and an intense study of the Thurstone test, which was then used by Montana State University as an entrance examination. Martinson also studied statistics, and thus when he received his M.A. in 1939, he fulfilled the requirement for the job of Merit System supervisor that the candidate have completed a year of graduate study including courses in mental testing and statistics.

Although federal representatives permitted appointment of a Montana Merit System supervisor on the basis of oral interviews, they


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did not at first allow the Council to give Martinson permanent status because they felt he had not been sufficiently examined. To remedy this defect, after his appointment Martinson took an examination for Nebraska merit system supervisor, given on a nationwide basis, and placed first in both the written test and the oral test. In 1945 he took an examination for Arizona merit system supervisor and placed first on the register. Arizona authorities offered him the job, and the federal agents, convinced that Martinson deserved permanent status, permitted the Council to give it to him on September 14, 1945.51

At 50, the supervisor is an affable man of considerable energy doing a job that now pays $625 per month. Martinson, who dislikes leaving things undone and works with a clean desk, insists that his office correspondence be handled promptly and that Merit System files be kept in good order. He is enthusiastic about progress in public personnel administration in general and in psychological testing in particular.

The Merit System office staff has normally consisted of the supervisor and three or four clerical assistants, plus occasional examination monitors and extra clerical workers hired during the spring, the peak of the examination season. Since 1950, the supervisor has had only three full-time assistants. One of these, he assigns to administrative duties, i.e., handling correspondence. Another corrects examinations and file test material. The third, responsible for the routine work of certification, draws up registers and keeps them current, although actual mailing of certifications falls to the administrative clerk. Martinson himself draws up all forms and procedures used in the Merit System office, and

51 MMSC, Minutes, I, 125.
every paper that goes out of his office passes over his desk for approval. The clerical employees' work is entirely routine. 52

On two occasions a second professional employee was brought into the Merit System office, but neither job proved permanent. In July, 1943, Martinson began part-time teaching of physics at Carroll College in a V-12 program, and the Merit System Council decided to hire a full-time assistant supervisor, who would be paid $200 per month. Franklin J. Dorfler, junior high school principal at Havre, was obtained for the job, but he resigned in October, 1943, to take a position with the federal government. He was not replaced; Martinson managed the Merit System office on a part-time basis until he left Carroll in June of 1945. 53

From 1946 through 1949, Martinson was assisted by a test technician whose job was to collect examination questions and set up tests. The supervisor found, however, that there was not enough work in his office for two non-clerical employees, and the presence of the test technician resulted in Martinson's doing clerical work which could be done by an employee receiving a lower salary. Thus when the test technician resigned, she was not replaced.

The result is, in Martinson's words, "a one-man office." When he is on vacation, he contacts the Merit System office twice a week so that he can make all non-routine decisions. 54 If Martinson leaves the Merit

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53 MMSC, Minutes I, 101 ff.

54 Martinson (interview June 28, 1957).
System without having had an opportunity to train a successor, there is certain to be some confusion while a new supervisor accustoms himself to the work. To improve the situation, Martinson has prepared an office manual describing his duties in detail.

Montana Merit System Jurisdiction

With one common exception, both the joint rules of the SBH, DPW, and DnH and the rules of the UCC exempt from Merit System jurisdiction all existing agency positions that federal regulations permit them to exempt. This exception is that secretaries to executives, the exemption of whom is permitted by federal rules, are placed under the Merit System. Otherwise, the joint rules exempt agency executive officers, state and county boards including the Merit System Council, legal advisors, part-time professional personnel, advisory boards, Merit System examination monitors, janitors, custodians, and truck drivers. The UCC rules exempt the chairman and members of the Unemployment Compensation Commission, legal advisors, and janitors. State hospital attendants under the Department of Mental Hygiene are exempted under a special provision of the federal rules.

Under the Merit System, then, are clerical employees of all agencies; social workers, staff members, and administrators of the Department of Public Welfare; employment office personnel, unemployment compensation

55 See note 2 above.

56 MASC, Rules, p. 4.

57 MUCC, Rules and Regulations, p. 2.

58 Some of these are the transient workers known at mental hospitals as "bughousers."
personnel, and administrators of the Unemployment Compensation Commission; administrators, engineers, doctors, nurses, dentists, and other scientists of the Board of Health; psychiatrists and psychologists of the Board of Mental Hygiene; and all personnel in the Merit System office.\textsuperscript{59}

The number of employees in classified positions under the Montana Merit System has increased from 510 in 1942 to 611 on June 30, 1956, not including those in the Merit System office. This increase, which largely occurred from 1948 to 1952, is shown in Table 2.

**TABLE 2**

**PERSONNEL IN CLASSIFIED POSITIONS UNDER THE MONTANA MERIT SYSTEM**\textsuperscript{a}

<table>
<thead>
<tr>
<th>Date</th>
<th>DPW</th>
<th>SBH</th>
<th>UCC</th>
<th>US&amp;S</th>
<th>DMH</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dec. 31, 1942</td>
<td>266</td>
<td>94</td>
<td>62</td>
<td>88</td>
<td></td>
<td>510</td>
</tr>
<tr>
<td>Dec. 31, 1943</td>
<td>226</td>
<td>74</td>
<td>37</td>
<td>78</td>
<td></td>
<td>415</td>
</tr>
<tr>
<td>Dec. 31, 1944</td>
<td>219</td>
<td>71</td>
<td>36</td>
<td>73</td>
<td></td>
<td>399</td>
</tr>
<tr>
<td>June 30, 1946</td>
<td>223</td>
<td>81</td>
<td>136</td>
<td></td>
<td></td>
<td>440</td>
</tr>
<tr>
<td>June 30, 1947</td>
<td>216</td>
<td>77</td>
<td>205</td>
<td></td>
<td></td>
<td>498</td>
</tr>
<tr>
<td>June 30, 1948</td>
<td>214</td>
<td>84</td>
<td>220</td>
<td></td>
<td></td>
<td>518</td>
</tr>
<tr>
<td>June 30, 1949</td>
<td>232</td>
<td>88</td>
<td>216</td>
<td></td>
<td>17</td>
<td>553</td>
</tr>
<tr>
<td>June 30, 1950</td>
<td>247</td>
<td>100</td>
<td>211</td>
<td></td>
<td>16</td>
<td>558</td>
</tr>
<tr>
<td>June 30, 1951</td>
<td>254</td>
<td>105</td>
<td>212</td>
<td></td>
<td>14</td>
<td>571</td>
</tr>
<tr>
<td>June 30, 1952</td>
<td>240</td>
<td>135</td>
<td>202</td>
<td></td>
<td>14</td>
<td>601</td>
</tr>
<tr>
<td>June 30, 1953</td>
<td>253</td>
<td>135</td>
<td>199</td>
<td></td>
<td>14</td>
<td>601</td>
</tr>
<tr>
<td>June 30, 1954</td>
<td>260</td>
<td>139</td>
<td>188</td>
<td></td>
<td>15</td>
<td>609</td>
</tr>
<tr>
<td>June 30, 1955</td>
<td>267</td>
<td>131</td>
<td>196</td>
<td></td>
<td>14</td>
<td>611</td>
</tr>
<tr>
<td>June 30, 1956</td>
<td>256</td>
<td>131</td>
<td>210</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\textsuperscript{a}Source: MMC, A.R. (1941-56).

\textsuperscript{b}For each agency, the average number employed at the end of each month during 1942 is given.

\textsuperscript{c}Not available.

\textsuperscript{59}MMC, Salary Plans and Class Specifications, 1956 (in files of Merit System office, Helena, Mont.).
CHAPTER III

POSITION CLASSIFICATION UNDER THE MONTANA MERIT SYSTEM

Development of Position Classification Plans

The Concept of Position Classification

No manager—in a government department or a private company—can do his job well unless he knows the facts about those aspects of his organization that concern him. Public personnel officers are no exception; whether their authority is broad in scope or very limited, they must know a great deal about the people working in their jurisdiction and about the jobs those people are doing. Perhaps the officer whose personnel functions relate to a very small number of workers can get by with an informal, personal understanding of their duties. An effective public personnel specialist cannot. If he is to recruit personnel for open jobs, write examinations designed to select people who can efficiently perform designated tasks, and retain competent employees, he must have adequate knowledge of what each job is, what its duties and responsibilities are, and what qualifications an employee must have to do it.

It is for the purpose of obtaining systematic knowledge of such job characteristics that organizations both public and private have developed position classification plans. As the term implies, the essence of such plans is classification—distribution of a large number of jobs into a much smaller number of categories according to common characteristics.

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Thus "classification of positions means the process of finding out, by obtaining the facts and analyzing them, what different kinds or 'classes' of positions, calling for different treatment in personnel processes, there are in the service; it further includes making a systematic record of the classes found. . .".

The usefulness of position classification extends beyond facilitating personnel work such as recruitment and examination. It provides definitions of jobs against which performance can be measured, it creates a terminology with which jobs can be identified, and it provides a criterion for the determination of pay levels. The importance of position classification is such that it is usually the first project undertaken by a newly-installed public personnel agency.

A Systematic Process for Position Classification

Some position classifiers (or classification committees) carry out the task resolved to make their work objective by using complex forms and intricate formulas designed by the "scientists" of the field; others feel they can do as well with plain judgment. But all of them who work systematically perform the same basic operations. The first step is to discover the duties and responsibilities attached to each position to be classified;
this is job analysis. Then the knowledge gained by such investigation must be put on paper in workable form; this is job description. Finally, the classifier must decide which jobs are sufficiently similar to be put together in one class and write descriptions of each class. This last operation culminates in the preparation of a class specification, which may be defined as "a written description of a class setting forth factors and conditions which are essential characteristics of the class and also factors and conditions which separate it from other classes."\(^5\)

The process of position classification and the rise of specialists in the field have given special meanings to certain words often used in classification. Among the most used of these terms are "position,"\(^6\) which is a job; "class"\(^7\) which refers to several similar jobs grouped together; and "class title,"\(^8\) which is the name given to all jobs in a class.

The thoroughness with which a personnel agency undertakes job analysis usually depends on the amount of money that may be used for the project and the availability of specialists in analysis. While the best

\(^5\)Position Classification in the Public Service, Appendix D, quoted in Municipal Personnel Administration, pp. 54-55.

\(^6\)Formally defined as "a group of current duties and responsibilities assigned or delegated by competent authority, requiring the full-time or part-time employment of one person." Ibid.

\(^7\)Formally defined as "a group of positions sufficiently similar with respect to duties and responsibilities that the same descriptive title may be used to designate each position allocated to the class, that the same entrance qualifications may be required of incumbents of positions in the class, that the same tests of fitness may be used to choose qualified employees, and that the same schedule of pay may be made to apply with equity under the same or substantially the same working conditions." Ibid.

\(^8\)Formally defined as "a definite descriptive designation for a class and all positions of the class, to be interpreted in accordance with the description in the specification." Ibid.
method is to have each job studied by an analyst, the more common and less expensive method is the use of questionnaires filled in by the employee, who is asked to state his duties and responsibilities and to give examples of the work he does. Weaknesses of this method are apparent: The employee, even though he is perfectly honest, may inflate the importance of his work, and different employees are likely to use different words to describe the same action. Because of such weaknesses, public personnel agencies usually strike a compromise between economy and accuracy by having completed questionnaires checked by supervisors and by conducting special investigations of a few selected jobs.

After the classifier has learned what he can about the jobs with which he is working and organized his knowledge in some more or less systematic form, he can turn to preparation of class specifications. Deciding which positions are more similar than dissimilar is often difficult, and the process is "a far cry from any mechanical procedure." Nevertheless, such difficulties ought to be overcome, for the usefulness of a classification plan is much reduced if the number of classes grows extremely large.

Even more difficult decisions must be made when the classifier turns to assigning positions to grades from lowest to highest (e.g., which positions should be clerk I, which should be clerk II, and which could be clerk III?). In the final analysis, all such ranking involves subjective judgment, but position classifiers in private industry have developed complex methods designed to induce objectivity into the process by fragmenting each decision. The simplest of these methods is called "ranking." Where

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9 Stahl, p. 196.
the ranking method is used, every job is placed opposite every other job, and several persons decide which one of each pair ought to rank above the other. Their choices are added up, and jobs are classified from highest to lowest in order of the number of times chosen.

The newest method for assigning positions to grades is factor comparison. A classification by factor comparison is a detailed process, but its essentials are selection of a few jobs deemed representative of major levels of duty and responsibility, isolation of factors such as mental requirements, physical requirements, and skill that are judged to make the job what it is, and comparative rating of all other jobs in terms of these factors. Whatever the value of these systems, however, they have not found wide acceptance in the public service, where personnel men frankly rely on "abstractions and on subjective judgment."

The actual writing of class specifications may be less trying than some of the preliminary steps, but it is equally important, for everything that has gone before finds its value in the final specification. With a view to making clear what the class is and what distinguishes it from other classes, class specifications are usually composed of four parts: The class title, a statement of the duties and responsibilities of the positions in the class, a series of examples of work performed by the employee, and a statement of minimum qualifications for a position in the class.

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11 Elizabeth Lanham, Job Evaluation (New York: McGraw-Hill, 1955), pp. 52-123. Two other methods of classification described by Lanham are called "point method" and "grading method."

12 Stahl, p. 197.

13 Ibid., p. 198.
Although preparation of a classification plan consists in large part of placing actual jobs held by agency personnel in classes, writers on public personnel administration note that allocation of individuals to classes should be a line function, handled by division supervisors after employees have had a chance to be heard in opposition to the plan both before and after allocation.\textsuperscript{14} However conducted, allocation is the initial concrete use of completed class specifications.

Position Classification in Montana Merit System Agencies

Agency Activity Before Merit System Installation

The Montana Department of Public Welfare, the Unemployment Compensation Commission, and the Board of Health had been working out position classification plans for some three years before Congress amended the Social Security Act in 1939 and the Montana Merit System was set up a few months later. The Montana statutes that created the first two agencies required them to do so;\textsuperscript{15} during the late 1930's the Board of Health made gradual progress with descriptive job titles and written specifications.\textsuperscript{16} Thus when the Montana Merit System went to work in 1941, all of the agencies under its jurisdiction had operating classification plans.\textsuperscript{17}

\textsuperscript{14}Ibid., pp. 200-201; Merit System Installation (Chicago: Public Administration Service, 1941), p. 18, quoted in Municipal Personnel Administration, p. 68.

\textsuperscript{15}See above, p. 8.

\textsuperscript{16}Montana, State Board of Health, Biennial Reports (1937-42). These reports are hereinafter cited as MSH, B.B.

\textsuperscript{17}MSC, A.R. (1941), p. 2.
In a sense, the agencies' first formal classification plans "just grew." The number of positions with which they dealt was not large—the DFW was in the process of organization, the UCC had inherited less than forty employees from the Montana Relief Commission it superseded, and the SBH had less than 100. Titles that were more or less descriptive were assigned to most of the jobs, and the supervisors of the agencies were personally acquainted with many of their subordinates and their duties. These circumstances made it possible for position classification to move almost in reverse. Instead of employing the recommended procedure by which job analysis precedes the writing of specifications and the assignment of titles, the agencies started with existing titles and sample specifications obtained from the federal Social Security Administration. These specifications were adjusted to accord with what agency supervisors thought employees were doing or ought to be doing, and the results were Montana class specifications and classification plans. There was no need for formal allocation of positions.

By 1938, agency classification plans included some job titles—such as caseworker, county supervisor, interviewer, and statistician—that have now (July, 1957) been in use almost twenty years. Despite

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19 Martinson (interview June 28, 1957).

20 Ibid.; Mucc, A.R. (1937-41); Montana, Department of Public Welfare, Biennial Reports (1937-42). The latter reports are hereinafter cited as MDFW, B.R.

the longevity of some parts of those initial classification plans, however, serious criticisms can be leveled against them. In the first place, there seems never to have been adequate investigation of the work done by the employees whose jobs were classified.22 Job description and preparation of specifications were thrown together and carried out in a sketchy manner, and it seems unlikely that the classification plans which resulted were more than the bare minimum required by the federal government. Perhaps the most serious defect of position classification as it was carried on by the three Montana agencies before they created the Merit System was that it was almost entirely a statement of the status quo in agency organization. Deficiencies in organization were formalized by written classification plans; the barrier of reclassification was thrown in the way of reorganizations that might be attempted; and the position of employees having a vested interest in doing their work as they always had done it was strengthened.

Standardization Under the Merit System

The agencies that set up the Montana Merit System did not give it any positive authority over position classification. Nevertheless, all three agreed that specifications for some non-professional positions should have standard titles and minimum requirements so that the Merit System could give the same examination to candidates for similar jobs in different

22This lack of accurate information about jobs, the only strong foundation on which position classification plans can be built, was noted by the Montana Unemployment Compensation Commission, headed by Chairman Barclay Craighead, in its argument that a merit system forced on Montana by the federal government might not be a good thing for the state. MUCC, A.R. (1937), p. 13; ibid., (1938), p. 23.
agencies. Working from the classification plans the agencies had already drawn up, agency officers, Merit System Supervisor Martinson, and federal agents cooperated to revise specifications so that there were twelve non-professional positions common to two or more agencies for which joint examinations could be given. All twelve had the same titles in the two or three agencies that used them, even though the work attached to a title was not exactly similar.

There was no attempt to standardize requirements for professional positions so that a single examination might be given to candidates for professional jobs in different agencies. The Merit System used some questions on general knowledge subjects such as government and economics in tests for more than one professional position, but separate tests were administered for some seventy-five titles in the three agencies.

After the Merit System was created, its supervisor began assisting the agencies with surveys of their classification plans. The agencies did not undertake to overhaul their plans by proceeding from intense job analysis to writing new specifications, but they did make a continuing effort to revise specifications so that they would more accurately describe the work employees were actually doing. Selected employees were asked to outline their duties and responsibilities on a form circulated by the Merit System. The central part of the form was a directive to the employee to

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24 Senior clerk, intermediate clerk, junior clerk, secretary, senior stenographer, intermediate stenographer, junior stenographer, typist, telephone operator, junior clerk-typist, senior accounting clerk, and statistical clerk.

25 Ibid.

26 Ibid.
'list and describe each task you perform... and give your best estimate of the percentage of time devoted to each task.' The employee answered eight other questions, and passed the form along to his immediate superior, who was asked to comment on the employee's answer and to certify completeness of the statements. Information obtained from these forms was used to revise the language of many specifications. The role of the Merit System in such surveys, as in other aspects of position classification was advisory only, with the agencies retaining authority to make changes in specifications.

Confusion and a Second Standardization of Titles

The standard job titles and minimum requirements for clerical positions on which the agencies agreed in 1941 lasted until 1950, when the State Board of Health made an extensive revision of its classification plan. Changing some titles, e.g., stenographer to clerk-stenographer I, and replacing the ranking prefixes "junior" and "senior" with Roman numerals, the SBH made almost all of its clerical titles different from the titles of similar jobs in the other agencies. This action was the result of a classification survey the Board of Health carried out under the direction of federal personnel specialists from the Social Security Administration, who put into effect their agency's plan for the use of Roman

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27 MMSO, "Job Description Form" (in files of Merit System office, Helena, Mont.).

28 These questions elicited the employee's name, his title, his salary, his division and section, his immediate superior, his supervision of the work of others, his time in grade, and his knowledge of positions in the agency similar to his own.

29 Hustinson (interview June 23, 1957).
numerals with job titles—"I" indicating the lowest position, higher numerals indicating higher positions. The Board of Health also adopted this system for numbering its professional positions, but this was of little consequence to the Merit System, since there had never been any joint examinations for professional positions.

The second agency under the Montana Merit System to change its job titles from those adopted in 1941 was the Unemployment Compensation Commission. Guided by federal personnel specialists from the Department of Labor, the UCC in 1962 drew up a revised classification plan using some of the titles the SBH was using, but appending Roman numerals according to the Department of Labor preference—"I" for the highest position, higher numerals for lower positions. Thus the UCC position equivalent to the Board of Health's clerk-stenographer II became clerk-stenographer I. The UCC naturally used the Department of Labor scheme for numbering the revised titles it assigned to professional positions.

Meanwhile, the Department of Public Welfare continued to use the 1941 titles substantially unchanged, and when the Department of Mental Hygiene put its first classification plan into effect in 1952, it used DFW titles. Thus during the 1952-53 fiscal year, the Merit System had to cope with three classification plans differing in the titles given

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30 For example, bacteriologist I, II, and III (with bacteriologist I making the lowest salary); and public health physician I and II (with public health physician I making the lowest salary).

31 Secretary, clerk-stenographer, and clerk-typist.

32 For example, interviewer I and II (with interviewer II making the lower salary); and manager I, II, and III (with manager III making the lowest salary).
to similar jobs, differing in methods used to indicate ranks, and differing in the significance attached to Roman numerals where these were used.

The Department of Public Welfare's 1954 revision of its classification plan, which the Department of Mental Hygiene followed, did little to clarify the situation. The DPW and DMH, like the Board of Health, were under the supervision of the Social Security Administration (by 1954 part of the Department of Health, Education and Welfare), so their revised plans incorporated for both clerical and professional positions the same system of using Roman numerals that the Board of Health was using. But the DPW gave the title clerk-stenographer III to its position equivalent to the Board of Health's secretary I, and decided that candidates for clerk-typist I, an entrance level position, should have the same minimum qualifications as candidates for the SBH'S clerk-typist II. The result was that although all four agencies were using Roman numerals to indicate rank of positions, there were no equivalent clerical positions bearing the same title in four agencies and only two bearing the same title in three agencies.33

In spite of the variance in job titles created by the agency revisions of their classification plans, entrance requirements for various clerical jobs were kept similar so that the Merit System could continue to give the same examination for equivalent positions in different agencies. A survey of positions for which the Merit System has used joint examinations is given in Table 3, in which such positions are aligned horizontally. The table also shows changed titles resulting from revised classification plans.

<table>
<thead>
<tr>
<th>Fiscal Years</th>
<th>Agency and Position&lt;sup&gt;b&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DPW</strong></td>
<td><strong>SBH</strong></td>
</tr>
<tr>
<td>1941-50</td>
<td>Sr. Clerk</td>
</tr>
<tr>
<td></td>
<td>Int. Clerk</td>
</tr>
<tr>
<td></td>
<td>Jr. Clerk</td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
</tr>
<tr>
<td></td>
<td>Stenographer</td>
</tr>
<tr>
<td>1950-51</td>
<td>Sr. Clerk</td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
</tr>
<tr>
<td></td>
<td>Sr. Stenographer</td>
</tr>
<tr>
<td></td>
<td>Stenographer</td>
</tr>
<tr>
<td></td>
<td>Clerk-Typist</td>
</tr>
<tr>
<td>1951-52</td>
<td>Sr. Clerk</td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
</tr>
<tr>
<td></td>
<td>Sr. Stenographer</td>
</tr>
<tr>
<td></td>
<td>Stenographer</td>
</tr>
<tr>
<td></td>
<td>Clerk-Typist</td>
</tr>
<tr>
<td>1952-53</td>
<td>Sr. Clerk</td>
</tr>
<tr>
<td></td>
<td>Supervising Secy.</td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
</tr>
<tr>
<td></td>
<td>Sr. Stenographer</td>
</tr>
<tr>
<td></td>
<td>Stenographer</td>
</tr>
<tr>
<td></td>
<td>Clerk-Typist</td>
</tr>
<tr>
<td>1953-54</td>
<td>Sr. Clerk</td>
</tr>
<tr>
<td></td>
<td>Supervising Secy.</td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
</tr>
<tr>
<td></td>
<td>Sr. Stenographer</td>
</tr>
<tr>
<td></td>
<td>Stenographer</td>
</tr>
<tr>
<td></td>
<td>Clerk-Typist</td>
</tr>
<tr>
<td>1954-55</td>
<td>Clerk II</td>
</tr>
</tbody>
</table>

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TABLE 3 - Continued

<table>
<thead>
<tr>
<th>Fiscal Years</th>
<th>Agency and Position^b</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DPW</td>
</tr>
<tr>
<td></td>
<td>Clerk-Steno. III</td>
</tr>
<tr>
<td></td>
<td>Clerk-Steno. II</td>
</tr>
<tr>
<td></td>
<td>Clerk-Steno. I</td>
</tr>
<tr>
<td></td>
<td>Clerk-Typist I</td>
</tr>
<tr>
<td>1955-56</td>
<td>Revision in Progress</td>
</tr>
<tr>
<td>1956-57</td>
<td>Clerk II</td>
</tr>
<tr>
<td></td>
<td>Clerk-Typist I</td>
</tr>
<tr>
<td></td>
<td>Clerk-Steno. III</td>
</tr>
<tr>
<td></td>
<td>Clerk-Steno. II</td>
</tr>
</tbody>
</table>


bFor positions appearing in a horizontal line, the Merit System used the same written examination and the same performance tests.

cCalled "clerk-stenographer" after 1947.

dNot available.

The necessity of dealing with candidates for jobs that demanded similar qualifications but had different titles caused a great deal of confusion in Merit System procedures and records. In his reports to the federal government, to the Merit System Council, and to the Montana agencies, Supervisor Martinson had to decide what titles to use and painstakingly

34 He chose the UCC titles, which were also used for personnel in the Merit System office.
integrate information pertaining to jobs that had different titles in the other agencies. In setting up tests, he had to deal with several titles rather than one. Test books had to include instructions designed to make candidates understand that a "I" position in one agency was a "II" position in another. Considerable difficulty was added to the task of maintaining registers from which candidates were certified to equivalent jobs bearing different titles in different agencies. The Merit System's permanent office records were much complicated by the different titles. Confused candidates for clerical jobs sometimes took the wrong examination, and the possibility of the Merit System's making errors in administration and record-keeping was increased.35

During this period of confusion, coordination of job titles by the Montana agencies was blocked by a Department of Labor personnel specialist who was inspecting the Montana Unemployment Compensation Commission. He stood firm for the numbering system his department recommended and was of the opinion that the advantages the Montana agency derived from this system outweighed the difficulties caused by the UCC's refusal to cooperate in making a second standardization of the titles of clerical jobs. Finally in 1955 the Department of Labor sent a different agent to supervise the UCC and he agreed to allow the UCC to participate in a four-agency revision of titles.36 The revised classification plans which went into effect February 1, 1956, with Federal approval, incorporated Health, Education and Welfare systems of numbering the lowest position "I" for both professional

35Ibid.

36Ibid.
and clerical jobs and with one exception, the agencies adopted similar
titles for clerical jobs. After six years, one aspect of the classi-
sification plans of agencies under the Montana Merit System was made as
rational as it had been in 1941.

The agencies' failure to adhere to the same job titles for equiva-
lent positions led, of course, to wide variations in the numbers of per-
sonnel working at jobs with titles common to more than one agency. As
the number of personnel in positions common to three agencies fell from
192 in 1942 to 32 in 1954, the Merit System's problem of keeping records
increased in inverse proportion. Even after the second standardization
of titles went into effect February 1, 1966, this number was some 40 short
of the 1942 high point. Table 4 shows a statistical breakdown of numbers
of personnel under the jurisdiction of the Montana Merit System holding
jobs found in three or more agencies, two agencies, and only one agency.

From the time of its establishment, the Merit System Council was
authorized by agency rules to make recommendations concerning position
classification plans, and in 1948 the three agencies that adopted the
joint rules extended the Council's power by giving it permission to reject
proposed classifications and amendments. The Council has interpreted
its role in agency position classification to be negative—that of exer-
cising a veto in cases where individual specifications seem vague or

37 The Department of Public Welfare continued to use the title
clerk-stenographer III for its position equivalent to the SBH and UCC
secretary I.

38 M S C , Plans and Specifications.

39 See above, pp. 10, 26; M S C , Rules, p. 5.
TABLE 4

PERSONNEL UNDER THE MONTANA MERIT SYSTEM CATEGORIZED ACCORDING TO JOB TITLES.*

<table>
<thead>
<tr>
<th>Date</th>
<th>Personnel With Clerical Titles</th>
<th>Personnel With DHW Titles</th>
<th>Personnel With SBH Titles</th>
<th>Personnel With UCC Titlesb</th>
<th>Personnel With DHH Titles</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Common To 2 Agencies</td>
<td>Common to 3 Agencies Or More</td>
<td>Non-Prof.</td>
<td>Prof. *</td>
<td>Non-Prof.</td>
</tr>
<tr>
<td>Dec. 31, '42</td>
<td>25</td>
<td>192</td>
<td>1</td>
<td>139 (19)</td>
<td>3</td>
</tr>
<tr>
<td>Dec. 31, '44</td>
<td>52</td>
<td>92</td>
<td>28</td>
<td>113 (19)</td>
<td>2</td>
</tr>
<tr>
<td>June 30, '46</td>
<td>53</td>
<td>144</td>
<td>3</td>
<td>79 (27)</td>
<td>2</td>
</tr>
<tr>
<td>June 30, '48</td>
<td>104</td>
<td>41</td>
<td>39</td>
<td>113 (23)</td>
<td>5</td>
</tr>
<tr>
<td>June 20, '50</td>
<td>121</td>
<td>57</td>
<td>13</td>
<td>155 (20)</td>
<td>5</td>
</tr>
<tr>
<td>June 30, '52</td>
<td>22</td>
<td>77</td>
<td>35</td>
<td>130 (21)</td>
<td>49</td>
</tr>
<tr>
<td>June 30, '54</td>
<td>10</td>
<td>32</td>
<td>97</td>
<td>153 (21)</td>
<td>30</td>
</tr>
<tr>
<td>June 30, '56</td>
<td>55</td>
<td>151</td>
<td>1</td>
<td>152 (25)</td>
<td>17</td>
</tr>
</tbody>
</table>


bIncluding USES.

cNumber of professional titles in use appears in parentheses.
inaccurate. The Council has occasionally caused agencies under its jurisdiction to revise specifications submitted for Council approval, but Council minutes show no positive recommendation for standardization of job titles even during the time when the titles were most confused.  

Part of the Merit System supervisor's job is to advise with agencies on position classification, but he has no authority to compel acceptance of any part of his advice. The agencies made use of the job description form circulated by the Merit System office during the classification plan revisions of 1941, but later they reduced their reliance on the supervisor for this assistance, and his work in position classification almost disappeared. Although the supervisor did advise the agencies of the desirability of a second standardization of titles, this advice was to no avail until the Department of Labor gave its consent. On the whole, neither the Merit System Council nor the supervisor has been influential in the formulation of agency classification plans. Their cooperation in a joint merit system has led the agencies to standardize minimum qualifications for similar positions, but the work of position classification has been handled by the agencies themselves, with the assistance and supervision of federal representatives.

40MSC, Minutes.
41See above, p. 29.
42Martinson (interview July 1, 1957).
43MSC, Rules, p. 4; MUCC, Rules and Regulations, p. 6.
In the agencies, position classification revision has been directed toward increasing the precision with which specifications describe the difficulty and responsibility of jobs. Administrative officers, using information obtained from the director of the division where a job is located and—occasionally—information from the employee holding the job, review specifications and make the changes they consider necessary. When a new job is created, a specification is made up to correspond with an administrator's idea of what it should involve. The Montana agencies submit all changes in position classification for federal approval, and the assistance of federal personnel men has been important in all major revisions.44

Class specifications of all four agencies currently (July, 1967) are uniformly written in five parts: "Kind of work," "distinguishing features of work," "examples of work performed," "required knowledge, skills, and abilities," and "minimum preparation for work." This outline replaces the older divisions "definition," "distinguishing features of work," "typical duties," and "minimum qualifications." Specifications for equivalent clerical jobs in different agencies are almost identical, and there are now three positions—clerk-stenographer I, clerk-stenographer II, and clerk-typist I—common to four agencies. Clerical specifications for all agencies total seventeen; professional specifications, twenty-six in the Department of Public Welfare, thirty-one in the Unemployment Compensation Commission, eight in the Department of Mental Hygiene, and seventy in the State Board of Health.45

Carroll Stewart, MUG Personnel Officer; Robert James, MSBI Personnel Officer, Miss Nellie Sturman, MDPW Personnel Officer (interviews July 1, 1957).

MMS, Plans and Specifications.
The weakness in job classification procedures of agencies under the Montana Merit System has not been that the classifiers have failed to use the complex formulas that are available for placing jobs in ranks. Such formulas do no more than divide one subjective judgment into many. Inherent in every subjective judgment is the possibility of error, and, therefore, the more judgments that are precedent to a decision, the more likely it is that the decision is erroneous. The weakness lies rather in inadequate job analysis, in defective organization entrenched by classification, in lack of a central personnel agency to make a real standardization of classes.

Yet without question position classification as done by agencies under the Merit System has been better than no classification at all. There has been enough standardization to permit some joint examination for clerical positions. Position description and job titles permit agency and Merit System employees to communicate about jobs with accuracy. Equivalency in work in the various agencies can be determined with a reasonable degree of accuracy. When handicaps such as lack of money and lack of skilled job analysts under which the Montana agencies have worked are taken into account, it appears that the classification plans developed under the Merit System are a substantial accomplishment.
CHAPTER IV

PAY PLANS OF HIRIT SYSTEM AGENCIES

Pay Policy in a Public Agency

The goal usually expressed as "equal pay for equal work" is widely held to be the most important guide for fixing the compensation of employees both in private enterprise and in the public service. Personnel specialists agree that morale is improved if employees doing substantially the same sort of work under similar working conditions receive equal compensation. Particularly relevant to the public service is the notion that it is an injustice to pay some people more than others who are doing roughly the same thing for their employer. For these reasons, one of the major accomplishments of systematic organization of compensation schedules in public agencies can be to insure that insofar as possible equal work does earn equal pay.

Though the stimulus for preparation of a compensation schedule may come solely from a desire to give "equal pay," a properly constructed schedule is also a valuable administrative tool. Embodying a standard fiscal policy with regard to employment, the pay schedule is an essential guide for the personnel people engaged in recruiting. Agency officers responsible for preparing budgets and requests for appropriations showing outlay for wages and salaries can make good use of a pay schedule, and the

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1 Lanham, p. 304; Stahl, p. 211.
schedule as a whole gives a picture of the relation of the compensation of an individual, a class of positions, or an administrative division to compensation in the agency as a whole. 2

The salary schedule or series of salary schedules that a public agency prepares to serve such purposes comprise its pay plan. The close relation that a pay plan bears to position classification is emphasized by a definition: "A pay plan may be defined as a plan by which positions, as previously arranged under a classification plan, are evaluated by classes in relation to one another, by which scales of pay are specified for each class of positions, and which is governed by a set of fundamental rules authorizing and controlling changes in the pay of classes of positions and their incumbents." 3 An agency which has an adequate position classification plan has the best guide for arranging pay scales which properly increase with the increasing duties and responsibilities of classes of positions. 4 If arrangement of positions within the classification plan has been done by the use of formulas that result in a point value for each class, pay can be proportioned to point values by simple mathematical manipulation. Even if positions have been arranged by judgment unaided by a point scheme, the place in the classification plan that a job holds in relation to other jobs and the duties and responsibilities outlined in the specification for it indicate the level at which it should be compensated.

2Municipal Personnel Administration, p. 72.

3Ibid.

4In private industry, companies often undertake position classification primarily as a guide for setting pay rates. Lanham, p. 5.
Although information drawn from a position classification plan and consideration of job factors such as skill required, complexity, and supervisory responsibility provide the basis for comparative rating of jobs in terms of compensation, a public agency faces other difficult questions relating to its pay policy. It must decide how much to pay for jobs at the entrance level; it must take into account the fact that wages and salaries must be high enough to make possible the recruiting of adequate numbers of qualified personnel. And, of course, it must keep its pay plan within the bounds of the appropriation that a legislature will make.5

The profit motive that has so much influence on wages and salaries paid by private industry does not apply to most public agencies. Nevertheless, public agencies to some extent have to compete with private concerns and with other government organizations for personnel. Thus assembling information about wages and salaries paid elsewhere for purposes of comparison is a recommended procedure in the preparation of compensation plans in public agencies.6

The pay plan of a public agency usually consists of a number of salary grades divided into several rates. Each class of positions is assigned to a grade, and personnel who hold the position may advance to higher rates without being promoted to another position.7 For example, the lowest grade in the pay plan of the Montana Unemployment Compensation Commission is currently (July, 1957) $200-250, and the rates within this grade are $200, $225, $250.

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5Stahl, pp. 224 ff.
6Ibid., p. 222. Municipal Personnel Administration, p. 75.
7See Stahl, pp. 227-29.

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$220, $230, $240, and $250. The highest grade in the UCC plan is $500-625, with rates of $500, $525, $550, $575, $600, and $625. The only position assigned to the lowest grade is clerk I; in the highest grade are the positions of employment service director and unemployment insurance director. The purpose of establishing rates within grades is supposed to be to give incentive to employees, but in Montana agencies at least, rate increases are sometimes necessary to prevent employees' leaving to take higher pay elsewhere.

Pay Policies in Montana Merit System Agencies

Development of formal pay plans by agencies under the jurisdiction of the Montana Merit System has paralleled their development of classification plans. The early classification that the DPW, SBH, and UCC did before creation of the Montana Merit System was the basis for accompanying pay plans, which by 1941 were in effect in all three agencies. Strictly limited by legislative appropriations for salary expenses, agency administrators drew up pay plans that enabled them to stretch available funds as far as possible in hiring needed personnel. All positions in the classification plans were placed in pay grades so that those of higher classification received more compensation and all jobs in one class were in the same grade, but with each agency's pay plan separate from the others, no progress toward providing equal pay for equal work in a different agency was made.

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8Hc:SC, Plans and Specifications.
9Martinson (interview July 1, 1957).
10DPW, B.f. (1940-42), p. 16.
11Martinson (interview July 1, 1957).
The agencies that agreed in 1940 to place some parts of their merit system programs under the Montana Merit System reserved to themselves control over pay policies. Even after 1943, when three agencies adopted joint rules that gave the Merit System Council authority to disapprove pay plans and amendments, the initiative to change salaries remained with the agencies. The joint rules also empowered the Council to reject agency applications to pay entrance salaries above the minimum rate or to make special salary adjustments. The UCC, on the other hand, continued to allow the Council only to make recommendations on pay-plan changes and gave it no power at all with regard to entrance salaries or salary adjustments. Certain other regulations concerning agency pay policies are included in both the joint rules and the UCC rules, but the Council has no authority to enforce them.

The Council has handled agency requests for approval of pay plan revisions and for salary adjustments as routine matters. Occasionally a request for a special salary increase for efficient work has been rejected because the Council felt it would not get federal approval, but there is no evidence in Council minutes to show that the Council has ever made serious objection to an agency proposal relating to its pay plan. All four agencies

12 See above, p.
13 Miss. Rules, pp. 6, 7.
14 UCC, Rules and Regulations, p. 7.
15 For example, each agency under the Merit System must develop a compensation plan providing rates of pay for all classified positions; the normal entrance salary is the minimum for the class to which the appointment is made; salary advances must be given with regard to both efficiency and seniority. Ibid., pp. 7, 8; Miss. Rules, pp. 5-7.
16 Miss. Minutes.
under the Merit System are further restricted, however, by the necessity of getting pay plan changes approved by the board that supervises the agency (e.g., the State Board of Health), by the Montana State Board of Examiners, and by the federal government. On the whole, the Board of Examiners, lacking a staff with which to investigate money requests, has raised very few objections to agency pay plans. Obtaining federal approval is sometimes more difficult.

In the agencies, pay plans are initially prepared and revised by the chief administrative officers. These officials try to take into consideration such factors as the cost of living and their estimate of the value of employees' services, but usually they are reduced to attempting to draw up plans that will attract applicants for jobs that are most difficult to fill and keep incumbent employees on the job. Federal standards require that increases in salary rate be "based upon quality and length of service," so that when an agency gives a salary advance to an employee without the necessary seniority the advance has to be justified with reports of unusual quality of service. A more influential federal rule is that pay plans of agencies under the Merit System must specify salaries comparable with those paid for similar work by other Montana agencies. This means in effect that a general salary revision by one of the Merit System agencies has to be justified to federal representatives by a survey of salaries in other agencies showing that pay in the Merit System agency is below an average for the state service as a whole.

17Sturman (interview July 1, 1957); James (interview July 1, 1957).

Since 1941, these surveys have been made by the Merit System supervisor, usually at the request of the UCC, which can lead Merit System agencies in pay increases because it gets all its administrative costs (including those for wages and salaries) from grant-in-aid funds.

A Merit System pay survey\(^{19}\) is a compilation of information on salaries paid by various Montana agencies for work comparable to that done by employees of agencies under the Merit System. The supervisor organizes this material in categories such as "salaries of heads of large departments," "salaries of entering professional employees," "salaries of secretaries," and "salaries of clerk-stenographers." Partinson has had no difficulty in obtaining information about salary rates—it is kept on file in the office of the State Board of Examiners. His problem is deciding what jobs are really similar, and this is impossible to do with great accuracy because of the lack of position description in agencies outside the Merit System. Agency administrators do not submit Merit System salary surveys to the federal government unless the surveys corroborate their contention that pay in their agency is below the average for the state service as a whole.\(^{20}\)

At its maximum, the Montana Merit System's function in the pay policy operations of agencies under its jurisdiction is small. The Council has exerted no positive influence. The supervisor has given agency officers some valuable assistance, but he has had no part in making the decisions that lie behind pay plans.

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\(^{19}\) Merit System pay surveys are currently made about four times per year.

\(^{20}\) Partinson (interview June 28, 1957).
Aggravated Pay Inequalities

The dominance of expediency in the pay planning of agencies under the Montana Merit System coupled with the Merit System's lack of control over pay policies has yielded a result that is far from surprising. Since 1941, equal pay for equal work in jobs in different agencies under the Merit System has been by coincidence only. As the agencies have made pay revisions independently, the salaries paid personnel holding equivalent positions in different agencies have spasmodically moved closer together, then farther apart, stopping at the same level only infrequently. A newly appointed DFW junior stenographer, for example, late in 1942 was making $25 per month less than her counterparts at the SBH and UCC. On October 31, 1956, a DFW clerk-stenographer I receiving pay at the lowest rate in her grade was $40 per month richer than holders of equivalent positions at the Department of Mental Hygiene and $10 per month above those at the Board of Health. Yet she was $10 below employees of the same class at the Unemployment Compensation Commission.

Despite pay plan revisions that have occasionally put DFW clerical salaries above those of other agencies under the Merit System, these salaries were rather consistently lowest until department of Mental Hygiene pay plans were prepared in 1950. A survey of pay rates for clerical positions in effect in Montana Merit System agencies since 1941 clearly shows this pay inequality and others. In general, UCC rates have been highest, SBH rates second highest, DFW rates third, and DMH rates by far the lowest.21 General economic conditions have caused a steady rise in

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21Another source of inequality was introduced in 1955 by a Department of Public Welfare administrative reorganization which made it possible
the salaries paid by all agencies, but there is no indication that this rise is bringing them closer together. A condensed survey of salaries that agencies under the Montana Merit System paid for clerical work from 1942 through October, 1956, is presented in Table 5.

Whether similar inequalities exist in the salaries paid the professional employees and administrative officers of agencies under the Montana Merit System is more difficult to determine because of the dissimilarity of their work and of the qualifications demanded of them. Nevertheless, some conclusions can be drawn from a rough categorization of professional and administrative positions. The Department of Public Welfare's place at the bottom of the salary ladder is more evident when professional and administrative posts are considered than it is when clerical jobs are studied. Since 1941 the DFW caseworker has always received less than entering professionals in the other agencies. The salary of the DFW field supervisor, an employee in middle administration, caught up with that of the UCC field supervisor for the first time in 1946, but a pay revision soon put the latter ahead again by $30 to $50 per month. By October, 1956, the pay of a top DFW administrator, the director of the division of public assistance, had been equalized with that of the UCC's unemployment insurance director, but it is likely that the U.I. director will get a raise before the director of public assistance.

Just as consistently as UCC salaries have exceeded those of the Department of Public Welfare, Board of Health professional and administrative salaries have exceeded them both. Educational requirements are too

for counties to pay their public welfare personnel less than the salaries paid by the Helena office. Sturman (interview July 1, 1957).
### Table 5

**PAY RATES FOR SELECTED CLERICAL POSITIONS**

<table>
<thead>
<tr>
<th>Date</th>
<th>Position</th>
<th>Agency</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>DFW</td>
<td>UCCb</td>
</tr>
<tr>
<td>Dec. 31, 1942</td>
<td>Sr. Clerk</td>
<td>$120-145</td>
<td>$140-160</td>
</tr>
<tr>
<td></td>
<td>Int. Clerk</td>
<td>95-120</td>
<td>120-140</td>
</tr>
<tr>
<td></td>
<td>Jr. Clerk</td>
<td>75-100</td>
<td>100-120</td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
<td>135-160</td>
<td>145-165</td>
</tr>
<tr>
<td></td>
<td>Sr. Stenographer</td>
<td>115-140</td>
<td>140-160</td>
</tr>
<tr>
<td></td>
<td>Int. Stenographer</td>
<td>95-120</td>
<td>120-140</td>
</tr>
<tr>
<td></td>
<td>Jr. Stenographer</td>
<td>75-100</td>
<td>100-120</td>
</tr>
<tr>
<td>June 30, 1946</td>
<td>Sr. Clerk</td>
<td>150-170</td>
<td>165-185</td>
</tr>
<tr>
<td></td>
<td>Int. Clerk</td>
<td>125-145</td>
<td>155-175</td>
</tr>
<tr>
<td></td>
<td>Jr. Clerk</td>
<td>105-125</td>
<td>145-165</td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
<td>160-200</td>
<td>170-195</td>
</tr>
<tr>
<td></td>
<td>Sr. Stenographer</td>
<td>150-170</td>
<td>160-180</td>
</tr>
<tr>
<td></td>
<td>Int. Stenographer</td>
<td>135-155</td>
<td>145-165</td>
</tr>
<tr>
<td></td>
<td>Jr. Stenographer</td>
<td>120-140</td>
<td>135-155</td>
</tr>
<tr>
<td>June 30, 1950</td>
<td>Sr. Clerk</td>
<td>175-195</td>
<td>190-210</td>
</tr>
<tr>
<td></td>
<td>Int. Clerk</td>
<td>160-180</td>
<td>150-170</td>
</tr>
<tr>
<td></td>
<td>Jr. Clerk</td>
<td>150-170</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Secretary</td>
<td>190-210</td>
<td>210-230</td>
</tr>
<tr>
<td></td>
<td>Sr. Stenographer</td>
<td>180-200</td>
<td>180-200</td>
</tr>
<tr>
<td></td>
<td>Int. Stenographer</td>
<td>170-190</td>
<td>160-180</td>
</tr>
<tr>
<td></td>
<td>Jr. Stenographer</td>
<td>160-180</td>
<td>170-190</td>
</tr>
<tr>
<td>June 30, 1954</td>
<td>Clerk I</td>
<td>210-265</td>
<td>260-325</td>
</tr>
<tr>
<td></td>
<td>Clerk II</td>
<td>240-305</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clerk III</td>
<td>220-285</td>
<td>260-320</td>
</tr>
<tr>
<td></td>
<td>Secretary II</td>
<td>220-275</td>
<td>240-295</td>
</tr>
<tr>
<td></td>
<td>Clerk-Steno. I</td>
<td>220-280</td>
<td>220-295</td>
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<tr>
<td></td>
<td>Clerk-Steno. II</td>
<td>190-240</td>
<td>200-250</td>
</tr>
<tr>
<td></td>
<td>Clerk II</td>
<td>240-305</td>
<td>250-310</td>
</tr>
<tr>
<td></td>
<td>Clerk I</td>
<td>200-270</td>
<td>200-250</td>
</tr>
<tr>
<td></td>
<td>Secretary I</td>
<td>255-340</td>
<td>270-340</td>
</tr>
<tr>
<td></td>
<td>Clerk-Steno. III</td>
<td>265-330</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Clerk-Steno. II</td>
<td>250-310</td>
<td>250-310</td>
</tr>
<tr>
<td></td>
<td>Clerk-Steno. I</td>
<td>220-280</td>
<td>230-280</td>
</tr>
</tbody>
</table>

*aSources: EMSC, A.E. (1941-56); EMSC, Plans and Specifications.*

*bIncluding USES, where salaries the same as UCC salaries were paid.*

*cUCC titles.*

**Salaries shown were for work in Helena offices. Salaries for the same DFW positions were $25-30 per month lower in some county departments.**

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different to permit comparison of a physician's salary with that of a caseworker or interviewer, but it is clear that SBH employees such as bacteriologists and nurses who can qualify with less advanced degrees make considerably more money than entering professionals in the other agencies. A top administrative officer in the Board of Health is particularly well paid in comparison with his colleagues in other agencies under the Merit System. The director of a division of the Board of Health on October 30, 1956, was paid from $770 to $920 per month. At the same time, top administrators in the UCC and DPW were getting $400-625.

It is true that the Board of Health administrator had to be a public health physician II qualified by graduation from medical school, internship, and a year's postgraduate study in public health and that the other two administrators were required to have only a bachelor's degree. Nevertheless, the positions were more comparable than requirements of education would seem to indicate because the duties of the public health physician II were more administrative than medical.22

On the whole, then, salary inequalities in agencies under the Montana Merit System seem as serious for professional and administrative positions as for clerical positions. A condensed survey of salaries paid for professional and administrative work from 1942 to October 30, 1956, is presented in Table 6.

Clearly the goal "equal pay for equal work" has not been realized within the agencies under the jurisdiction of the Montana Merit System. Even more unfortunate is the fact that merit system regulation and the application of federal standards have aggravated inequality between

22MESC, Plans and Specifications.
<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Jr. B-S: 255-310</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Jr. B-S: 255-310</td>
<td>Sr. PH Nurses: 310-385</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Middle Admin.</td>
<td>Field Sup: 335-400</td>
<td>Admin. Officer: 600-625</td>
<td>Field Sup: 400-500</td>
</tr>
<tr>
<td></td>
<td>Advanced Prof.</td>
<td>Cswkr. II: 295-375</td>
<td>Bact. II: 360-460</td>
<td>Psychologist II: 300-350</td>
</tr>
<tr>
<td></td>
<td>Middle Admin.</td>
<td>Field Sup: 390-485</td>
<td>Admin. Off: 500-625</td>
<td>Field Sup: 420-625</td>
</tr>
</tbody>
</table>

Sources: MESC, A-K. (1941-56); MESC, Plans and Specifications.

b Including USES.

Without certification of professional board.
salaries of personnel under the Montana Merit System and salaries in the Montana state service as a whole. Part of the federal merit system plan is the rule that causes pay raises by agencies under a merit system to follow raises by other state agencies. With the dollar value of labor having constantly risen since 1940, the result has been that most of the salaries paid by Montana Merit System agencies have been lower than those paid by other Montana agencies for comparable work.

The situation that existed in December, 1956, is illustrative. Although at that date the pay received by the unclassified chief officers of the Board of Health and Department of Public Welfare was about equal to that received by similar officers of other large departments, salaries paid by Merit System agencies to professional personnel at the entrance level and to clerical workers compared much less favorably. The average monthly salary of $292 paid to the UCC interviewer I was the lowest salary paid an entering professional employee by any of the nine agencies the Merit System supervisor surveyed. The Department of Public Welfare caseworker I at $297 was second lowest, and the Board of Health public health nurse I at $332, third lowest. All three of these rates were substantially below the Highway Department rodmans at $378 and the Agricultural Extension Service agricultural agent at $456. The average pay of a UCC secretary, $340 per month, was near the midpoint of salaries in the 21 agencies surveyed, but average clerk-stenographer salaries in the SBH ($238 per month) and the UCC ($239 per month) were both in the lower third of salaries paid by 30 agencies. Of average salaries paid

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23E.g., the Board of Equalization, the Fish and Game Commission.

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clerk-typists by 12 agencies, the UCC's $218 was lowest, the ER's $220 was second lowest, and the SSA's $221, third lowest.24 As noted above, salaries paid clerical workers by the BIV are below those of the other three agencies under the Montana Merit System.

Although Department of Public Welfare salaries for professional positions are among the lowest in the Montana service, at the beginning of 1967 they were somewhat above the national average for similar positions in the states and territories, above the average for the western states,25 and about even with the average for the states in the Department of Health, Education, and Welfare's region VIII (Colorado, Idaho, Montana, Utah, Wyoming). An exception was the Montana caseworker I, whose minimum salary of $3180 per year was above the national median of $3016 but below the $3300 median for the western states and the $3260 median for region VIII states. The Montana Board of Health's salaries for sanitarian, health educator I, public health nurse I, and public health nurse II were above or even with all three medians, but salaries for public health engineers were below national and western states medians and near the lowest paid in region VIII. Salaries of the Montana Unemployment Compensation Commission were mostly below medians for the nation, the west, and region VIII. The Montana interviewer I's minimum $3360 per year was $60 above the national median, and the claims examiner's $3720 minimum, $120 above the national median. But the $3040 paid the Montana chief of claims

24BIVSC, "Salary Survey—December, 1956" (in files of Merit System office, Helena, Mont.).

was below all three medians and the lowest in region VIII, and so was the $4080 minimum paid a Montana manager I.26

In spite of a federal standard that has held down salaries in four Montana agencies, active recruiting by the Montana Merit System—another manifestation of federal standards—has generally provided sufficient personnel to fill clerical jobs and most of the professional positions.27 Thus the application to Montana government agencies of two federal rules has brought about at least a prima facie saving in funds appropriated for wages and salaries by the Montana legislature and by Congress in grant-in-aid bills. However, it is important to remember in this context that "the pay plan, if poorly or inequitably conceived, may be as productive of low morale and decreased efficiency as almost any other personnel policy."28 Perhaps the low pay in agencies under the Montana Merit System—particularly as it compares with pay in other state agencies—is costing more than it ostensibly saves.


27 See below, c. V, "Montana Merit System Recruitment."

28 Stahl, p. 209.
Montana Merit System Recruitment

The Place of Recruitment in Public Personnel Administration

The essence of schemes of personnel in government jurisdictions that have adopted the merit system is that people who do government work should be qualified by ability and training. Advances in position classification, pay policies, and other facets of a personnel program can contribute to this end, but precedent to all other improvements is the necessity to locate qualified personnel and get them to apply for work. It is for this reason that recruitment, which may be defined as "the process of enlisting the interest of qualified persons in entering government employment," is the "cornerstone of the whole personnel structure."1

For many years after spoils systems gave way to merit systems, persons responsible for recruiting for public agencies operated on the assumption that their job ended with "keeping the politicians out." This negativism excluded one class of applicants, but it did not attract a desirable class of qualified personnel. The public service labored under a severe disadvantage.

Gradually, however, particularly during and after World War II, many jurisdictions adopted a more positive approach to recruiting. Emphasis

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2Stuhl, p. 69.
moved from keeping undesirables out to bringing desirable personnel in, and a number of improved practices came into use. Public agencies incorporated some principles of effective advertising in publicizing job opportunities; the red tape and delays incident to a candidate's progress from application to examination to appointment were cut down; and many jurisdictions began trying to reach new groups of potential employees.3

Needles to say, recruiting for government service is not a personnel activity separate from all others. Pay policies, agency practice, employee morale, and a variety of other working conditions can and do have great influence on the success with which a personnel agency is able to attract people to compete in its examination programs. Thus a positive attitude toward recruiting is by itself insufficient. Other aspects of the personnel program must keep pace if well-qualified people are to be obtained for jobs with public agencies.

In Montana the Merit System, responsible since 1941 for a recruitment program, began its work just as World War II was depleting the supply of available personnel and spurring public agencies to improve their recruiting methods. The history of Merit System recruiting shows a constant effort to overcome personnel shortages in the agencies under its jurisdiction. To some extent, the measure of the Merit System's success in recruitment is also a measure of how well it has kept pace with advances in positive recruiting techniques designed to overcome personnel shortages without sacrificing employee efficiency.

3Ibid., pp. 59-66.
Obtaining Personnel for Merit System Jobs

Both the Unemployment Compensation Commission rules and the joint rules of the Board of Health, Department of Public Welfare, and Department of Mental Hygiene assign responsibility for recruiting to the Merit System supervisor, who must "give adequate public announcement of all entrance examinations" and "make every reasonable effort to attract qualified persons to compete." In addition to these general orders, the UCC rules specify whom the supervisor shall contact to advertise examinations and the information which shall appear on examination announcements. In cases where the supervisor does not recruit enough candidates to send the names of three qualified persons to agency officers who have a job to fill, the rules permit provisional and emergency appointments. A provisional appointment is appointment of a person whom the supervisor certifies as meeting minimum qualifications for the positions; it may last six months. An emergency appointment is appointment of a person who has not been examined at all; UCC rules limit the service of an emergency appointee to sixty days during any one year, and the joint rules limit it to forty days per year.

4. Newspapers, radio stations, educational institutions, professional and vocational societies, public officials, and other organizations.

5. Title and salary range of the class of position, information as to the rates of pay newly-appointed personnel can expect to receive, duties to be performed, minimum qualifications, closing date for application, weights of various parts of the examination, passing grades, and a notice that failure in one part of the examination disqualifies the applicant.

6. UCC, Rules, pp. 8, 9, 15, 16; UCC, Rules and Regulations, pp. 9, 18, 19.
Laws and rules governing public personnel agencies often restrict their recruiting activities to certain specified groups of potential employees, and one of the most common of these restrictions is that persons hired must be residents of the jurisdiction in which the agency functions.\(^7\) In Montana, there is no requirement in the Merit System rules of any of the agencies that Montana residents be hired, but "home state jobs for home state boys" has to some extent been a continuous agency policy since the Merit System began. Recently, however, residence policies have been relaxed. From 1941 to 1956, applicants for non-professional positions under the Merit System had to show one year's residence in the state, but in the latter year the time in residence was reduced to six months. The requirement of Montana residence for candidates for professional positions has been eliminated by all agencies except the Unemployment Compensation Commission, although the DPW and the SBH still give Montanans preference.\(^8\)

With the exception of residence requirements, the agencies the Montana Merit System serves give it a broad field for recruiting. As is invariably the case in merit systems for selecting government personnel, Montana rules prohibit disqualification of applicants for specified reasons which are not germane to their competence. The joint rules forbid rejection of a candidate because of sex, nationality, political affiliation (except with a group advocating the overthrow or undermining of the United States government), or religious belief; the UCC rules mention only political affiliation and religious belief.\(^9\) There are no age limits for

\(^7\)Stahl, p. 67.

\(^8\)Martinson (interview July 1, 1957).

candidates in either set of rules, although it can be argued that some age limitations are desirable. 10

In carrying out his duty to publicize employment opportunities with agencies under the Montana Merit System, Supervisor Martinson has relied heavily on a mailing list of persons and organizations that receive Merit System announcements. A typical mailing list was the one Martinson used in 1942. That year, he sent announcements to Montana newspapers and radio stations, to numerous schools and colleges, 11 to all Montana libraries, to Montana government officials, 12 to Montana service clubs and labor organizations, and to persons previously examined who were apparently qualified to compete for other positions. 13 In addition, the Merit System has made a continuing effort to enlist the services of employees of agencies under its jurisdiction as informal recruiters, and when time and funds are available, the supervisor travels to Montana high schools and units of the university system to contact students who are potential Merit System employees. 14

The Merit System has used paid newspaper and radio advertising only for recruiting for positions where the employee shortage is most severe. Although the agencies under the Merit System, particularly the Board of

10Municipal Personnel Administration, p. 64; contra, Stahl, p. 68.

11All schools of social work in the United States, all colleges in the United States in which Montana students were thought likely to be enrolled, all units of the University of Montana, and all business colleges in the United States.

12All county superintendents of schools, all county clerks and recorders, and all members of the preceding legislature.


14Martinson (interview February 1, 1967).
Health advertise in professional journals, the general lack of paid notices is a serious publicity disadvantage in light of the fact that many Montana editors and radio station managers are loath to print or broadcast notices of examinations for government positions because they consider them free advertisements. Nor has the Merit System as yet made any appeal to television viewers.

Currently, the Merit System supervisor distributes two types of announcements. One, designed for posting in public places, is a general announcement of all positions in four agencies for which the Merit System is accepting applications. The other, which is smaller and designed to circulate among individuals, lists one position or two or three similar positions (e.g., clerk stenographer I and clerk stenographer II) and gives details about qualifications for the job and application procedures. This latter announcement sheet includes "all essential information needed by a competitor: (1) title and duties of position; (2) salary range; (3) minimum qualifications... (4) the nature of the examination; and (5) the method of making application." It also tells the prospective employee whether Montana residence is required, gives the length of the probationary period, and carries a notice that appeals from adverse decisions by the Merit System supervisor may be taken to the Merit System Council.

16James (interview July 1, 1957).

16Robert E. Miller, Editor of the Livingston Enterprise (numerous interviews during 1953).

17Municipal Personnel Administration, p. 99.
One of the failings of merit system examination announcements has always been their unattractive appearance and dry-as-dust format: "Mimeographed, poorly laid out, and difficult to read." It is true that Montana Merit System announcements incorporate neither illustrations nor eye-catching designs. It is also true that the smaller announcements are mimeographed. Nevertheless, all Merit System announcements are put on bright colored paper and arranged so that the most cursory reader sees that examinations are being given and that applications are being accepted.

One of the important details of a recruiting program is the application blank used. The blank must elicit sufficient information from the candidate to allow the personnel agency to determine whether he has minimum qualifications; yet an overly detailed and complex blank can discourage many persons from filling it out. The Montana Merit System uses a well-designed application blank that should get the necessary information without causing undue confusion. Each item refers to a single point, the questions require short answers, adequate instructions are printed on the blank, and easily readable type is used.

One of the most serious deterrents to effective recruitment for the public service is the lapse of time that usually occurs between the date on which a qualified person is contacted and the date on which he finally gets an appointment. He may have to wait to submit an application, wait to take an examination, and then wait for a vacancy. While

18Stuhl, p. 72.

19Municipal Personnel Administration, p. 102.

20The Merit System receives applications for all positions on one standard form of blank.
this is going on, the more promising person is likely to find other employ-
ment.\footnote{Powell, pp. 210-212.}

The nature of a merit system, with its requirements of procedural
steps designed to weed out the unfit, causes some time lapse between appli-
cation and appointment. However, a public personnel agency can substantially
expedite the process by installing a program of continuous recruitment, which
involves acceptance of applications at all times and a flexible examination
schedule, with examinations given whenever and wherever a sufficient number
of applications has been received.

During 1941, its first year of operation, the Montana Merit System
did not employ continuous recruitment. Supervisor Martinson accepted ap-
plications for entrance examinations—and for qualifying examinations
taken by persons employed by the three agencies prior to Merit System ins-
tallation—from May 5, 1941, to June 6, 1941, and applications for a limited
number of Department of Public Welfare positions from August 10, 1941 to
September 16, 1941.\footnote{MMS, A.R. (1941), pp. 4, 10.}

The first Merit System register for non-professional
positions was established October 1, 1941; for UCC professional positions,
October 15, 1941, and for DFW professional positions, December 19, 1941.\footnote{Martinson (letter of February 4, 1957).}

Wartime personnel shortages led the Merit System to begin continuous
recruitment during 1942 for two Department of Public Welfare positions—
junior caseworker and child welfare worker. Applications for these posi-
tions were accepted at all times, and examinations given whenever sufficient
applications were received. By the end of the year, the agencies participating in the Merit System had authorized continuous recruitment for all positions for which registers could not otherwise be maintained, and the supervisor was planning expansion of the continuous recruitment program.

The number of positions for which Merit System recruitment is continuous has steadily increased so that at present (July, 1957) continuous recruitment is utilized for all positions in which vacancies are likely to occur (that is, positions where the rate of turnover is high). Applications for these positions are accepted throughout the year. Examinations are given every business day at the Merit System office in Helena, at least four times per year in about fifteen of Montana’s larger cities, each spring in about eighty Montana high schools, and at any other city or town to which a sufficient number of unexamined applicants—usually five—has easy access. Teachers, county superintendents of schools and personnel of the Montana employment service administer tests in Montana centers other than Helena. Out-of-state examinations are given at merit system offices, civil service offices, and schools. During the 1955-56 fiscal year, candidates for positions under the Montana Merit System took examinations in ninety Montana cities and towns, ranging from Absarokee to


25Ibid., p. 4.

to Wolf Point, and in twelve cities outside the state. 27

Continuous recruitment makes it possible for an applicant who can be in Helena for examination to be examined within a few days after his application is received and to be placed on a register shortly thereafter. The majority of all candidates take their examinations within six weeks after receipt of their applications. But regardless of how rapidly the Merit System proceeds from application to examination, it has no control over the rate at which appointing authorities request personnel for placement. As a result, many people who pass Merit System examinations become unavailable for appointment before there are job openings for them. During the years 1946-49, for example, the total number of persons who had passed examinations and been listed on registers was sometimes more than twenty times greater than the number of persons actually available for work anywhere in Montana at minimum salaries. Table 7 shows the situation for the years 1946-49.


## Table 7

STATUS OF MONTANA MERIT SYSTEM REGISTERS, 1946-49

<table>
<thead>
<tr>
<th>Date</th>
<th>Total Names on Registers</th>
<th>No. Available For Work Anywhere in Mont.</th>
<th>No. Available For Work in Certain Places At Minimum Salaries</th>
<th>No. Available For Work At Salaries Above Minimum</th>
<th>Total Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 30, 1946</td>
<td>1,540</td>
<td>64</td>
<td>220</td>
<td>160</td>
<td>444</td>
</tr>
<tr>
<td>June 30, 1947</td>
<td>2,109</td>
<td>68</td>
<td>196</td>
<td>151</td>
<td>415</td>
</tr>
<tr>
<td>June 30, 1948</td>
<td>2,473</td>
<td>97</td>
<td>150</td>
<td>122</td>
<td>369</td>
</tr>
<tr>
<td>June 30, 1949</td>
<td>2,740</td>
<td>315</td>
<td>155</td>
<td>162</td>
<td>632</td>
</tr>
</tbody>
</table>

*Source: MMS, A.R. (1946-49).*

### Appointments and Vacancies

The success that the Montana Merit System has had in attracting applicants and persons who appear for examination has varied sharply as the general availability of labor has varied with World War II and changing economic conditions. During 1941, when the Merit System accepted applications from persons interested in obtaining jobs and from incumbent employees in the agencies under its jurisdiction, no recruitment problem developed. Applications totaled 6,840, and there were 2,905 qualifications for positions. At the close of the year, there were surpluses of qualified personnel for all positions for which examinations had been given.28

With the beginning of the war, however, applications for Merit System positions plunged from a 1942 total of 3,943 to 551 in 1943, and the 1944 recovery was only to 1,343. After 1943, yearly application totals steadily increased, except for a leveling off from 1951 to 1953.

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to the 1955-56 figure of 3,781. Numbers of applicants appearing for examination kept pace with increases in numbers of applications received, an indication of the worth of the Merit System's continuous recruitment program. Table 8 shows a statistical summary of Montana Merit System recruitment from 1941 through 1956.

Evidence of how effectively Merit System recruitment has served the agencies under its jurisdiction can be drawn from a comparison of provisional and emergency appointments (made when the Merit System cannot supply sufficient personnel) with regular appointments of personnel the Merit System has examined and certified in adequate numbers. During the calendar year 1942, agency appointments that were provisional and emergency were only six percent of all appointments, but after that year, the percent rose steadily to a high of 53 percent during the fiscal year 1946-47. Even so, increase in such appointments lagged behind wartime decreases in numbers of applicants, because the agencies made some appointments of personnel examined during previous years. From the beginning of fiscal 1951-52 through fiscal 1955-56, provisional and emergency appointments as a percent of all appointments dropped steadily, although gradually, to 22 percent for the latter year. Of all appointments made to positions for which the Merit System gave examinations from 1941 through June, 1956, 32 percent were provisional and emergency. Percentages of provisional and emergency appointments are shown in Table 9.

As Table 10 shows, the Merit System has had recruiting problems with both professional and non-professional positions in all four agencies under its jurisdiction. Since the end of World War II, recruitment for the DPW has been most difficult, with 33 provisional and emergency
<table>
<thead>
<tr>
<th>Year</th>
<th>Positions for Which Exams Given</th>
<th>Total Applications</th>
<th>Applications Accepted</th>
<th>Applicants Appearing For Exams</th>
<th>Qualifications for Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1941</td>
<td>58</td>
<td>6,840</td>
<td>5,198</td>
<td>3,861</td>
<td>2,905</td>
</tr>
<tr>
<td>1942</td>
<td>15</td>
<td>3,948</td>
<td>3,270</td>
<td>2,475</td>
<td>1,406</td>
</tr>
<tr>
<td>1943</td>
<td>12</td>
<td>561</td>
<td>515</td>
<td>369</td>
<td>286</td>
</tr>
<tr>
<td>1944</td>
<td>11</td>
<td>1,343</td>
<td>1,271</td>
<td>998</td>
<td>704</td>
</tr>
<tr>
<td>1945-46</td>
<td>37</td>
<td>2,859</td>
<td>2,687</td>
<td>2,144</td>
<td>1,451</td>
</tr>
<tr>
<td>1946-47</td>
<td>57</td>
<td>2,133</td>
<td>1,985</td>
<td>1,617</td>
<td>1,107</td>
</tr>
<tr>
<td>1947-48</td>
<td>79</td>
<td>2,323</td>
<td>2,453</td>
<td>2,125</td>
<td>1,866</td>
</tr>
<tr>
<td>1948-49</td>
<td>61</td>
<td>3,058</td>
<td>2,870</td>
<td>2,824</td>
<td>1,621</td>
</tr>
<tr>
<td>1950-51</td>
<td>79</td>
<td>3,061</td>
<td>2,933</td>
<td>2,227</td>
<td>1,631</td>
</tr>
<tr>
<td>1951-52</td>
<td>66</td>
<td>2,971</td>
<td>2,841</td>
<td>2,564</td>
<td>1,904</td>
</tr>
<tr>
<td>1952-53</td>
<td>80</td>
<td>2,949</td>
<td>2,791</td>
<td>2,440</td>
<td>1,804</td>
</tr>
<tr>
<td>1953-54</td>
<td>81</td>
<td>3,673</td>
<td>3,520</td>
<td>3,138</td>
<td>2,507</td>
</tr>
<tr>
<td>1954-55</td>
<td>71</td>
<td>3,759</td>
<td>3,479</td>
<td>2,225</td>
<td>2,334</td>
</tr>
<tr>
<td>1955-56</td>
<td>70</td>
<td>3,781</td>
<td>3,593</td>
<td>3,296</td>
<td>2,643</td>
</tr>
<tr>
<td>TOTALS</td>
<td>45,858</td>
<td>41,761</td>
<td>34,552</td>
<td>25,616</td>
<td></td>
</tr>
</tbody>
</table>

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*Sources: MMSC, Ad. R. (1941-56); Martinson (letter of February 4, 1957).*

**Applications for both assembled and unassemble examinations are included.**

*Totals for 1941 include qualifying examinations taken by incumbent employees.*

*The 1945-46 report of the Merit System Council covered the period January 1, 1945, to June 30, 1946, as the Merit System began reporting on a fiscal year basis rather than a calendar year basis.*

*The 1946-47 report and all later reports covered a July 1-June 30 fiscal year.*

*Approximate figure.
TABLE 9

PROVISIONAL AND EMERGENCY APPOINTMENTS AS PERCENTAGES OF ALL APPOINTMENTS BY MONTANA MERIT SYSTEM AGENCIES

<table>
<thead>
<tr>
<th>Year</th>
<th>Appointments From Certifications</th>
<th>Provisional &amp; Emergency Appointments</th>
<th>Total Appointments</th>
<th>Percent Provisional &amp; Emergency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1942</td>
<td>360</td>
<td>2</td>
<td>362</td>
<td>6</td>
</tr>
<tr>
<td>1943</td>
<td>228</td>
<td>3</td>
<td>231</td>
<td>16</td>
</tr>
<tr>
<td>1944</td>
<td>170</td>
<td>55</td>
<td>225</td>
<td>24</td>
</tr>
<tr>
<td>1945-46</td>
<td>463</td>
<td>275</td>
<td>528</td>
<td>22</td>
</tr>
<tr>
<td>1946-47</td>
<td>218</td>
<td>260</td>
<td>478</td>
<td>53</td>
</tr>
<tr>
<td>1947-48</td>
<td>366</td>
<td>197</td>
<td>563</td>
<td>35</td>
</tr>
<tr>
<td>1948-49</td>
<td>365</td>
<td>139</td>
<td>504</td>
<td>38</td>
</tr>
<tr>
<td>1949-50</td>
<td>122</td>
<td>100</td>
<td>222</td>
<td>45</td>
</tr>
<tr>
<td>1950-51</td>
<td>135</td>
<td>120</td>
<td>255</td>
<td>47</td>
</tr>
<tr>
<td>1951-52</td>
<td>140</td>
<td>78</td>
<td>218</td>
<td>36</td>
</tr>
<tr>
<td>1952-53</td>
<td>135</td>
<td>62</td>
<td>197</td>
<td>31</td>
</tr>
<tr>
<td>1953-54</td>
<td>126</td>
<td>57</td>
<td>183</td>
<td>31</td>
</tr>
<tr>
<td>1954-55</td>
<td>161</td>
<td>57</td>
<td>218</td>
<td>26</td>
</tr>
<tr>
<td>1955-56</td>
<td>163</td>
<td>46</td>
<td>209</td>
<td>22</td>
</tr>
<tr>
<td>TOTALS</td>
<td>3,152</td>
<td>1,501</td>
<td>4,653</td>
<td>32</td>
</tr>
</tbody>
</table>


*bIncluded are appointments to all positions for which examinations were given, i.e., appointments to all positions in the Merit System office, 1941-56; appointments to all Department of Public Welfare and Unemployment Compensation Commission positions, 1941-56; appointments to Board of Health non-professional positions, 1941-56; appointments to Board of Health professional positions, 1946-56; appointments to Department of Mental Hygiene non-professional positions, 1950-56; appointments to Department of Mental Hygiene professional positions, 1954-66. Figures for the United State Employment Service are not included. No meaningful figures for 1941 are available because no Merit System registers were established until late that year.

*The 1945-46 report of the Merit System Council covered the period January 1, 1945, to June 30, 1946, as the Merit System began reporting on a fiscal year basis. The 1946-47 report and all later reports covered a July 1 - June 30 fiscal year.
### Table 10

**DISTRIBUTION OF PROVISIONAL AND EMERGENCY APPOINTMENTS UNDER THE MONTANA MERIT SYSTEM**

<table>
<thead>
<tr>
<th>Year</th>
<th>To Non-Professional Positions</th>
<th>To DPW Professional Positions</th>
<th>To SBH Professional Positions</th>
<th>To UCC Professional Positions</th>
<th>Total Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1942</td>
<td></td>
<td>12</td>
<td></td>
<td>10</td>
<td>22</td>
</tr>
<tr>
<td>1943</td>
<td>33</td>
<td>10</td>
<td></td>
<td></td>
<td>43</td>
</tr>
<tr>
<td>1944</td>
<td>40</td>
<td>15</td>
<td></td>
<td></td>
<td>55</td>
</tr>
<tr>
<td>1945-46</td>
<td>171</td>
<td>41</td>
<td>63</td>
<td></td>
<td>275</td>
</tr>
<tr>
<td>1946-47</td>
<td>158</td>
<td>38</td>
<td>74</td>
<td></td>
<td>250</td>
</tr>
<tr>
<td>1947-48</td>
<td>91</td>
<td>41</td>
<td>25</td>
<td>40</td>
<td>197</td>
</tr>
<tr>
<td>1948-49</td>
<td>61</td>
<td>31</td>
<td>4</td>
<td>3</td>
<td>139</td>
</tr>
</tbody>
</table>

To All Professional Positions:

<table>
<thead>
<tr>
<th>Year</th>
<th>DPW Positions</th>
<th>SBH Positions</th>
<th>UCC Positions</th>
<th>DSH Positions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1949-50</td>
<td>54</td>
<td>17</td>
<td>29</td>
<td>100</td>
</tr>
<tr>
<td>1950-51</td>
<td>63</td>
<td>28</td>
<td>29</td>
<td>120</td>
</tr>
<tr>
<td>1951-52</td>
<td>54</td>
<td>10</td>
<td>9</td>
<td>5</td>
</tr>
<tr>
<td>1952-53</td>
<td>40</td>
<td>11</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>1953-54</td>
<td>47</td>
<td>5</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>1954-55</td>
<td>41</td>
<td>12</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>1955-56</td>
<td>33</td>
<td>10</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1,501</td>
</tr>
</tbody>
</table>

* Included are appointments to all positions for which examinations were given, except that figures for the UCC for 1943 and 1944, years the employment service was under federal control, are not included. See above, Table 10, note b. Sources: MESC, A.N. (1942-56); Martinson (Letter of February 4, 1957).

* The 1945-46 report of the Merit System Council covered the period January 1, 1945 to June 30, 1946. Later reports covered July 1 - June 30 fiscal years.
appointments made in that agency during the 1955-56 fiscal year. During the same period, the UCC did not make any of these appointments, the Board of Health made but 10, and the Board, three. Nevertheless, provisional and emergency appointments have shown a general decline in all agencies since 1950, a reduction the Merit System supervisor attributes to salary increases.29

During the years 1950-55, the Montana Merit System—recruiting for a health agency, a welfare agency, an employment security agency, and a small mental health agency—was able to provide personnel for 68 percent of appointments made to positions for which it was giving examinations. The other 32 percent were provisional and emergency. Undoubtedly, a substantial decrease in provisional and emergency appointments is desirable. Yet, in comparison with other state personnel agencies in the United States, the Merit System seems to have done a commendable recruiting job during these six years. According to a Department of Health, Education, and Welfare survey represented to be "substantially nationwide," during the period 1950-55 the median state personnel agency was not providing more than 59 percent of the employees needed by the state's welfare agency, nor more than 57 percent for the state health agency, nor more than 60 percent for the state employment security agency.30

The best recruiting efforts of Supervisor Martinson and the agencies under Merit System jurisdiction plus recourse to provisional and emergency appointments have never been equal to the agencies' need for

29 Martinson (interview February 1, 1957).

30 Douglass (letter of July 17, 1957).
personnel. There have constantly been vacancies in agency positions since the Merit System began operating. The limited data available shows that even during the years 1953-56, when numbers of applications received by the Merit System were at postwar highs, more than twenty vacancies usually existed.\(^{32}\)

A particularly troublesome personnel shortage with which the Merit System has tried to cope has been the Department of Public Welfare's shortage of social workers—caseworkers and child welfare workers. Both caseworkers and child welfare workers are employees who work in county welfare departments, where the caseworker "determines the eligibility and extent of need of applicants for and recipients of public assistance" and "extends limited casework services," and the child welfare worker renders "casework services to children who are dependent, neglected, homeless, or in danger of becoming delinquent." The candidate for caseworker I must have studied social work for two years in college or have two years experience in the field, and he must have an automobile available for continuous use. The candidate for child welfare worker I is required to have a college degree, a year of graduate study in social work, and an automobile.\(^{33}\)

Although social work positions were among the first for which the Merit System began continuous recruitment, the Department of Public Welfare has had to make provisional and emergency appointments of caseworkers and

\(^{31}\)A Merit System agency considers that it has a vacancy when it has an open position, intent to fill it, and money available to pay a qualified employee. Curtiss (interview July 1, 1957).

\(^{32}\)Ibid.; James (interview July 1, 1957).

\(^{33}\)MMSG, Plans and Specifications.
child welfare workers every year since 1943, and some positions have con-
stantly been vacant. At the close of fiscal years from 1945 through 1948,
vacancies in casework and child welfare work positions numbered from 11 to
16; by the close of fiscal 1949-50 vacancies were down to two, but the
number rose to 19 on June 30, 1952. On June 30, 1955, when the DPW had a
total of 96 caseworkers and child welfare workers, 10 other positions were
vacant.34 With continuous recruitment, however, it is rare for any particu-
lar social work position to be vacant for more than three months at a time.
While positions are vacant, social workers from adjoining counties handle
the caseloads.35

Merit System Supervisor Martinson believes that the main cause of
Montana's shortage of social workers is the pay that the DPW can offer them.
Pay scales have gone up steadily,36 but by October, 1956, the rate was only
$265-320 for caseworker I and $295-375 for child welfare worker I.37 A
caseworker I with a college degree can enter at $275 per month, but in
Martinson's words, "You can't hire a top college graduate with a car for
$275."38 In the face of these recruiting difficulties, the Department of
Public Welfare has kept standards for its social workers high. The DPW
uses a screening test to supplement Merit System examination of candidates
for social work positions, and the agency plans to make college graduation
a minimum requirement for caseworkers in 1958.39

34Carkulis (interview July 1, 1957).
35Sturman (interview July 1, 1957).
36See above, p. 67.
37IMSC, Plans and Specifications
38Martinson (interview February 1, 1957).
39Sturman (interview July 1, 1957).
Aims of Examination

In America the first line of attack on spoils-system selection of government personnel has been reformers' demands for an end to the appointment of political favorites incompetent to do government work. The means to this end is examination—testing applicants to determine if they possess the skills requisite for the jobs they seek or the ability to learn.

In the American federal service the first inroad on the spoils system was an 1853 law requiring examination of persons appointed to clerkships in the five major departments in Washington. This reform, carried out over sixteen years before passage of the Civil Service Act, involved a minimum of examination, for the applicant had only to pass to secure the job to which a political friend had appointed him; as there was no element of competition among examinees, the examinations served at best to keep out the wholly incompetent.¹ The 1853 examination requirement was soon reduced by its opponents to a mere formality, but as civil service reform progressed in federal and state agencies, merit system examination developed into a real program of selection by means of competitive tests.²

¹Stahl, p. 19.
²Ibid., p. 83.
Since the first competitive examinations for civil service positions resulted from a reaction to the incompetence in government agencies caused by the spoils system, examinations were initially designed solely to keep politicians out by selecting persons capable of doing the jobs for which they were hired. This aim persists in current civil service regulations (including Montana Merit System rules) which require tests "practical in character and dealing with the actual duties of a position." A more advanced concept is that the testing process should result in the selection of persons with ability to progress to positions of greater importance and responsibility than the entrance levels. Whether these two aims are compatible to the extent that they can be combined in a single testing program is a debatable point, but recent evidence tends to show that they are.

Examination, by whatever theory it is conducted and with whatever degree of success it meets, is part of a personnel program that consists of several integrated functions. Examination cannot be carried out unless jobs have been analysed and positions described so that the examiner can know what characteristics the examinee ought to have; recruitment of examinees must precede the administration of tests.

The Montana Merit System examination with which this chapter deals is the process of evaluating applicants for positions in terms of given job descriptions. This process includes preparing examinations, administering them, grading examinee performances, and deciding what the grades mean. The chapter includes materials on (1) those sections of the rules governing the

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5 Ibid., p. 86.
6 Ibid., p. 86.
Merit System that deal with examination, (2) examination procedure, and (3) evaluation of Merit System examinations.

Merit System Rules Relating to Examination

Although the language is different, the sections of the Unemployment Compensation Commission rules and the joint rules of the Board of Health, the Department of Public Welfare, and the Board of Mental Hygiene dealing with examination are in substance the same. On the whole, these rules reflect the merit system tradition—examination to keep out the incompetent and persons who rely on political favoritism. Entrance examinations, to be given on an open-competitive basis, must be "practical," designed to reveal the examinee's ability to perform the duties of a particular position. Grading must be done objectively, with anonymity of applicants maintained during the process.

The rules outline an entrance examination battery including a written test, a performance test for office-work positions, a rating of training and experience, and an oral examination, with failure on any part of the battery to disqualify the applicant from further testing. Nevertheless, the supervisor and Merit System Council are granted a large measure of discretion in handling this schedule of tests. Methods of grading, rating training and experience, and assigning weights to various parts of the examination are determined by the supervisor with Council approval. Oral examinations are not mandatory. When applicants for scientific or technical professional positions are examined, the supervisor and Council may dispense with the examination battery altogether and give an unassembled examination prepared by the supervisor.5

5 MISC, Rules, pp. 16-18; MUCC, Rules and Regulations, pp. 8-13.
Following Montana statute, both sets of rules provide veteran preference on entrance examinations. Before he can receive preference, however, the examinee must pass all parts of the examination and have a passing final grade. If he passes, a person who served in the armed forces of the United States during a war period, who was honorably discharged, and who has been a Montana resident for one year has five points added to his final grade. Wives and dependents of five-point veterans get an equal preference. The veteran who meets all requirements and in addition has a service-connected disability certified by the U. S. Veterans' Administration gets ten points, as do wives of disabled veterans and widows of all veterans entitled to preference.6 Whether it is a good practice to give preference to veterans is a controversial question which goes beyond the scope of public personnel administration. Where a preference law exists, however, withholding preference from veterans who do not pass examinations, as Montana Merit System rules do, is doubtless better than allowing preference points to push a low grade to the passing mark.7

An agency under the Montana Merit System may not promote an employee unless he is examined and certified as qualified by the Merit System supervisor, but the agency chief may in most cases decide whether promotional examination shall be competitive or non-competitive. Probationary employees of the four agencies under the Merit System may not be promoted without open-competitive examination; that is, they must take a competitive examination for the new position to which applicants from outside the service are admitted. The other instance where an agency head

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7 Stahl, p. 126.
may not specify non-competitive promotional examination is that of inter-agency promotion.

Competitive examinations for promotion differ from entrance examinations only in that application for the former is limited. Only employees of the agency in which the promotion is to be made may apply, unless inter-agency promotion has been approved by the Merit System Council and the agency chiefs concerned, in which case employees of two or more agencies may apply. Non-competitive examinations for promotion must consist of tests and ratings of education, experience, and service in a Montana agency sufficient to convince the Merit System supervisor that the candidate is qualified to perform the duties of his new position. Veteran preference is not given on promotional examinations.\footnote{\textit{MMSC}, Rules, pp. 9-9a; \textit{MUCC}, Rules and Regulations, pp. 20-22.}

Montana Examination Procedure

With but one major exception, Merit System procedure for both entrance and promotional examination has, since 1941, followed the outline found in the rules. This exception is that oral examination was discontinued in 1943.\footnote{\textit{MMSC}, A.R. (1943), p. 12.} Examinations for most office-work positions have continuously consisted of written tests, performance tests, and ratings of training and experience, except that the last is omitted for certain entrance levels. Assembled examinations for professional positions have consisted of written tests, evaluation of training and experience, and before 1943, oral interviews. Unassembled examinations, which in practice amount to nothing more than rating training and experience, have been given for various professional
positions, and are still being given for Board of Mental Hygiene professional positions.10

The Merit System has used assembled examination for all office-work positions under its jurisdiction since it began operating in 1941.11 Testing for Department of Public Welfare and Unemployment Compensation Commission professional positions has also been by assembled examination since the program began.12 Examination for State Board of Health professional positions, on the other hand, did not begin until 1948,13 and assembled examination did not begin until January, 1953.14 Unassembled examination for Department of Mental Hygiene professional positions began in 1954,15 and to date (July, 1957) the Merit System has not provided assembled examination for these positions.16

Assembled Examination

The Montana Merit System makes its most extensive effort to predict on-the-job behavior of potential employees through the use of the assembled examination battery. The process involves pencil and paper written tests, performance tests which require applicants for most office-work positions

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10 MMS, A.R. (1941-56); Martinson (interview April 30, 1957).
12 Ibid., p. 16.
16 The DMH hires only about ten professional employees.
to demonstrate their ability to take dictation or to operate office machines, and an attempt to evaluate the applicant's training and experience in terms of the use to which he can put it on a job with a federal agency. A result of assembled examination is the problem of deciding how important the applicant's score on each of the tests is in the final prediction.

With the exception of the discontinuance of the short-lived oral interview, the Merit System's assembled examination program has remained substantially unchanged since 1941.\(^\text{17}\) It is therefore possible to describe it with little chronological division of material.

Initial rating of training and experience.--Before an applicant is notified that he is eligible to take Merit System examinations, his application blank is checked to make sure that he claims training and experience equal to the minimum required for the job he seeks.\(^\text{18}\) The only exception to this procedure occurred during the first year of Merit System operation, when agency employees incumbent since January 1, 1940, were permitted to try to pass examinations entitling them to keep their jobs even if they did not meet training and experience minimums.\(^\text{19}\) At this point, the Merit System makes no attempt either to investigate the applicant's claims or to compare his qualifications with those of other candidates. The purpose of inspecting application blanks is to insure that further tests are not wasted on persons who could not qualify for positions even if they passed.\(^\text{20}\)

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\(^\text{17}\) _MSC, A.R. (1941-56).

\(^\text{18}\) _MSC, A.R. (1941), p. 4.

\(^\text{19}\) Ibid.

\(^\text{20}\) Martinson (interview April 30, 1967).
Written examination.—The first step in assembled examination of all applicants who submit claims of at least minimum training and experience is written examination. Since 1941, the Merit System has been obtaining material for written tests from the State Technical Advisory Service of the federal Social Security Board (later the Division of State Merit Systems of the Department of Health, Education, and Welfare). Test items from the United States Civil Service Assembly were added in 1944, and in January, 1953, the Merit System began receiving bound test books for medical positions from the American Public Health Association's professional examination service, which also corrects the tests and evaluates the performance of Montana examinees in comparison with that of examinees from all over the country. Since the rules require objective tests, all test items are either multiple choice or one-word answers.

The test items obtained from the federal government, the Civil Service Assembly, and the public health association, plus a few composed by Supervisor Martinson, are filed in the Merit System office according to a detailed subject index somewhat similar to the Dewey decimal system. When it is necessary for the supervisor to prepare new tests, he can pull items from the file and have them mimeographed in a test book. About two-thirds of the non-medical test items in the file in July, 1957, were from the federal government; about one-third, from the Civil Service Assembly.

Since persons previously examined become eligible to apply again after six months, the supervisor periodically prepares new tests and puts old tests out of service for some time back into use.  

The content of written tests must, according to Merit System rules, be "practical" and designed to reveal the examinee's ability to perform the duties of a particular position. However, since it is the supervisor's opinion that performing the duties of most positions at the entrance level (i.e., the "I" positions) depends for the most part on aptitude, he tries to design written tests for such positions primarily to test aptitude. He does not do this where specialized technical knowledge must be tested because of the nature of the position. Examinations for positions above the entrance level (i.e., the "II," "III," and "IV" positions) contain more items to test specific knowledge.

Since 1953, the Merit System has used one written test for several office-work positions, with candidates for various jobs required to answer various sections of the test. Currently, this test is administered to candidates for nine positions. It includes seventy questions demanding

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24 Martenson (interview April 30, 1957).

25 For convenience, job titles adopted in the reclassification plan effective February 1, 1956, are used throughout this chapter.

26 Ibid.


28 Clerk-typist, clerk-stenographer I and II, secretary I, clerk I, II, and III, key punch operator II, and clerk-interviewer.
knowledge, thirty questions demanding aptitude, and seventy questions testing both.

The examination used for the lowest professional position in the Unemployment Compensation Commission, interviewer I, demands professional knowledge of how to interview job applicants, general knowledge of economics, personnel administration, and office practices, and ability to read tables and charts and to organize a body of printed material into a meaningful article. Applicants for the lowest professional position in the Department of Public Welfare, caseworker I, are given a written examination including questions on government, economic problems, social problems, public health, psychology, and social work. Ten questions of the 180 in the examination call for ability to read a chart and to understand a Montana statute.

Examinations for professional entrance into both the UCC and the DPW include questions designed to show whether the candidate is in sympathy with the agencies' social welfare aims.

Almost all questions in the Public Health Association tests relate to specific professional knowledge. There are no general knowledge or aptitude questions in any examination for bacteriologist I or II or general

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29 These questions require a simple English vocabulary and knowledge of grammar, simple arithmetic, office practice, and bookkeeping.

30 These questions require ability to follow instructions (changing letters to other letters or symbols), to code personnel information, and to distinguish analogies from differences (e.g., which is out of place: ACBD, LMKO, KMLN, or SVTW).

31 These questions involve alphabetizing, understanding a table, more difficult arithmetic problems, and evaluation of methods of supervising small numbers of employees.

32 See test books in the files of the Montana Merit System office, Helena, Mont.
physician, although candidates for positions as public health nurses are
given a few items relating to administration of a public health district.33

In keeping with the rules requiring that the anonymity of applicants
be preserved during testing, the examinee marks his answers on a sheet sepa­
rate from the test book and identifies his paper with a number.34 Since
the first Merit System written examinations were given in 1941, the tests
have been graded by use of the statistical method of standard deviations.35
To determine the passing grade, the supervisor compiles a number of raw
scores (items answered correctly) attained by persons taking a test and
sets the passing grade at one standard deviation below the mean. This
passing grade is called 70. A maximum score called 100 is set at two and
one-half standard deviations above the mean, and raw scores between one
standard deviation below and two and one-half standard deviations above
are translated to scores between 70 and 100 by mathematical manipulation
carried to two decimal places.

Where possible, the supervisor avoids computing passing scores on
an examination until at least fifty raw scores are available, but in in­
stances where fewer persons take a test, he assigns a passing mark by
inspection. Raw scores made on tests are compiled cumulatively, so that
grades made on tests used several times at intervals can be re-evaluated
in terms of more complete data.36 According to statistical theory, setting

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33 Professional Examination Service of the American Public Health
Association, examinations for medical positions (files of Merit System
office, Helena, Mont.).

34 Martinson (interview April 30, 1957).


36 Martinson (interview April 30, 1957).

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a passing mark at one standard deviation below the mean should cause 15.9 percent of examinees to fail.37 Table 11 shows that about 18 percent of persons taking Montana Merit System written examinations, 1941-56, failed.

Setting passing grades on written tests is a problem with which most public personnel agencies cannot deal very adequately because they lack information with which to correlate test scores and on-the-job performance. The most arbitrary, least satisfactory method is simply to set passing at a certain percent of items answered correctly. Unfortunately, many legislatures and municipal councils have enacted this method into law and ordinance. A better method—and the one used by Merit System Supervisor Martinson—is for the testing agency to determine a passing raw score for each test. Yet without accurate correlation between test score and job performance, the passing mark is still arbitrary.38 There is no guarantee that all persons who pass Montana Merit System written tests can do their work well, for studies to show that those who score above one standard deviation below the mean are competent are lacking.

Performance testing.—In addition to written examination, applicants for work involving typing or taking dictation must take performance tests which require them to demonstrate their skill in these operations. They are not admitted to performance tests unless they pass an appropriate written examination. Since 1941, the Merit System has administered performance tests constructed by the supervisor. Martinson redesigned performance tests in 1948 to make it possible to give dictation


38Stahl, p. 111.

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## TABLE 11

### RESULTS OF MONTANA MERIT SYSTEM EXAMINATIONS

<table>
<thead>
<tr>
<th>Year</th>
<th>Appeared</th>
<th>Passed</th>
<th>Percent Passed</th>
<th>Appeared</th>
<th>Passed</th>
<th>Percent Passed</th>
<th>Appeared</th>
<th>Passed</th>
<th>Percent Passed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1941</td>
<td>4,042</td>
<td>3,330</td>
<td>82.5</td>
<td>1,281</td>
<td>901</td>
<td>70.3</td>
<td>1,096</td>
<td>1,035</td>
<td>94.5</td>
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<tr>
<td>1942</td>
<td>2,475</td>
<td>1,975</td>
<td>79.8</td>
<td>804</td>
<td>560</td>
<td>70.4</td>
<td>243</td>
<td>239</td>
<td>98.4</td>
</tr>
<tr>
<td>1943</td>
<td>369</td>
<td>314</td>
<td>85.4</td>
<td>129</td>
<td>101</td>
<td>78.3</td>
<td>99</td>
<td>85</td>
<td>85.8</td>
</tr>
<tr>
<td>1944</td>
<td>998</td>
<td>835</td>
<td>83.7</td>
<td>680</td>
<td>529</td>
<td>77.5</td>
<td>1,359</td>
<td>1,274</td>
<td>94.2</td>
</tr>
<tr>
<td>1945-46b</td>
<td>2,144</td>
<td>1,694</td>
<td>79.0</td>
<td>1,057</td>
<td>814</td>
<td>77.0</td>
<td>125</td>
<td>110</td>
<td>96.8</td>
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<tr>
<td>1946-47</td>
<td>1,617</td>
<td>1,261</td>
<td>77.4</td>
<td>723</td>
<td>594</td>
<td>81.3</td>
<td>99</td>
<td>88</td>
<td>89.0</td>
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<tr>
<td>1947-48</td>
<td>1,689</td>
<td>1,233</td>
<td>73.0</td>
<td>762</td>
<td>669</td>
<td>87.4</td>
<td>82</td>
<td>54</td>
<td>66.0</td>
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<td>1948-49</td>
<td>2,054</td>
<td>1,669</td>
<td>81.3</td>
<td>1,132</td>
<td>1,004</td>
<td>88.7</td>
<td>169</td>
<td>136</td>
<td>79.9</td>
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<tr>
<td>1949-50</td>
<td>2,907</td>
<td>1,795</td>
<td>61.3</td>
<td>1,106</td>
<td>907</td>
<td>82.0</td>
<td>167</td>
<td>128</td>
<td>77.6</td>
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<tr>
<td>1950-51</td>
<td>2,058</td>
<td>1,677</td>
<td>81.6</td>
<td>1,042</td>
<td>861</td>
<td>82.6</td>
<td>167</td>
<td>128</td>
<td>77.6</td>
</tr>
<tr>
<td>1951-52</td>
<td>2,337</td>
<td>1,965</td>
<td>82.3</td>
<td>1,271</td>
<td>1,052</td>
<td>83.1</td>
<td>157</td>
<td>118</td>
<td>75.6</td>
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<tr>
<td>1952-53</td>
<td>2,403</td>
<td>1,983</td>
<td>82.7</td>
<td>1,283</td>
<td>1,071</td>
<td>83.0</td>
<td>40</td>
<td>33</td>
<td>82.5</td>
</tr>
<tr>
<td>1953-54</td>
<td>3,071</td>
<td>2,656</td>
<td>86.4</td>
<td>1,503</td>
<td>1,301</td>
<td>86.6</td>
<td>61</td>
<td>53</td>
<td>86.9</td>
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<tr>
<td>1954-55</td>
<td>3,200</td>
<td>2,688</td>
<td>84.2</td>
<td>1,475</td>
<td>1,259</td>
<td>86.1</td>
<td>25</td>
<td>22</td>
<td>86.0</td>
</tr>
<tr>
<td>1955-56</td>
<td>2,387</td>
<td>2,622</td>
<td>85.8</td>
<td>1,684</td>
<td>1,419</td>
<td>85.3</td>
<td>9</td>
<td>8</td>
<td>88.9</td>
</tr>
<tr>
<td></td>
<td>34,013</td>
<td>27,918</td>
<td>82</td>
<td>15,697</td>
<td>13,029</td>
<td>82</td>
<td>757</td>
<td>614</td>
<td>82</td>
</tr>
</tbody>
</table>

*aSource: MMSC, A.R. (1941-58). Figures refer to number of applicants, not number of persons.*

*bJanuary 1, 1945 to June 30, 1946. Later years are June 30 - July 1 fiscal years.*
to candidates for three stenographic positions at the same time, but the essence of the tests—requiring demonstrations of skill—has remained the same for sixteen years.39

The Merit System typing test is taken by candidates for positions as clerk-typist I and II, clerk-stenographer I, II, III, and IV, and secretary I and II. Exactly as might be expected, examinees type for speed and accuracy from printed copy. The test lasts ten minutes.40

The stenographic test, taken by candidates for clerk-stenographer I and II and secretary I and II, begins with a warmup article dictated by the examiner at the rate of 80 words per minute. Examinees transcribe this article, but it is not scored. After this preliminary, the examiner dictates two articles. Each dictation takes four and one-half minutes. The first portion of each article, roughly three-fifths of the total words, is dictated at the rate of 80 words per minute, the second portion, about four-fifteenths of the total, at 100 words per minute, and the third portion, about two-fifteenths of the total, at 120 words per minute. After the examiner has read these articles, the examinee is required to type, from her notes, as much of one article as she can transcribe in eight minutes. The transcriptions are scored; examinees' notes are not. In this stenographic test, enough words are dictated at the slower speeds so that a candidate need not, to get a passing grade, take dictation faster than the minimum required for the position for which she has applied.41

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39 Martinson (interview April 30, 1957). See EMSP, Form 237, "Performance Test" (in files of Merit System office, Helena, Mont.).

40 EMSP, Form 202, "Typing Test Instructions" (in files of Merit System office, Helena, Mont.).

41 Ibid., "Stenographic Test Instructions."
Grading of Merit System typing and stenographic tests is done on the basis of minimum qualifications written into job specifications, determination of maximum scores by the supervisor, and the use of algebraic formulas. For typing tests, the minimum requirement drawn from the job specification, e.g., typing 40 words per minute for the job of stenotypist I, is made the passing grade and called 70. In calculating a words-per-minute figure for each candidate it is stipulated that five strokes equal one word. Thus the words-per-minute total is derived by dividing total strokes by five times the number of minutes (ten). The number of errors is subtracted from the initial words-per-minute total to give the total that counts. Since the supervisor considers the minimum words per minute requirements of a job specification to mean "words per minute with four errors," an examinee can actually make a score of 70 with a raw score of four words less than the number that appears in the specification. The typing ability which a candidate must demonstrate to receive a maximum score of 100 is determined by the supervisor, whose criterion is that "a score of 100 represents the best performance we can expect." The scores for performances falling between the passing score and the maximum score are determined by the use of algebraic formulas reduced to standard tables for the benefit of Merit System employees using them.

The passing score of a stenographic test (dictation and transcription) is also drawn from a job specification. However, since job specifications are stated in terms of taking dictation at so many words per minute, and Merit System tests involve transcription as well as taking dictation, the supervisor has translated words per minute of taking dictation to words per minute of transcription. The underlying
idea is that to pass the candidate for a stenographic position must accomplish two things: (1) during one of the four and one-half minute dictations, she must take down a number of words equal to the minimum from the job specification times the number of minutes of dictation at that speed, and (2) she must transcribe this number of words within eight minutes. Here, again, for the purpose of allowing the candidate a margin of errors, there is adjustment of the minimum score that a job specification would seem to require. The result is that words-per-minute rates assigned a passing grade of 70 are, after deductions for errors, lower than rates in specifications. As is the case with typing tests, maximum scores are set by the supervisor, and scores between 70 and 100 determined by formula.\(^\text{42}\)

The candidate for clerk-typist I or II takes only the typing test, and her score on it constitutes her entire performance test score. The candidate for clerk-stenographer I or II or secretary I or II takes both the typing test and the stenographic test. Her typing test counts 60 percent of the performance test grade, and her stenographic test, 40 percent. In all cases, passing scores on performance tests are numbers from 70 to 100, carried to two decimal places.\(^\text{43}\)

\[\text{42}^{\text{Martinson (interview April 30, 1957). Currently (July, 1957), candidates for clerk-typist I or clerk-stenographer I get a score of 70 for typing 40 words per minute with four errors and a score of 100 for typing 66 words per minute with no errors. Candidates for clerk-typist II, clerk-stenographer II, secretary I, or secretary II get a score of 70 for typing 50 words per minute with four errors and a score of 100 for typing 76 words per minute with no errors. Candidates for clerk-stenographer I get a score of 70 for transcribing 25 words per minute with 15 errors and a score of 100 for transcribing 55 words per minute with no errors. Candidates for clerk-stenographer II, secretary I, or secretary II get a score of 70 for transcribing 35 words per minute with 15 errors and a score of 100 for 50 words per minute with no errors.}\]

\[\text{43}^{\text{MISC, Form 237, "Performance Test."}}\]
Almost all the performance tests the Merit System has administered since 1941 have been tests of typing and stenographic skills. Agency job specifications also require performance tests for potential operators of key punch machines, but candidates for entrance-level key punch jobs may choose to take a standard typing performance test. The Merit System permits this because a key punch keyboard is identical to a typewriter keyboard. Candidates for promotion, however, must take a performance test on a key punch machine. The Merit System has never given performance tests on any office machines other than typewriters and key punch machines, even though there have been examinations for job titles such as bookkeeping machine operator. The work of such jobs has always been largely similar to that of the regular clerical positions, and the reclassification of February 1, 1956, came then regular clerical titles.

The usefulness of Montana Merit System performance tests lies in their wholly practical nature. Since the examinee working on a performance test is doing almost exactly what she will do if appointed to a job, questions of whether the test really predicts ability to do work are not so relevant to performance tests as they are to written tests. Psychological factors can, of course, cause a person's ability in typing and shorthand to vary from testing room to agency office, but these are factors that the Merit System has no instruments to test. In performance testing, Supervisor Martinson's job is to find out how many words per minute a

---

44 Candidates for entrance must punch out 30 standard cards in ten minutes; candidates for promotion, 45 cards in ten minutes.

45 Martinson (interview June 28, 1957).
candidate can type or take down in shorthand. The tests he administers seem to do this as well as possible.

Rating training and experience.—After written examination and performance testing, the Merit System rates the training and experience of candidates for all positions except a few junior office-work jobs in a manner more detailed than the initial rating. This second rating of background evaluates a candidate's training and experience in comparison with that of others competing for the same job. The rating is done by the use of tables showing varying numbers of points given for training and experience of varying recentness and varying pertinence to the job for which the candidate is applying. 46

When the Merit System began rating training and experience in 1941, the supervisor adopted for Montana use a point system devised by Utah public personnel officers. Since then, the system has been continuously followed, with minor adjustments made by the supervisor in consultation with officers of agencies under the Montana Merit System. 47

The Merit System uses two training and experience rating tables, one for positions requiring a doctor's degree in medicine, and one for all other positions. The tables differ in two respects: (1) the education of a non-physician is differentiated into three categories for all study above high school level, and the education of a physician is differentiated into categories only for that above the level of internship;


47. Martinson (interview April 30, 1957).
(2) the physician is allowed credit for certification by a professional board, and the non-physician is instead allowed credit for academic degrees. Copies of these tables appear in the text at pages 110 and 111.

On Merit System tables, education above the high school level for non-physicians and above the internship level for physicians is rated in one of three categories. These categories are education directly related to the position applied for, education closely related, and education unrelated. The categories are marked education A, B, and C, respectively. In rating a candidate for a job as statistician I, for example, the Merit System classifies college training with a major in statistics as education A, college training with a major in mathematics, sociology, or economics as education B, and any other college training as education C. Points given for education range from 100 for a year of graduate work in education A to 45 for a year of undergraduate work in education C.

The experience of all candidates, physicians and others, is rated in the same manner. Experience is placed in one of five categories; supervisory experience directly related to the position applied for, non-supervisory experience directly related, experience closely related, experience related, and experience unrelated. These categories are marked A, B, C, D, and E.

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48 Form TX (251) shows the tables used for non-physicians; form TX (2), the tables for physicians.


50 Martinson (interview April 30, 1957).

51 MASC, Forms TX (251) and TX (2).

In the case of a candidate for statistician I, the Merit System classifies statistical experience at the supervisory level in a public agency as experience A. Clerical statistical experience in a public agency and supervisory statistical experience in private employment are experience B. Other clerical statistical experience is experience C, clerical office experience is experience D, and any other experience is experience E.53 Points given for any type of experience except experience E (which is never worth any points at all) vary with the recentness of the experience. Thus a year of experience A ending at the time the candidate applies for a Merit System position is worth 100 points, but a year of experience A ten years past is worth only 60 points, and a year of experience D ten years past is 15 points.54

Determining a passing grade in ratings of training and experience is no problem, since minimums are drawn directly from job specifications, and, before any tests are administered, the Merit System disqualifies applicants who do not claim appropriate minimums. Thus no candidate whose training and experience is rated a second time gets a grade below the passing 70.

The number of points an applicant's training and experience must be worth to give him a maximum grade of 100 on this part of assembled examination is determined by the supervisor, who establishes maximums of training and experience which are "the most the Merit System hopes for."

53MISC, Forms TX (251) and TX (2).

54Martinson (interview April 30, 1957).

55MISC, Forms TX (251) and TX (2).
# Points Allowed for Education and Experience

## Form TX (251)

### Education

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<th>Undergraduate</th>
<th>Graduate</th>
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<td>1 2 3 4</td>
<td>1 2 3</td>
</tr>
<tr>
<td>25 25 25 25</td>
<td>A 75 75 75 75</td>
<td>100 100 100</td>
</tr>
<tr>
<td></td>
<td>B 60 60 60 60</td>
<td>80 80 80</td>
</tr>
<tr>
<td></td>
<td>C 45 45 45 45</td>
<td>60 60 60</td>
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### Degrees

<table>
<thead>
<tr>
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<th>Masters</th>
<th>Doctors</th>
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<td>15</td>
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<td>B &amp; C</td>
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### Experience

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<td>75</td>
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<td>70</td>
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<td>0</td>
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### Position

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<th>Position</th>
<th>TX</th>
<th>WR.</th>
<th>PERF.</th>
<th>FINAL</th>
</tr>
</thead>
</table>

| Total    |     |

| Identification Number |     |

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POINTS ALLOWED FOR
EDUCATION AND EXPERIENCE

FORM TX - 2

EDUCATION

<table>
<thead>
<tr>
<th>Medical School</th>
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<th>Graduate Study</th>
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EXPERIENCE

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<td>90</td>
<td>85</td>
<td>80</td>
<td>75</td>
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<tr>
<td>B</td>
<td>75</td>
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<td>0</td>
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<table>
<thead>
<tr>
<th>Position</th>
<th>Tx</th>
<th>Final</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

Total Identification Number
The maximum for the position of public health physician III, for instance, consists of medical school, internship, two years of graduate study, six years of experience A, and four years of experience B. This education and experience gives a point score of 1660, which is worth the maximum grade. The minimum for this position consists of medical school, internship, one year of graduate study, two years of experience B, and three years of experience C. This amounts to a point score of 330 and is equivalent to 70. Scores between 70 and 100 are computed by the use of algebraic formulas and are carried to two decimal places. Thus ratings of training and experience result in scores easily compared with scores on written and performance tests.\(^{56}\)

Rating training and experience is one of the difficult aspects of examination because at bottom it is subjective. The duty of the rater is to insure that insofar as possible training and experience are scored in proportion to the relevancy they bear to the position for which the examinee is competing. This Merit System Supervisor Martinson has tried conscientiously to do. The competence with which an examiner is able to rate training and experience is very likely to increase with his experience in rating for a given set of jobs.\(^{57}\) In this respect, Martinson's long tenure with the Montana Merit System is a decided contribution to the effectiveness of its examination program.

\(^{56}\) Martinson (interview April 30, 1957).

\(^{57}\) Stahl, p. 33.
Oral examination—During 1941 and 1942, all applicants for Merit System professional positions who passed written tests appeared before oral interviewing boards whose job was to measure candidates’ "personality traits and general fitness." In 1941, one three-member board traveled around Montana interviewing all in-state applicants. During the second year, different boards were stationed at different examination centers. Oral interviews for out-of-state candidates were, of course, handled by different boards.

Each candidate went before a board for fifteen minutes, during which, the Merit System instructed interviewers, he was to answer questions designed to test his powers of concentration and expression. Board members made independent ratings of each candidate on forms requiring judgment of seven personal characteristics and final rating of "do not recommend," "recommend with hesitance," "recommend," "recommend with confidence," or "recommend with enthusiasm." Even so, oral interviews were simple pass or fail tests; if a candidate got two "do not recommends" he failed. If two or three board members gave him "recommend with hesitance" or better, he passed, and there was no comparative rating.

58 The members of this board were Ray K. Adams, executive director of the Utah department of employment security; J. V. Yaukey, chief of benefits of the South Dakota unemployment compensation commission; and Sheldon R. Davis, president of the Montana State Normal College at Dillon. For the last three days of interviewing, Adams and Yaukey were replaced by the Rev. L. C. Hicks of Helena and Miss Laura Okerman, Red Cross secretary at Great Falls. MMSC, A.R. (1941), pp. 7, 8.


60 MMSC, "Instructions to Interviewers" (in files of Merit System office, Helena, Mont.).

61 Appearance, voice and speech, tact and friendliness, poise and bearing, alertness, ability to present ideas, and judgment.
The Merit System dropped oral interviews after 1942 because, in the supervisor's opinion, they were not worth the expense. It had proved necessary to use more than one interviewing board, and where this was done there was so little consistency among ratings that there was serious doubt whether even simple pass or fail ratings had any meaning.\(^\text{62}\)

With the demise of oral examinations and a written personality test given to applicants for caseworker I from 1954 through 1956 which proved "not particularly useful,"\(^\text{63}\) no test of character or personality remains in the Merit System schedule. The function of oral examination has passed to oral interviews of applicants by agency appointing officers. When a vacancy occurs, three names from the top of an appropriate register are certified by the Merit System supervisor to the agency officer, who is entitled to choose any one of the three for the job.\(^\text{64}\) Agency appointing officers thus have an opportunity to weed out unsuitable personalities, as persons certified and rejected three times are not again certified.

The final grade.---In 1941, the Merit System supervisor, in consultation with agency officers and with reference to job specifications, set up a schedule of the weights which scores on various parts of assembled examination--written tests, performance tests, and ratings of training and experience--have in computation of final grades for the whole battery. Changes in this schedule since that time have been minor.\(^\text{65}\) Job specifications

\(^{62}\)Martinson (interview April 30, 1957).


\(^{64}\)M.H.S.C., Rules, p. 19; M.U.C.C., Rules and Regulations, p. 14.

\(^{65}\)Martinson (interview April 30, 1957).
determine whether scores above the minimum get any weight in the final grade. Candidates for office-work jobs below the level of secretary are not rated on training and experience above minimums, and final grades of such candidates are computed from written test results and performance test results where applicable. Performance tests, as noted above, are required of candidates for only a few positions.

In general, the Merit System gives weight to training and experience in direct proportion to the responsibility of the position involved and correspondingly less weight to written tests. For professional positions, training and experience is 30 percent of the final grade for "I" positions, 40 percent for "II" positions, 50 percent for "III" positions, and 70 percent for "IV" positions. The Merit System schedule of weights is shown in Table 12.

Unassembled Examination

There is little to be said about Merit System unassembled examination except that it consists entirely of rating training and experience, with the rating done exactly as it is in assembled examination. Applicants who fail to claim training and experience equal to the minimum requirements of job specifications fail; other get a grade between 70 and 100, carried to two decimal places. It is Merit System policy to use unassembled examination only when written test material is not available, and in the

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67Martinson (interview April 30, 1957).

68Ibid.
fiscal year 1955-56, the number of applicants taking unassembled examinations was reduced to nine of 3,226.69

### Table 12

**Sources of Final Grades for Montana Merit System Examinations**

<table>
<thead>
<tr>
<th>Position</th>
<th>Written Test</th>
<th>Training and Experience</th>
<th>Performance Test</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clerk-stenographer I, II</td>
<td>40%</td>
<td></td>
<td>60%</td>
</tr>
<tr>
<td>Clerk I, II, III</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clerk-typist I, II</td>
<td>40</td>
<td></td>
<td>60</td>
</tr>
<tr>
<td>Key punch operator I, II</td>
<td>50</td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>Telephone operator</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secretary I, II</td>
<td>40</td>
<td>20%</td>
<td>40</td>
</tr>
<tr>
<td>Clerk-stenographer III, IV</td>
<td>40</td>
<td>20</td>
<td>40</td>
</tr>
<tr>
<td>Office machine operator I</td>
<td>70</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Office machine operator II</td>
<td>60</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Professional I</td>
<td>70</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>Professional II</td>
<td>60</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Professional III</td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td>Professional IV</td>
<td>50</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>All unassembled exams</td>
<td></td>
<td></td>
<td>100</td>
</tr>
</tbody>
</table>

Investigation of Claims of Training and Experience

After computing final grades, the supervisor must, according to Merit System rules, investigate claims of training and experience submitted by persons who pass. Normally this investigation is confined to sending form inquiries to officials of schools the applicant claims to have attended and to employers for whom he claims to have worked. The school

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70Montana State, Rules, p. 17; MUSC, Rules and Regulations, p. 11.

71Montana State, Form 104-ZM-51, "Verification of Experience," and Form 105-ZM-51, "Verification of Education" (both in files of Merit System office, Helena, Mont.).
official is asked to affirm that the information given by the candidate is correct. The former employer is asked to indicate whether the candidate's claim is correct and to give his opinion of the candidate's personality and loyalty to the United States. If these inquiries reveal that a candidate has made mistaken claims, his grade is adjusted accordingly; if he is found to have attempted fraud, he may be removed from the register and barred from further application for Merit System positions. 72

Evaluation of Merit System Tests

Practitioners of the art of psychological testing of applicants for employment have, in analysing and evaluating their work, developed a lengthy technical vocabulary and many intricate statistical formulas designed to indicate what a test measures and how well it works. Yet conclusions about tests and testing remain uncertain. The formulas show how well one part of a test correlates with other parts, with the whole test, or with other tests. But they are not nearly as useful in determining the degree to which the test is serving its purpose—predicting on-the-job behavior—because of the difficulty of establishing data about this behavior. Evaluation of an employee's work is almost always subjective, consisting of the opinions of a supervisor. Objectivity can be sought by using further tests for the evaluation, but then a correlation of entrance test with on-the-job test can show no more than that the tests are consistent. Much test evaluation unfortunately continues to be analysis of the test in terms of itself or in terms of other tests. 73

72 See MSc. Rules, p. 17; MUCC. Rules and Regulations, p. 11.

One of the more important gauges of the value of a test is its reliability: "The consistency with which it serves as a measuring instrument."\textsuperscript{74} Since reliability means that a candidate's score on the test should be substantially the same every time he takes it, it might appear at first glance that the best way to determine reliability would be to administer the test twice to the same group of people. Actually, this test-retest method is far from satisfactory because examinees remember answers and benefit from the practice gained on the first test. An alternative to test-retest is the split-half method, which involves correlating scores on one half of the test with scores on the other half. The defect of the split-half method is that it is impossible for the test evaluator to be sure that the halves he chooses are really equivalent. A third way to compute reliability, "generally recognized" as superior to test-retest and split-half,\textsuperscript{75} is to use one of the Kuder-Richardson formulas. These formulas correlate one part of the test with another, and therefore would seem to share the weaknesses of the split-half method, but if they err, they "in all cases give underestimates" of reliability.\textsuperscript{76}

Supervisor Martinson computes the reliability of every merit system written test by use of Kuder-Richardson formulas which show that Montana Merit System tests are highly reliable, most tests getting correlations of .85 or better.\textsuperscript{77} Although some reservations must be made about

\textsuperscript{74}Stahl, p. 109.
\textsuperscript{75}Adkins, p. 153.
\textsuperscript{76}Ibid., p. 154.
\textsuperscript{77}Martinson (interview April 30, 1957).
the Kuder-Richardson formulas, these figures indicate that the Merit System supervisor has done an excellent job of preparing reliable tests.

A second gauge of test value, likely the most important of all, is its validity, that is, the extent to which it actually measures what it is supposed to measure. To determine validity, test scores must be correlated with a criterion of on-the-job performance, e.g., ratings, measures of output, or bonuses earned. Measurement of the validity of Montana Merit System tests has been impossible because of lack of information about the performances of employees who have taken the tests. Rating of employees is practiced by all the agencies under the Merit System, but these ratings have proved valueless as indicators of validity because there is no consistency among ratings made by different agency officers. Unfortunately, all the Merit System supervisor can say about the validity of his tests is that on the basis of informal inquiries he has made of agency officers, he believes that persons who make the best scores on written examinations do the best work.

Measures of validity can be applied to individual test items as well as whole tests. Since one form of item validity is whether the item measures what the test as a whole is thought to measure, it can be computed statistically in terms of the test without the need for extraneous information. Supervisor Martinson analyses Merit System test items in this manner by computing tetrachoric correlations. After a test is taken

78 Stahl, p. 108.

79 Martinson (interview April 30, 1957).

80 Adkins, p. 180.
by at least fifty persons, the test papers are divided into two groups according to grades—one group is made up of the higher grades; the other, of the lower. Each item is then analysed to find how many persons in the higher-grade group answered it correctly. The best items are taken to be those answered correctly by most people in the higher group. As the Merit System obtains more test items and carries out more item analysis, the items with the worst analysis results are continually discarded or improved, principally by adjusting multiple-choice answers.61 Needless to say, such item analysis will not improve the validity of a test as a whole, for "if the test... does not have validity, selection of items which correlate highly with the original test as a whole can never yield it."62

Thus the validity of Merit System written tests is largely unknown. Supervisor Martinson is well aware of this, and he regrets it. A serious obstacle to comprehensive study of validity, which requires a great deal of information about the employment records of persons previously examined, is the expense, and such a study seems beyond the Montana Merit System's means. Within the realm of the possible might be administration of some tests to agency employees who are considered more efficient than average. If previous test scores were not taken into consideration in selecting efficient employees, some valuable evidence of the validity of Merit System tests might be obtained in this manner.

Criticism of the effectiveness of merit system tests as instruments for predicting on-the-job behavior should not obscure another purpose that

61 Martinson (interview April 30, 1957).

62 Adkins, p. 182.
they serve with more certainty: Providing an alternative to political favoritism as the basis for selecting public employees. Examination undoubtedly has many, and serious, defects. As a measuring device it is far from being "a precise yard kept under constant temperature at the Bureau of Standards." But the evils of the spoils system that merit system examination has in some jurisdictions replaced are known to every student of American political history. Destructive of "the equality in relation to public administration which is a sine qua non of democratic government," productive of embezzlement, graft, and bribery, the spoils system is well replaced with open competitive examination, imperfect though the examination may be.

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83 Ibid., p. 161.

84 Stahl, p. 18.
CHAPTER VII

MONTANA MERIT SYSTEM APPOINTMENT PROCEDURES AND TENURE RULES

Merit System Hiring and Firing

The result of competitive examination of candidates for jobs with a public agency under a merit system is a list of the names and grades of persons who passed the tests. To make these eligibles available to line managers for hiring, merit systems normally employ registers and certification.

A register is a list of persons eligible for a previously determined position or group of positions, with their names "ranked in the order of their relative standing, from the highest to the lowest, except as such ranking is disturbed by the preferential rating given war veterans and their widows... or their wives." When a public officer with appointing authority notifies his personnel agency that he has an open job, the agency certifies to him one or more names from the top of an appropriate register. In connection with the procedures of establishing registers and making certifications, different jurisdictions have developed different policies.

One policy decision must deal with the question, How many registers ought to be maintained? The easiest and most frequent answer to this question is to set up a separate register for each class of positions for which

\[1\text{Stahl, p. 119.}\]
examinations are given. On the other hand, a more flexible system is to establish common registers for several classes of positions in order to reduce the work of maintaining registers and better utilize the supply of available eligibles. This system, however, is possible only if candidates for the several classes have been given the same examination.

Another policy must decide which registers are appropriate for use in specific certifications. If certification for a class of positions is strictly limited to registers for that class only, qualified personnel may stay on other registers while the job remains unfilled. Yet if some limits are not placed on the use of more than one register, the certification of unqualified personnel from entirely inappropriate registers might be possible. Likely the best solution is to obtain certifying officers who can be trusted and give them permission to ease personnel shortages by certifying from all registers they deem appropriate.

A third problem pertaining to certification is, How many names should the certifying officer send to the appointing authority? At one extreme are those who insist that the philosophy of merit systems requires the certification of the name at the top of the register and no more. In light of the fact that psychological testing is not adequate always to put the name of the best qualified candidate at the top of the list, a better view is that several names should be certified to permit the appointing authority some choice. The most usual practice is to certify the top three names, but there are variations, extending in special cases to certification of several complete registers, and recent studies have convinced

\[2\text{Ibid., pp. 119-22, 135-39.}\]

\[3\text{Ibid., p. 135; Municipal Personnel Administration, p. 131.}\]
some authorities\(^4\) that three names are not enough.

The idea that formal examination does not always locate personnel qualified for their jobs by aptitude, ability, and personality has led to use of a supplementary testing device by almost all public agencies. This device is the requirement that new employees serve a period of probation, which may be defined as "the policy of considering no appointment final until the appointee has demonstrated his capacity for work."\(^5\) The probationary period is intended to give the appointing authority an opportunity to evaluate his appointee and decide whether he is a useful employee. Thus the appointing authority is given power to dismiss probationary employees at his discretion, simply by giving a statement of his objections.

Unfortunately, this opportunity to evaluate new employees is often ignored. Appointing authorities think it is the business of the personnel agency, and the personnel agency leaves it to the appointing officer, who is really responsible. The federal Civil Service Commission, in an effort to give some meaning to probation, has recommended that the probationer be automatically discharged at the end of his probationary period unless the officer who appointed him recommends otherwise, and a number of states and municipalities have adopted this suggestion for positive use of the probationary period.\(^6\)

An important part of the terms of employment developed by a public agency (or a private company) is employee tenure. Since tenure has a vital

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\(^4\)Including the first federal Hoover Commission.


\(^6\)Ibid., p. 140.
bearing on the security which men normally seek in their jobs, it is much involved in questions of morale and maximum efficiency; it also has a peculiar significance with regard to merit systems. This significance is a result of the most basic merit system purpose—keeping the politicians out. If political influence is really to be eliminated from personnel policies of government agencies under a merit system, the politician must be prevented from firing as well as from hiring, and this would seem to demand a strict set of tenure rules.

Even so, the federal laws that have established hiring by means of competitive examination have placed few restrictions on dismissals. Federal employees who are veterans cannot be removed without a hearing by the Civil Service Commission, but non-veterans do not get a formal hearing, and removals in general can be made for any causes that "promote the efficiency of the service." Similar regulations are in force in most of the states that have merit systems. Thus "it is evident... that any difficulty in separating inefficient employees... is not likely to be due to the basic statutes establishing the principle of security of tenure for employees selected on merit."7

As a competent employee values assurance that he will be allowed to stay on the job, so the agency that employs him values his continuing in service. Labor turnover, "the shift and replacement of personnel, incident to its maintenance,"8 if excessive is extremely expensive to the public agency or private company that suffers it. Experienced employees leave,

7Ibid., p. 465.
necessitating the training of new personnel. Work may be done sporadically or cease altogether if replacements cannot be obtained. Expenses for recruitment and examination increase, and high turnover almost certainly damages morale. For these reasons, turnover rate is a telling gauge of the success of a personnel program. 9

Another of the terms of employment with which a merit system sometimes deals is the amount of time that the employee is required to devote to his job. Vacation time allowed, sick leave, and leaves permitted for other purposes are of concern to both employee and employer. There have been few studies of the effect of leaves on efficiency in nonindustrial work, but it is generally accepted that a liberal policy promotes morale. Undoubtedly a condition of work such as leaves permitted can be important in attracting candidates for jobs. 10

Montana Merit System Appointments and Probation

Within a few days after the candidate for a position classified under the Montana Merit System completes his examination, the Merit System supervisor notifies him of his test score. The candidate who passed is informed of his final grade and the position on a register to which it entitles him. 11 The unsuccessful examinee gets the bad news on a form that assures him his "interest in employment under the Merit System is appreciated." 12

9See ibid., pp. 467-79.
10See ibid., pp. 402-411; Municipal Personnel Administration, pp. 248-57.
11MISC, Form 102 (in files of Merit System office, Helena, Mont.).
12MISC, Form 103 (in files of Merit System office, Helena, Mont.).

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The registers that the supervisor keeps for original appointments to classified positions are numerous. One of the benefits that the agencies participating in the Merit System expect from their cooperation is the use of joint registers for equivalent clerical positions, and the supervisor has maintained such joint registers since 1941. But the Merit System must have a separate register for each class of professional positions and non-equivalent clerical positions, which, combined, far outnumber the positions for which there can be joint registers. These registers are not all in existence at one time, however, because of the shortage of eligibles for professional positions. Another complication of the supervisor's task of keeping registers results from a provision in both the joint rules and the UCC rules that permits appointing authorities to request for appointments to local offices the certification of eligibles who reside in the area served by the local office. The result, of course, is that Merit System lists of eligibles have to include addresses with names.

Merit System rules require the supervisor to list names of eligibles on registers in the order of their final examination ratings, which include veteran preference. Identical final ratings are unusual because scores are carried to two decimal places, but in case final ratings are the same, eligibles are placed on the register in the order of written test grades or,

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13 Martinson (interview February 1, 1957).

14 See above, pp. 48, 52.

15 MMS, Rules, p. 20; MUGC, Rules and Regulations, p. 16.

16 MMS, Form 239, "Eligible List" (in files of Merit System office, Helena, Mont.).
if these are also identical, according to the alphabetical order of their last names. Once on a register, the eligible's name remains there until he is appointed, until the register expires after two years, or until it is removed by the supervisor, who has authority to make removals if he discovers that the eligible is not qualified for a position, that he has a record of crime or dismissal from public service for misconduct, that he cannot be reached by mail, that he does not wish to be considered for appointment, or that he has declined three offers of appointment to one class of position.\textsuperscript{17}

\textbf{Merit System certifications}, which are made by the supervisor in response to agency requests, permit the appointing authority to choose among the three eligibles at the top of the appropriate register. If the request is for personnel to fill more than one job, five-thirds as many names as jobs are certified. When a register for a class of positions does not contain enough names to fulfill these requirements, the supervisor may use registers for closely related positions that demand equal or higher qualifications (e.g., a certification from a clerk II register for the position of clerk I). If adding names from registers for closely-related positions still does not provide enough eligibles, the appointing authority may make provisional or emergency appointments.\textsuperscript{18}

Since the Merit System examination technique is undoubtedly not sensitive enough to justify distinguishing the performance of candidates

\begin{footnotes}
\footnote{	extit{MISC, Rules}, pp. 16, 18-19; \textit{MUCG, Rules and Regulations}, pp. 9, 13, 14.}
\footnote{	extit{MISC, Rules}, pp. 8, 9, 19, 20; \textit{MUCG, Rules and Regulations}, pp. 14, 15, 18, 19.}
\end{footnotes}
to two decimal places, it can be argued with a good deal of validity that
certification of only three candidates from a large number might leave
better qualified personnel on the register. This criticism is pertinent
where the supervisor certifies from registers with long lists of eligibles,
but such registers are rare in the Merit System office. The Merit System's
problem has not been to deal with surplus eligibles. It has rather been
to keep enough names on the registers to permit certification of three.19

This shortage of qualified personnel also sheds light on the activi-
ties of officers of agencies under the Merit System who encourage their
acquaintances to seek jobs in classified positions.20 In view of the vacan-
cies that plague the agencies, an appointing authority who persuades some-
one who meets minimum qualifications for a position to take the Merit Sys-
tem examination and then appoints him is to be commended rather than cen-
sured for playing politics.

An appointment from Montana Merit System registers by the regular
process of certification is probationary rather than permanent. With
guidance from federal personnel specialists, the four agencies under the
Merit System have developed a policy for probationary periods considered
"an essential part of the examination process."21 This policy, which
combines two progressive ideas—requiring written reports on the performance

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19See above, pp. 62 ff.

20And agency officers and employees continually do recruiting among
their personal and professional acquaintances. James (interview July 1,
1957); Stuman (interview July 1, 1957).

21NBC, rules and regulations, p. 19.
of probationary employees and automatically dismissing probationers who do not get a positive recommendation—has in substance been in effect since the Merit System was established. The only major amendment, adopted by the DFM, SEH, and DWH in 1953 and by the UCC in 1955, substitutes a probationary period ranging from six months for some classes of positions to eighteen months for others for a standard period of six months for all positions. This amendment also gives the Merit System Council the only authority it exercises with regard to probationary periods: That of disapproving probationary periods the agencies assign to specific classes of positions.22

According to Merit System rules, the appointee's position during his probationary period is precarious. His immediate superior begins evaluating his performance as soon as he goes to work, and the superior must periodically send written reports of his evaluation to the appointing authority (the reports go via the personnel officer in the Unemployment Compensation Commission). The last report, submitted at least four weeks before the end of the probationary period, includes a recommendation that the employee be retained or that he be dismissed.23 These reports deal with such factors as the quantity and quality of the probationer's work, his acceptance of supervision, and his relations with the public and with his fellow workers.24 At any time during the probationary period, the appointing authority may discharge the probationer by giving him notice and filing a statement of reasons for the dismissal with the agency

22MSC, Rules, p. 8; MUCC, Rules and Regulations, p. 19.
23Ibid.
24Martinson (interview June 28, 1957).
personnel officer and the Merit System office. In such cases the probationer has no right of appeal whatever.\textsuperscript{25}

Statistics that the Merit System has gathered seem at first glance to indicate that agency officers have made very little use of their power to dismiss probationary employees. During the 1955-56 fiscal year, for example, there were no dismissals of probationers in the S3H or BBN, only one in the RFV, and but three in the UCC.\textsuperscript{26} Such statistics are misleading, however, because most probationary employees who get unsatisfactory initial work evaluations are given a clear look at the handwriting on the wall and "allowed" to resign.\textsuperscript{27} Thus, although exact figures are not available to show how many of the resignations were really equivalent to dismissals, it is probable that the rule regarding discharge of probationary employees has been fairly extensively used. The opportunity to resign seems frequently to be offered to probationary RFV caseworkers who are not in sympathy with the social welfare aims of the agency.\textsuperscript{28}

The employee under the jurisdiction of the Montana Merit System who performs satisfactorily during his probationary period and gets a recommendation of retention has his reward in permanent status and tenure. Working from the federal rule that permanent employees "will not be subject to separation except for cause, or for reasons of curtailment of work or lack of funds,"\textsuperscript{29} all four Merit System agencies have developed similar

\textsuperscript{25}EMSC, Rules, p. 8; NUCG, Rules and Regulations, p. 20.


\textsuperscript{27}Martinson (interview June 28, 1957).

\textsuperscript{28}Sturman (interview July 1, 1957).

\textsuperscript{29}U.S., Federal Security Agency, Standards for a Merit System, p. 4.
policies of tenure and separation from service. These policies, like those of other jurisdictions, do not provide safe tenure for the incompetent.

Both the joint rules and the UCC rules provide that "the tenure of office of every permanent employee shall be during good behavior and the satisfactory performance of his duties." The joint rules define breach of the rule—justifying dismissal—as negligence, inefficiency, unfitness to perform duty, gross misconduct, or crime involving moral turpitude; the UCC definition adds gross insubordination and refusal to accept supervision. Also liable to dismissal are employees who hold public office or employment that conflicts with their work in a Merit System agency. All four agencies authorize separation for lack of funds or curtailment of work and agree that emergency, provisional, temporary, and probationary employees must be laid off before permanent employees. When permanent employees have to be laid off, the order of their separation is determined on the basis of seniority and efficiency.\(^\text{30}\)

For disciplinary reasons, agency appointing authorities may, after written notice to an employee allegedly guilty of delinquency or misconduct, suspend him without pay for not more than thirty calendar days in one year. A further means of discipline permitted agency officers by both sets of rules is demotion, which may be for "inefficiency or other cause."\(^\text{31}\)

As noted above,\(^\text{32}\) employees dismissed, demoted, or suspended by any agency or separated because of reduction in force by any agency except


\(^{31}\)\underline{HMSC}, Rules, p. 9; \underline{MUCC}, Rules and Regulations, p. 22.

\(^{32}\)At p. 26.
the UCC have the right to appeal to the Merit System Council, which can render an advisory decision. In the few appeals that have been brought under these rules, the Council has been careful to give due regard to the rights of both the agencies and the employees. The 1949 decision that dismissed a UCC employee's appeal on the ground that he was separated for reduction in force was probably erroneous, but this was of no importance to the appellant, who had decided to quit anyway. Another 1949 appeal, filed by an employee fired for cause, was decided in favor of the agency, but two years later the Council decided two appeals from employees separated because of reduction in force in favor of the appellants. The last appeal heard by the Council was brought in 1953 by an employee dismissed for cause, and the Council held that there was not enough evidence presented to permit a decision for either party.

Thus the appeal score through July, 1957, was two for the agencies, two for the employees, and one draw. In deciding these appeals, the Council has made formal interpretation of Merit System rules only at the insistance of an attorney appearing in the case. The Council's preference is to decide on the basis of facts and the members' ideas of equitable treatment.

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37 MISC, Minutes, v. I.
An inspection of the number of original appointments made each year to positions classified under the Montana Merit System shows plainly that turnover occurs at a considerable rate in Merit System agencies. The yearly average of appointments for the period 1941-56 was about 300, or almost half the total number of employees in classified positions. The Merit System supervisor has provided further information on turnover with yearly statistical studies, which give percents of turnover found by dividing the number of separations by the average number of persons employed during the year. These reports, which include a turnover figure for each agency, show that the annual turnover rate for all Merit System positions during the postwar period has fluctuated around the 33 percent mark. Part of this turnover results from the separation of non-permanent employees, however, and the turnover rate among permanent employees only has been substantially below 33 percent. As Table 13 shows, the latter rate varied during the four-year period July 1, 1952 – June 30, 1956 from none in the Department of Mental Hygiene for the 1952-53 fiscal year to 32.3 percent in the Board of Health for the 1953-54 fiscal year. Authorities on personnel management agree that there should be some turnover to prevent stagnation and that excessive turnover is a sign of wasted money, low morale, and inefficiency. They do not agree on how turnover should be measured or on what rates of turnover are desirable and undesirable. Although, in theory, the most accurate measure of turnover

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38 See above, p. 85.

TABLE 13

TURNOVER AMONG PERMANENT EMPLOYEES UNDER THE MONTANA MERIT SYSTEM

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>DPW</th>
<th>SBH</th>
<th>UCC</th>
<th>DMH</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952-53</td>
<td>20.3</td>
<td>23.1</td>
<td>18.7</td>
<td>0.0</td>
</tr>
<tr>
<td>1953-54</td>
<td>23.1</td>
<td>32.3</td>
<td>19.2</td>
<td>12.5</td>
</tr>
<tr>
<td>1954-55</td>
<td>18.0</td>
<td>21.5</td>
<td>18.8</td>
<td>25.0</td>
</tr>
<tr>
<td>1955-56</td>
<td>23.1</td>
<td>13.3</td>
<td>20.0</td>
<td>21.4</td>
</tr>
</tbody>
</table>

is that drawn from rates of replacement of employees, practical considerations cause most private firms and public agencies to employ an easier measure: Dividing the number of separations by the number of employees.  

(This is the measure used by Merit System Supervisor Martinson).

Some years ago (1929), a student of the American federal service suggested that annual separation rates should be between four percent and fifty percent, but two years later other research led a second public personnel specialist to the conclusion that "a turnover not exceeding 10 or 12 percent would by most be regarded as desirable for the purpose of bringing in fresh blood and prevent the hardening of caste; if, on the other hand, the annual turnover reaches 20 or 30 percent, one may fairly assume that employment conditions are bad."  

A more recent opinion is that causes of turnover have not been analysed well enough to justify a statement of specific desirable or undesirable percentages. One thing

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40 Stahl, p. 469-70.

41 Brissenden, p. 343, cited by Stahl, p. 471.

that is clear is that percentages of turnover show extreme variations from year to year and from jurisdiction to jurisdiction. During the fiscal year 1953-54, for example, turnover by separations in the federal service as a whole was about 26 percent; in the Missouri state service, 27.5 percent; in the Nebraska service, 40 percent; in the Minneapolis municipal service, 15 percent; and in the Louisville service, 32.3 percent. During the same fiscal year, turnover among all employees classified under the Montana Merit System was about 34 percent, and among all permanent employees, about 29 percent.

Because of the numerous differences that exist among working conditions in various public agencies, it is impossible to make broad generalizations about the quality of an agency's personnel program by comparing its turnover rate with rates in other jurisdictions. The great variations in turnover figures for public agencies demonstrate this. About the most that can be said about turnover rates in agencies under the Montana Merit System is that they seem to be neither unusually high nor unusually low. Responsibility for this record, however it is evaluated, belongs to the agencies, not to the Merit System, for the Merit System does not control either pay rates or working conditions.

Even so, the Merit System Council and the supervisor are concerned about turnover in the agencies because the Merit System is responsible for recruiting replacements for personnel who are separated. Merit System registers have never been wholly adequate to meet agency requests for certifications, and the supervisor is hopeful that turnover rates may eventually

43 Ibid., pp. 471-73.
be reduced to the minimum necessary to prevent "stagnation" in the agencies.44

Leaves

One of the working conditions in agencies under the Merit System over which neither Council nor supervisor has any control is the agencies' system for allowing leaves. This is the case even though all Merit System agencies have incorporated their regulations pertaining to leaves in their Merit System rules. Currently (July, 1957) both the joint rules and the UCC rules deal with leaves of absence without pay, vacation leaves, sick leaves, and military leaves. The UCC rules also have a section on jury and witness leave, and the joint rules permit educational leave.

The UCC rules outline policy with regard to leaves in more detail that do the joint rules, but management of leaves is substantially the same in all four agencies. Agency executive officers may, at their discretion, grant leaves of absence without pay for periods up to one year, but employees who do not report back promptly from such absences are liable to dismissal. Employees in classified positions under the Montana Merit System earn vacation leave at the rate of one and one-fourth working days (not calendar days) per month of employment, and they may accumulate vacation time up to thirty working days. In the UCC, time spent off the job by tardy employees may be charged against their vacation time in blocks of thirty minutes.

Sick leave with full pay is also granted by the UCC rules at the rate of one and one-fourth working days per month of service, but the joint rules grant it at the rate of only one day per month of employment. In all

44 Martinson (interview June 28, 1957).
agencies sick leave may be accumulated up to sixty days. The military leave provisions of agencies under the Merit System follow a Montana statute which gives to members of military reserve organizations including the national guard leave with pay, not deducted from vacation time, for attendance at "regular encampments, training cruises, and similar training programs. . . ."

The paragraph of the joint rules that deals with conference and educational leave permits the executive officers of the Board of Health, Department of Public Welfare, and Department of Mental Hygiene to authorize leave with full or partial pay for permanent employees whose value to the service they judge will be increased by the employees' attending professional conferences or schools for professional training. Under this paragraph the DPH in 1956 developed a program of financial assistance to staff members for attendance at recognized schools of social work. All trainees "may be granted" tuition and fees for registration and thesis. In addition, those with no dependents get $135 per month, those with one dependent, $165 per month, those with two dependents, $195 per month, and those with three or more dependents, $225 per month. Such educational benefits are for one year, but the trainee may reapply at the end of his first year. With this program, the DPH hopes to ease its perennial shortage of caseworkers. Every recipient of educational aid must agree to work for the department eighteen months for every nine months of financial

45MIMSC., Rules, pp. 11-13a; MUCG., Rules and Regulations, pp. 1-6 of special section "Regulation on Attendance and Leave."

46Montana, Session Laws (1947), c. 132.

47MMSC., Rules, p. 13.
assistance granted, and the DPW anticipates that promising young social workers who want to do graduate work will be attracted by the scheme. 

On the whole, the leave regulations of agencies under the Montana Merit System are not unusually liberal. Vacation leave granted at the rate of one and one-fourth days per month is about average for public agencies in the United States, and the one-day-per-month sick leave provision of the joint rules is less than sick leave granted by the federal government and a number of states. It can of course be argued that a public agency could increase its work output by granting minimum leaves, but a better opinion is that "a liberal policy is dictated forcefully by considerations of the good of the service. It is a bulwark against stagnation and dissatisfaction." Agencies under the Montana Merit System can hardly be criticized for allowing leaves that are too long or too frequent.

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CHAPTER VIII

THE MERIT SYSTEM BUDGET

The Merit System that handles recruiting, examination, and certification for the Department of Public Welfare, the Board of Health, the Unemployment Compensation Commission, and, since 1948, the Department of Mental Hygiene is legally not a coordinate division of the government of the State of Montana. It is rather a creature of the agencies it serves, and these agencies support it. There is no direct appropriation for the Montana Merit System from the state legislature; neither do any specific items for the Merit System appear in appropriations for the agencies under its jurisdiction. Subject to very indirect control by the legislature, therefore, responsibility for financing the Merit System lies with agency directors, but the budget they approve must have the further approval of four federal agencies: The Bureau of Employment Security, the Bureau of Public Assistance, the U.S. Public Health Service, and the Children's Bureau.

Preparation of the yearly Merit System budget follows the usual pattern of budgeting in a public agency. The supervisor, as head of the operating staff, draws up an itemized estimate of expenses for the coming year and submits it to the Council. It is the Council's duty to "approve a budget covering all costs of... Merit System administration, and submit it to the participating agencies for adoption."¹ Usually in the course

¹MESC, Rules, p. 2; MUCC, Rules and Regulations, p. 4.
of a one-day meeting, the Council goes over the supervisor's draft budget item by item and makes the changes its members think are necessary. The budget the Council approves goes to the agencies, where the executive officers decide whether to adopt it and how to divide Merit System expenses among the participating agencies.

In sharing Merit System expenses, the agencies have tried to divide general operating costs according to numbers of agency employees in classified positions and also to proportion direct costs of the examination program according to the number of classes of positions in each agency for which examinations are given. A result of their taking these two factors into consideration has been that the Department of Public Welfare, which during most years has had between 40 and 50 percent of all employees in classified positions but a relatively smaller number of classes of positions, has paid a smaller share of Merit System expenses than the number of its employees would seem to require. Even so, the DPW has consistently paid more for the Merit System than any other agency. Likewise, contributions of the Board of Health, with its large number of positions, have been somewhat larger than its share of employees in classified positions. Unemployment Compensation Commission expenditures for the operation of the Merit System have been below DPW contributions and above those of the SEH since the United States Employment Service ceased sharing the bill in 1946.

\[\text{SMSC, Minutes.}\]

\[\text{SMSC, A\textsuperscript{R.} (1942), p. 36.}\]

\[\text{See above, p. 35.}\]

\[\text{See above, p. 52.}\]
and the share of the Department of Mental Hygiene has been four percent per year since it came under Merit System jurisdiction in 1948.⁶

From a 1942 high of 50 percent, the DPW share of Merit System expenditures gradually dropped to level off at about 36 percent during the years 1951-57. During the nine-year period that the DPW share showed this decline, the Board of Health share rose from 20 percent to 24.2 percent and then continued up, to around 27 percent for the 1951-57 period. The UCC's part of the Merit System budget jumped from 10.2 percent in the 1945-46 fiscal year to 33 percent in 1946-47 because of the employment service's being released from federal control, but from 1951 through 1957 the UCC payments were down to about 33 percent, with the DMH's four percent making up the total. Table 14 shows yearly agency expenditures for the Merit System, in dollars and as percents of total Merit System cost.

The year-to-year consistency that percentages of Merit System expense borne by the four agencies have shown since 1951 is the result of an interagency agreement of July 1, 1951. The chief officers of the Department of Public Welfare, the Unemployment Compensation Commission, the Board of Health, and the Department of Mental Hygiene stipulated in this agreement that each agency would pay a fixed proportion of one-half the cost of the Merit System—with each of the three larger agencies to pay 15.83 percent (i.e., 7.965 percent of the whole cost), and the DMH to pay 2.51 percent (i.e., 1.255 percent of the whole cost). The other half of the cost is allocated to agencies in the proportion that the number of the classified employees bears to the whole number of classified employees under the Merit System. This agreement is still in effect (as of July, 1957).

### TABLE 14

**AGENCY DIVISION OF MERIT SYSTEM EXPENSES**

<table>
<thead>
<tr>
<th>Time Interval</th>
<th>DPH</th>
<th>SBH</th>
<th>UCC</th>
<th>USES</th>
<th>DMH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 1,42-Dec. 31,42</td>
<td>$6,015.30 (50.0%)</td>
<td>$2,406.12 (20.0%)</td>
<td>$1,804.60 (15.0%)</td>
<td>$1,804.60 (15.0%)</td>
<td></td>
</tr>
<tr>
<td>Jan. 1,43-Dec. 31,43</td>
<td>4,603.44 (43.4)</td>
<td>2,753.47 (26.0)</td>
<td>1,572.41 (14.9)</td>
<td>1,661.33 (15.7)</td>
<td></td>
</tr>
<tr>
<td>Jan. 1,44-Dec. 31,44</td>
<td>4,227.37 (43.6)</td>
<td>2,567.66 (28.3)</td>
<td>1,092.09 (11.4)</td>
<td>1,820.10 (18.8)</td>
<td></td>
</tr>
<tr>
<td>Jan. 1,45-June 30,45</td>
<td>2,415.38 (44.0)</td>
<td>1,427.27 (28.1)</td>
<td>617.57 (11.2)</td>
<td>1,029.29 (18.7)</td>
<td></td>
</tr>
<tr>
<td>Jul. 1,45-June 30,46</td>
<td>6,279.57 (44.1)</td>
<td>3,710.66 (26.0)</td>
<td>1,415.73 (10.2)</td>
<td>2,825.82 (19.7)</td>
<td></td>
</tr>
<tr>
<td>1946-47^</td>
<td>5,478.39 (37.9)</td>
<td>3,460.00 (24.1)</td>
<td>5,478.38 (38.0)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1947-48</td>
<td>6,342.28 (36.5)</td>
<td>4,629.60 (28.9)</td>
<td>6,320.13 (36.6)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1948-49c</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$739.98 (4.0%)</td>
</tr>
<tr>
<td>1949-50</td>
<td>6,659.82 (36.0)</td>
<td>4,439.88 (24.0)</td>
<td>6,659.82 (36.0)</td>
<td>717.06 (4.0)</td>
<td></td>
</tr>
<tr>
<td>1950-51</td>
<td>6,832.64 (35.9)</td>
<td>4,552.38 (24.2)</td>
<td>6,274.31 (34.9)</td>
<td>814.98 (4.0)</td>
<td></td>
</tr>
<tr>
<td>1951-52</td>
<td>7,538.52 (37.0)</td>
<td>5,093.60 (25.0)</td>
<td>6,927.29 (34.0)</td>
<td>771.34 (4.0)</td>
<td></td>
</tr>
<tr>
<td>1952-53</td>
<td>6,946.52 (36.0)</td>
<td>5,209.89 (27.0)</td>
<td>6,367.64 (33.0)</td>
<td>772.76 (4.0)</td>
<td></td>
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<tr>
<td>1953-54</td>
<td>6,761.63 (35.0)</td>
<td>5,409.38 (23.0)</td>
<td>6,375.31 (33.0)</td>
<td>849.15 (4.0)</td>
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<tr>
<td>1954-55</td>
<td>7,854.67 (37.0)</td>
<td>5,751.79 (27.0)</td>
<td>6,793.23 (32.0)</td>
<td>842.97 (4.0)</td>
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</tr>
<tr>
<td>1955-56</td>
<td>7,686.72 (36.0)</td>
<td>5,696.50 (27.0)</td>
<td>6,946.03 (33.0)</td>
<td>952 (4.0)</td>
<td></td>
</tr>
<tr>
<td>1956-57</td>
<td>8,668 (36.0)</td>
<td>6,131 (26.0)</td>
<td>8,002 (34.0)</td>
<td>992 (4.0)</td>
<td></td>
</tr>
<tr>
<td>1957-58d</td>
<td>8,928 (36.0)</td>
<td>6,696 (27.0)</td>
<td>8,184 (33.0)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Sources: MMSA, A.R. (1942-56); MMSA, "Joint Merit System Budget Estimates, 1957-58" (mimeographed in files of Merit System office, Helena, Mont.)*.

^Figures for 1946-47 and thereafter are for July 1 - June 30 fiscal years.

^Not available.

^Proposed by Merit System Council.
and the Merit System supervisor follows it meticulously in preparing his proposed budgets. 7

The bill that agencies under Merit System jurisdiction pay for its operation rose from a little over $12,000 for the calendar year 1942 to almost $24,000 for the fiscal year 1956-57. There was some decrease in Merit System spending from 1943 to 1944, when wartime conditions made it difficult to hire personnel and impossible to obtain office equipment, but otherwise the total cost of Merit System operation rose almost constantly from 1942 through 1957.

By far the largest share of each annual Merit System budget has gone for personal services—wages and salaries of the Council, the supervisor, his office staff, and examination monitors. In most years, the expense for personal services has been close to 80 percent of total Merit System outlay. Other spending is for office equipment, which has taken from three-tenths of one percent of the budget to seven and one-half percent; for office supplies, which have taken five or six percent; and for communication services (telephone, telegraph, postage, and shipping fees), which have taken from two to five percent. Annual cost for travel expenses of supervisor and Council members has been from one to three percent of the budget; for printing and binding, about two percent in the last few years; for repairs to equipment, less than one percent; and for other charges, from three percent to a little over six percent. A statement of yearly Merit System operating costs, broken down into categories, appears in Table 15.

7MSC, "Joint Merit System Budget Estimates" (mimeographed, in files of Merit System office, Helena, Mont.).
<table>
<thead>
<tr>
<th>Travel Expense</th>
<th>Printing &amp; Binding</th>
<th>Repairs to Equipment</th>
<th>Miscellaneous</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>$309.92</td>
<td>$662.06</td>
<td>$649.06</td>
<td></td>
<td>$12,050.62</td>
</tr>
<tr>
<td>(2.6%)</td>
<td>(5.6%)</td>
<td>(5.4%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>83.50</td>
<td>68.75</td>
<td>$31.59</td>
<td>640.31</td>
<td>10,590.75</td>
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<td>(0.6%)</td>
<td>(0.3%)</td>
<td>(6.1%)</td>
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<tr>
<td>199.91</td>
<td>193.66</td>
<td>21.90</td>
<td>651.31</td>
<td>9,707.22</td>
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<td>(2.0%)</td>
<td>(0.2%)</td>
<td>(6.5%)</td>
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</tr>
<tr>
<td>45.30</td>
<td></td>
<td></td>
<td>335.78</td>
<td>5,489.51</td>
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<td>(7.1%)</td>
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<td>390.89</td>
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<td>16.99</td>
<td>695.09</td>
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<td>(3.0%)</td>
<td></td>
<td>(0.1%)</td>
<td>(4.8%)</td>
<td></td>
</tr>
<tr>
<td>252.39</td>
<td>103.25</td>
<td>71.50</td>
<td>932.69</td>
<td>14,416.77</td>
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<td>(1.7%)</td>
<td>(0.7%)</td>
<td>(0.5%)</td>
<td>(1.9%)</td>
<td></td>
</tr>
<tr>
<td>677.70</td>
<td>110.60</td>
<td>52.50</td>
<td>1,572.03</td>
<td>17,291.91</td>
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<td>(0.3%)</td>
<td>(9.1%)</td>
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<td>307.88</td>
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<td>107.30</td>
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<td>(0.4%)</td>
<td>(0.6%)</td>
<td>(7.7%)</td>
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</tr>
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<td>438.51</td>
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<td>(2.4%)</td>
<td>(0.1%)</td>
<td>(0.5%)</td>
<td>(7.0%)</td>
<td></td>
</tr>
<tr>
<td>357.63</td>
<td>184.75</td>
<td>125.60</td>
<td>920.92</td>
<td>17,976.59</td>
</tr>
<tr>
<td>(2.0%)</td>
<td>(1.0%)</td>
<td>(0.7%)</td>
<td>(5.1%)</td>
<td></td>
</tr>
<tr>
<td>365.18</td>
<td>470.15</td>
<td>23.56</td>
<td>720.68</td>
<td>20,374.39</td>
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<td>(1.8%)</td>
<td>(2.3%)</td>
<td>(0.1%)</td>
<td>(3.5%)</td>
<td></td>
</tr>
<tr>
<td>146.77</td>
<td>345.20</td>
<td>38.00</td>
<td>751.46</td>
<td>19,295.89</td>
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<td>(0.8%)</td>
<td>(1.8%)</td>
<td>(0.2%)</td>
<td>(3.9%)</td>
<td></td>
</tr>
<tr>
<td>149.54</td>
<td>460.95</td>
<td>134.73</td>
<td>741.28</td>
<td>19,319.10</td>
</tr>
<tr>
<td>(0.8%)</td>
<td>(2.4%)</td>
<td>(0.7%)</td>
<td>(3.9%)</td>
<td></td>
</tr>
<tr>
<td>5/1.55</td>
<td>326.75</td>
<td>115.75</td>
<td>725.25</td>
<td>21,228.84</td>
</tr>
<tr>
<td>(1.8%)</td>
<td>(1.6%)</td>
<td>(0.5%)</td>
<td>(3.4%)</td>
<td></td>
</tr>
<tr>
<td>124.95</td>
<td>509.55</td>
<td>124.00</td>
<td>1,275.61</td>
<td>21,074.22</td>
</tr>
<tr>
<td>(0.6%)</td>
<td>(2.4%)</td>
<td>(0.6%)</td>
<td>(6.0%)</td>
<td></td>
</tr>
<tr>
<td>525</td>
<td>540</td>
<td>175</td>
<td>1,222</td>
<td>23,800</td>
</tr>
<tr>
<td>(2.2%)</td>
<td>(2.3%)</td>
<td>(0.7%)</td>
<td>(5.1%)</td>
<td></td>
</tr>
<tr>
<td>525</td>
<td>580</td>
<td>175</td>
<td>1,332</td>
<td>24,800</td>
</tr>
<tr>
<td>(2.1%)</td>
<td>(2.3%)</td>
<td>(0.7%)</td>
<td>(5.4%)</td>
<td></td>
</tr>
</tbody>
</table>

*Figures for 1946-47 and thereafter are for July 1-June 30 fiscal years.

Proposed by Merit System Council.
The rise in the cost of operation of the Montana Merit System has not been caused by increases in the staff of the Merit System or by expansion of its function. The cause is rather the general rise of prices that has occurred since the Merit System was established, and this rise is reflected in its budget primarily in the cost of personal services, by 1956-57 up to nearly $19,000, more than double the 1942 figure of $8,385. Despite such increases, Merit System expense since World War II has not risen as rapidly as has the number of applicants that the Merit System has handled. This can be demonstrated by computing "cost per application received," found by dividing a year's expense by the number of applications in the same year.

Even without adjusting the figures to take account of the decreasing value of a dollar, the cost per application shows a fairly steady decrease from 1947 through 1956. The figure for the fiscal year 1947-48 is $7.44, the post-war low occurred in 1953-54, when the cost per application was $5.26, and the 1955-56 figure is $5.57. When the figures are cast in terms of 1947-49 dollars, the 1947-56 decline in cost per application is even greater—from $7.47 to $4.85. Table 16 shows cost per application figures for the years 1942-56.

While the cost per application received was reduced $1.57 from 1947 to 1956, the cost per applicant given all or part of an examination was reduced $3.23, almost twice as much. This latter figure (cost per applicant examined) was $9.62 for the fiscal year 1947-48, $5.39 for fiscal 1953-56, and $5.26 for fiscal 1953-54, the year that cost per application received hit its postwar low.
### Table 16

**MERIT SYSTEM COST PER APPLICATION PROCESSED**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Cost</th>
<th>Applications Received</th>
<th>Cost per Application</th>
<th>Cost/App. in 1947-1949 Dollars*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1942</td>
<td>$12,030.62</td>
<td>3,948</td>
<td>$3.05</td>
<td></td>
</tr>
<tr>
<td>1943</td>
<td>10,590.75</td>
<td>551</td>
<td>19.22</td>
<td></td>
</tr>
<tr>
<td>1944</td>
<td>9,707.22</td>
<td>1,343</td>
<td>7.23</td>
<td></td>
</tr>
<tr>
<td>1945-46</td>
<td>19,761.29</td>
<td>2,895</td>
<td>6.83</td>
<td></td>
</tr>
<tr>
<td>1946-47</td>
<td>14,416.77</td>
<td>2,133</td>
<td>6.76</td>
<td>$7.44</td>
</tr>
<tr>
<td>1947-48</td>
<td>17,291.91</td>
<td>2,323</td>
<td>7.44</td>
<td>7.47</td>
</tr>
<tr>
<td>1948-49</td>
<td>18,519.58</td>
<td>2,553</td>
<td>7.25</td>
<td>7.04</td>
</tr>
<tr>
<td>1949-50</td>
<td>18,499.50</td>
<td>3,058</td>
<td>6.05</td>
<td>5.98</td>
</tr>
<tr>
<td>1950-51</td>
<td>17,976.59</td>
<td>3,081</td>
<td>5.83</td>
<td>5.44</td>
</tr>
<tr>
<td>1951-52</td>
<td>20,274.39</td>
<td>2,971</td>
<td>6.86</td>
<td>6.10</td>
</tr>
<tr>
<td>1952-53</td>
<td>19,235.89</td>
<td>2,949</td>
<td>6.54</td>
<td>5.74</td>
</tr>
<tr>
<td>1953-54</td>
<td>19,319.10</td>
<td>3,573</td>
<td>5.26</td>
<td>4.57</td>
</tr>
<tr>
<td>1954-55</td>
<td>21,226.84</td>
<td>3,759</td>
<td>5.55</td>
<td>4.95</td>
</tr>
<tr>
<td>1955-56</td>
<td>21,074.22</td>
<td>3,781</td>
<td>5.57</td>
<td>4.85</td>
</tr>
</tbody>
</table>

*Consumer price index for all commodities 1947-49 equals 100.


b Figures for 1945-46 are for the period from January 1, 1945 to June 30, 1946. Figures for 1946-47 and thereafter are for July 1 - June 30 fiscal years.

The secret of the Merit System's success in reducing cost per application and cost per applicant examined in the years from 1947 to 1956 is simple: The supervisor has been able to obtain and process much increased numbers of applicants without increasing his staff. Salaries of Merit System employees have gone up, but the number of people in the Merit System office (four) has stayed the same, and the number of part-time examination monitors has stayed approximately the same. Thus the Merit System's 1955-56 salary expense of $16,998.19 was up only 38.1 percent over the 1947-48 figure of $12,301.52, while the number of applicants in 1955-56, 3,781, was up 62.6 percent over...
the 1947-48 figure of 2,323. At least part of the Merit System staff's ability to handle more applicants is due to its increased efficiency. Since the war, experienced members of the supervisor's office staff have quit less frequently, and the supervisor has constantly been devising tables and charts to facilitate grading Merit System examinations. In the supervisor's opinion, shortly after the war the Merit System office did not have enough work for three clerical employees, but by 1956, all three of those employed were working closer to capacity.8

In any event, the Merit System's recent reduction of its expense per applicant in the face of generally rising prices is a good record. Whether their use of the Merit System has enabled the agencies under its jurisdiction to save in other ways the money they pay out for it is impossible to determine because of lack of data. Nevertheless, personnel officers of all the Helena agencies under the Merit System are convinced of its worth in dollars and cents,9 and the agencies seem willing to provide it with funds to the best of their ability.

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8Martinson (interview June 28, 1957).

9Stewart, Sturman, and James (interviews July 1, 1957).
CHAPTER IX
COUNCIL AND SUPERVISOR

Formal Division of Responsibility

The gist of the rules that divide responsibility for operation of the Montana Merit System between Council and supervisor is that the Council, composed of citizens who meet only infrequently, shall "establish general policy" and oversee the Merit System's work while the supervisor, a full-time specialist, puts rules and policies into action. This arrangement is a reflection of the theory that in public agencies under a republican government policy making ought to be separated from administration so that decisions are made by persons likely to be responsive to public opinion. The theory is often manifested by placing over government agencies boards of citizens whose connection with public administration is part-time at most. A lucid expression of the thinking behind arrangements to keep policy out of the hands of bureaucrats is the phrase, "The specialist should be on tap, not on top."

In practice, however, policy cannot be cleanly divided from administration. Administrators invariably influence policy. They interpret policies as they carry them out, and they provide much of the information on which decisions are based. The expert witness has a privileged position in administration as in law.¹

¹One of the many references on this subject is John W. Pfiffner and R. Vance Prentiss, Public Administration (New York: Ronald Press, 1953), pp. 48-59 passim.

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Thus inspection of rules cannot disclose the actual shares that Council and supervisor have had in making the Montana Merit System function. Judgment of what the Council and the supervisor have done—and how well they have done it—must depend on the records of seventeen years of Merit System activity.

The Council at Work

One of the first tasks that confronted the original members of the Montana Merit System Council—E. J. Riley, E. Martin Larson, and Francis Thomson—may in a sense be termed "keeping the politicians out." All three agencies under the new Merit System had chosen to make it as easy as federal regulations would permit for their incumbent employees to keep their jobs. Incumbents were required to pass non-competitive examinations only, and they were allowed to take the examinations regardless of their qualifications of training and experience. Nevertheless, some employees that agency officials considered friends and valuable assistants failed, and in some instances considerable pressure was put on the Merit System Council to permit them to keep their jobs. There is no evidence, however, that any agency officer who sought special treatment for one of his employees was motivated by other than sincere belief that retention of the employee was for the good of the state service.

The original Merit System rules of all three agencies gave the Council final authority to decide questions relative to examination, and the Council applied this authority in 1941 to nine appeals brought for review of qualifying examinations. The Council adopted a firm attitude toward incumbent employees who could not pass. In no case were the appeals
of an agency administrative officer for an exception from the rules successful, and of nine appeals by incumbents, seven were dismissed or rejected. The decision in the two allowed was that the candidate had not been fairly examined, and the two successful appellants were given permission to take another test. After sharply contested appeals, the Council upheld the dismissal of a disabled war veteran whose appeal was filed by the state veteran's placement officer; the dismissal of a woman in state service since 1925, whose case was eloquently pleaded by Attorney Wellington D. Rankin and UCC Chairman Barclay Craighead; and the dismissal of the widow of a man who, in the opinion of Craighead, "more than any other man in Montana, helped put... the UCC on its feet."3

During January, 1942, four DPW professional employees who had failed qualifying examinations appealed to the Council, and two of them had the support of political officers of the counties where they were working. Three of these appeals, including that of a caseworker supported by a county welfare board and that of a caseworker supported by a county attorney, were denied. The fourth appellant got Council permission to take another examination.4

The Council heard another appeal in which the appellant had the backing of county politicians on January 31, 1946. This appeal was filed

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2 One was misdirected by an examination monitor; the other was not properly notified of the examination. MMSC, Minutes, I, 19, 20.


4 On the ground that on the day of the first examination she had been mentally disturbed by illness in the family. This appellant presented her case very effectively in a letter describing her personal hardships. MMSC, Minutes, I, 55.
by a wartime DFW county supervisor who had failed an examination for permanent status. The assistant county attorney of Silver Bow county—speaking on behalf of the county commissioners—and a representative of the miner’s union appeared before the Council on behalf of the appellant, who got permission to take a second examination. This examination she also failed, and the Department of Public Welfare then demoted her.5

During 1941 and 1942 the Council established that appeals addressed to it would have to be pleas that Merit System rules had been violated rather than that an exception from the rules ought to be made. There were far more appeals from applicants and examinees during the Merit System’s first full year of operation than there have been in all the years thereafter combined. The 1941 total was fifty-eight. Fourteen such appeals were heard in 1942, three in 1943, one in 1944, one in 1945 and none since (through July, 1957).6

On the whole, the Council seems to have a perfect record in insuring that only persons who qualify through examination get permanent jobs in positions under its jurisdiction. On occasions when there were overt attempts to obtain jobs for people who could not pass examinations, the Council strictly enforced Merit System rules. Otherwise, about the only opportunity applicants have to try to bring influence to bear on appointment is to list Montana politicians as references on their Merit System application blanks, and this has not happened frequently. Even if submitted, such references certainly would not change the applicant’s examination score, and likely

5Ibid., pp. 134-47, 147.

6M&ISC, A.R. (1941-56); Martinson (interview June 28, 1957).
they would not improve his chance of getting a job in case he were certified. Since agency appointing authorities seem to be glad that Merit System rules free them from political pressure, they are not inclined to take a favorable view of a candidate who seeks to employ it. 7

From its inception through 1942, the Council devoted considerable time and effort to Merit System organization. Examination procedures were established, the agencies submitted their initial Merit System classification plans and salary schedules for Council consideration, financial matters were settled, and rules for employment in the Merit System office established. As the program got under way, the Council concerned itself with the form and content of examinations, making changes in proposals submitted by the supervisor. After considerable discussion of passing marks in Merit System examinations, the Council agreed with the supervisor that the passing mark on written tests ought to be set at one standard deviation below the mean to avoid the rigidity of a simple percent of questions answered correctly.

With regard to agency compensation and classification plans, the Council's role was advisory only, and it made no considerable objections to plans that were acceptable to the agencies and to the federal government. 8

The peak of Council activity was during 1941, when the work of organizing the Merit System required it to meet nine times. As Merit System procedures were settled and most of its work became routine, the Council devoted increasingly less time to official meetings. During the past few years, the Council has tended to receive the supervisor's examination report and approve

7 Sturman (interview July 1, 1957); Matinson (interview July 1, 1957).

8 NMSC, Minutes.
it without debate, to make only a few suggestions about agency position classification, and to confine its role in pay policy to insisting that agency requests for extraordinary salary increases follow proper form.

In matters of classification and pay policy, however, it must be remembered that the Council's authority is very limited. The Council itself has been aware of this limitation, and it has not offered sustained opposition to proposals that have the approval of agency officers and federal representatives. During the meeting of June 27, 1956, for example, Member Hawkins wished to deny Council approval to a UCC pay-plan proposal, but his colleagues overruled him because the UCC chairman "did not believe that the federal agencies involved would approve any substantial change" and "the Unemployment Compensation Commission insisted on the adoption of the plan."9

Illustrative of the gradual decline of the Merit System Council's active role are figures showing the number of times it has met annually. From nine in 1941, the number of meetings was down to six in 1948 and two each year from 1953 through 1955.10 In 1956 there were three meetings, and during the first seven months of 1957, the Council met once. Part of the explanation for the infrequency of Council meetings is that the members without exception have been busy men. Chairman Riley, former president of Carroll College, holds a responsible position in the hierarchy of his church and is a member of the Montana State Board of Education. Member Thomson was a college president, Schotte is a businessman, and the other members have been practicing physicians. Recently the supervisor has avoided the necessity

9 Ibid., II, 20, 21.

10 MESC, A.R. (1941-56).
of Council meetings by submitting matters that require Council action to
the members individually and getting their votes by mail, \textsuperscript{11} a procedure
indicative of the routine nature that most Council business has acquired.

\textbf{TABLE 17}

\textbf{MEETINGS OF THE MONTANA MERIT SYSTEM COUNCIL}

\begin{tabular}{|c|c|}
\hline
\textbf{Year} & \textbf{Number of Meetings} \\
\hline
1941 & 9 \\
1942 & 6 \\
1943 & 6 \\
1944 & 3 \\
1945 & 5 \\
1946 & 6 \\
1947 & 5 \\
1948 & 6 \\
1949 & 6 \\
1950 & 1 \\
1951 & 4 \\
1952 & 3 \\
1953 & 2 \\
1954 & 2 \\
1955 & 2 \\
1956 & 3 \\
\hline
\end{tabular}

During 1955 and 1956 the representative of the Division of State
Merit Systems for region VIII (Colorado, Idaho, Montana, Utah, Wyoming)
prepared for the guidance of merit system councils and state civil service
commissions a list of "responsibilities and functions of public personnel
councils." Recognizing the "varying degrees of interest, knowledge and
activity shown by the councils" as non-administrative bodies, the federal
representative attempted to describe their "normal functions with a list
of fifteen duties."\textsuperscript{12}

\textsuperscript{11}Martinson (interview June 28, 1957).

\textsuperscript{12}Douglass (letter of July 17, 1957).
When measured against this list, the performance of the Montana Merit System Council appears to have been satisfactory but not energetic. The Council has done a commendable job of resisting patronage appointment, and by means of its hearing of appeals it has worked conscientiously to treat employees with equity and to balance the interests of employees and agency administrators. There is no reason to criticize the manner in which the Council has given formal approval to the supervisor's actions, heard appeals, or considered Merit System budgets. If the number of policies the Council has shaped has been small, it has not been smaller than its authority to make policy, and the Council seems to have provided the agencies with qualified personnel to the best of its ability.

The federal representative's item about a council's function as a quasi-legislative body has no application to the Montana Council because of its lack of authority to make rules; it is impossible to evaluate its performance in terms of the federal injunction that the Council represent the public interest because of the impossibility of defining "public interest." As an advisory agency and as a body to disseminate information about public personnel administration to state government officers and to the public, the Council has shown no initiative. Most Merit System advice to state agencies has come from the supervisor, not the Council, and the Council has never made any strong efforts to further the cause of improved personnel administration in the state by bringing the Merit System to the attention of the state legislature and the public. Merit System public relations exist only in the form of the supervisor's recruiting announcements and annual Council reports (prepared by the supervisor) which do not
enjoy wide circulation.\textsuperscript{13} Perhaps the Council has not looked to the future, as the federal agent thinks it should.

The list of duties of public personnel councils issued by the Health, Education, and Welfare representative is by no means definitive, nor was it intended to be. Nevertheless, it points up a conclusion that readily follows from study of the Montana Merit System: The Merit System Council worked conscientiously to establish procedures within the Merit System's limited sphere, and then its activity decreased as Merit System operation became routine. Content with its limited authority, the Council has stayed strictly within its own bailiwick. It has never taken any steps to try to remedy Montana's lack of rational public personnel management.

Whether an energetic Merit System Council could, since 1941, have succeeded in extending Merit System jurisdiction in Montana is a doubtful question. By letter of June 9, 1945, the Board of Administration of the Montana Public Employees Retirement System requested the Council to bring selection of the retirement system's personnel under the Merit System,\textsuperscript{14} but Attorney General R. V. Bottomley decided this would be illegal. Only agencies with specific statutory authorization can cooperate with other agencies in a merit system, the attorney general's opinion stated,\textsuperscript{15} and that was the end of the retirement system's proposal. The retirement system's unsuccessful attempt to put its employees under Merit System jurisdiction was an occasion when the Council might have spoken out in favor of centralized personnel administration in Montana, but it did not.

\textsuperscript{13}See MMSC, Minutes: MMSC, A.R. (1941-56).
\textsuperscript{14}MMSC, Minutes, I, 123.
\textsuperscript{15}Montana, Opinions of the Attorney General, XXI, No. 75.
The Merit System Administrator

The role played in Merit System policy and administration by Supervisor Melvin P. Martinson has been conditioned by several factors: Martinson is a specialist in the highly technical field of psychological testing with which the Merit System deals, he is perfectly familiar with all phases of Merit System work and the Merit System's relation to the agencies, he is a full-time employee, and he has been associated with the Merit System longer than any Council member except Msgr. Riley. Here, *prima facie*, is an excellent example of the government specialist whose superiors, meeting infrequently and less well acquainted with their organization, must depend on the specialist for information and accept his advice almost without question. This situation did not exist during the first two or three years of the Montana Merit System, but it seems to have become more of a reality of late.

Initially, both Council members and Supervisor Martinson were new to public administration, and they depended heavily on the assistance of federal personnel specialists. The Council in many instances made its own decisions about Merit System recruiting, examination, and office practice. Soon, however, Martinson increased his knowledge of examination practices and developed his own method of handling his office day to day. By the end of 1954, Msgr. Riley was the only original member still on the Council, and the new members looked to the supervisor for explanations of what the Merit System was doing and how.

With the Council meeting but two or three times a year, with but five appeals filed during the ten-year period ending June 30, 1957, and with basic operating procedures long settled, the supervisor has become increasingly
responsible for the Montana Merit System. He draws up for Council consider-
ation budget proposals, recruiting and examination reports, pay plans for
Merit System personnel, and plans for changes in Merit System procedures.
The supervisor has information to support his ideas at his fingertips; the
Council listens and approves.

Even so, it cannot fairly be said either that the Council has abdi-
cated its policy function or that the supervisor has usurped it. The fact
is that policy decisions in the Montana Merit System are few and far between.
Merit System rules state policy, and these rules are drawn up by the agencies
that support the Merit System. Neither does the Merit System history consti-
tute a valid argument that members of public personnel councils should be
specialists in the field. Perhaps the Council's most valuable contribution
has been its handling of employee appeals, and being a specialist in public
personnel administration is no recommendation for membership on a panel that
decides an individual's right to a job with the state government. Further,
if a council does have authority to decide broad questions of policy, it is
important that it bring to such decisions a general view rather than the
limited view of one specialty. The specialist should "be on tap."

As an administrator, Merit System Supervisor Martinson has for
seventeen years done well as a recruiter, examiner, and supervisor of
office personnel. He is aware of the limitations of Merit System author-
ity and jurisdiction, but he is equally aware of the broader aspects of
public personnel administration that are neglected in Montana. He is a
man qualified for a bigger personnel job in Montana if the job should appear.
CONCLUSION

The public personnel functions for which the Montana Merit System is responsible in four state agencies do not by any means amount to the comprehensive program that a central personnel agency should administer. Lacking power to exert any real control in such vital areas as position classification and pay policy, the Merit System is confined by the agency rules that govern it to recruitment and examination. The Merit System performs the operations that federal minimum standards require of it, and no more.

Within its narrow sphere, the Merit System has on the whole done a consistently satisfactory job for almost seventeen years. A shortage of competent personnel to fill some specialized professional positions remains the Merit System's greatest problem, but without the Merit System's continuous recruitment, publicity, and numerous examination centers, there would probably be even more serious personnel shortages in the agencies it serves.

As its chief examiner, the Merit System has been fortunate to have an able supervisor who is convinced of the value of psychological testing, but who realizes its limitations. Recognizing the imperfections of formal examination, Merit System agencies supplement it with interviews by the appointing authority and periods of probation. Available methods of evaluating tests show that those that Supervisor Martinson has constructed have
been good ones, and agency personnel officers agree that Merit System testing has provided employees more competent than those the agencies would have hired without it.\footnote{James (interview July 1, 1957); Sturman (interview July 1, 1957); Stewart (interview July 1, 1957). The UCC's Stewart is not convinced, however, that public agencies can obtain personnel as able as those in private industry by examination or any other means.}

In addition to its recruitment and examination programs, the Merit System has provided other valuable services to agencies under its jurisdiction. By assembling statistics on turnover and making salary surveys, the Merit System supervisor has brought to the agencies' attention two pressing personnel problems, and the continued successful work of the Merit System is a forceful reminder of the existence of techniques for improving public personnel administration which might well be applied in Montana. Outside the agencies under its jurisdiction, however, the Merit System has not as yet contributed to any significant improvement of personnel administration. In this respect, the Montana experience is consonant with the conclusion of a 1955 survey report to the Commission on Intergovernmental Relations: "One may conclude that, in general, overall State administrative reorganization has neither been helped or hindered by Federal aid. . ."\footnote{Wells, p. 6.}

The original purpose of using merit systems for hiring government personnel was to "keep the politicians out," and in Montana the record of the Merit System Council in seeking this end is good. Employees in classified positions under the Merit System can work with less worry of being dismissed when a new executive officer takes over, and appointing authorities are relieved of pressure that would otherwise be put on them.
An advantage to Merit System agencies and to Montanans looking for jobs is that one Merit System office handles recruiting for four agencies. One application is sufficient to bring the name of the person seeking work to the attention of more than one state department, and personnel who cannot be used by one agency are automatically referred to the others. Even so, this is but a small improvement in the state service, for scores of other agencies still carry on separate recruitment.

Providing personnel whose qualifications have been examined, carrying on central recruiting for four agencies, and coordinating other personnel activities of the Department of Public Welfare, Board of Health, Unemployment Compensation Commission, and Department of Mental Hygiene, the Montana Merit System has made a positive contribution to public personnel administration in Montana. Doubtless the initiative for creation of the Merit System came from the federal government, and in this instance federal control in Montana government has proved beneficial.

But there are disadvantages—of lost time, conflicting local and national interest, and friction between state officials and federal agents—that spring from sending problems relating to Montana personnel administration to Washington. More important, it is unrealistic to await federal action for betterment of personnel administration in Montana government. Congress has shown no inclination to insert merit system provisions in grant-in-aid bills other than the Social Security Act; even if all state agencies spending federal money were required to have merit systems, much of the Montana service would not be included. Further, the merit systems that federal rules establish—the Montana Merit System, for example—do not have enough authority to act as responsible central personnel agencies.
Thus if the present dismal situation of public personnel administration in Montana is to be improved, action should, and must, be taken by the state government. It is significant that in the Montana Merit System the state has a successful, though very limited, personnel agency which could be expanded, for a prior attempt to create a personnel apparatus for the whole state service at one stroke failed badly.

Failure was in the form of the Montana Personnel Department, which the legislature created in 1953 and put out of business one session later (1955) by cutting off its appropriation. The Personnel Department generated serious opposition in the legislature, where many members thought it would deprive them of control over state funds spent for wages and salaries, and in some of the agencies, where administrators feared that the department's equal pay for equal work policy would force salaries down and cost them the services of valued employees. Many legislators and state officials thought that the department staff was headed by a man insufficiently experienced in public personnel work, and this opinion is still current in Helena. The unfortunate effect of the Montana Personnel Department's brief existence was to create considerable distaste for its operations and for similar experiments in public administration. It seems highly unlikely that the legislature will in the near future make any attempt to revive the late personnel department.

The Montana Merit System, on the other hand, is known and respected in several of the larger departments outside its jurisdiction. On occasions

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3References herein to the Montana Personnel Department are drawn from the writer's "The Late Montana Personnel Department—A Legislative History" (unpublished research paper, library, Montana State University).
when the Merit System has a surplus of eligibles for clerical positions, it makes the test scores of those who cannot be hired by Merit System agencies available to other state agencies that are short of help. Appointing authorities in those agencies consider a good grade on Merit System examination to be a favorable recommendation, and they appreciate assistance given them by the Merit System's recruiting program.  

As the Merit System stands now, it does not exercise two central personnel powers which, however desirable, frighten the administrators of Montana agencies: Control of pay policy and control of classification of professional positions. Neither does it pretend to have any control over legislative appropriations for wages and salaries. Taking into account the Merit System's good name in Montana government circles and the limited scope of its authority, it seems probable that gradual extension of its jurisdiction over the state service would meet much less opposition than would an effort to revive the Montana Personnel Department or to create another new state personnel agency.

To be sure, extension of the Merit System would be but a start toward bringing public personnel administration in Montana to the level it has reached in states such as New York and California. But it would at least extend the use of competitive examination as a basis for entrance into state service, and it would reduce the outrageous fragmentation of recruiting for government jobs that now exists in Montana. A start must be made somewhere, and if a central personnel agency with limited powers succeeded in the state, the way might be paved for further improvement.

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4Vernon B. Miller, Secretary of the Montana State Board of Equalization (interview July 1, 1957); R. A. Downs, Personnel Officer of the Montana State Highway Department (interview July 1, 1957); Martinson (interview June 28, 1957).
Extension of the jurisdiction of the Merit System would require that it have a stronger legal basis than concurrent rules of participating agencies. Extension should be the result of an act of the legislature giving the Merit System existence in statute. To avoid unnecessary opposition and to give the Merit System better opportunity to assimilate new responsibilities, increases of both its jurisdiction and its authority should be gradual. Perhaps the governor might be enjoined to extend the Merit System by placing more employees under its jurisdiction every year. Perhaps a law might be written so that after a period of time the Merit System would automatically be given control over position classification and pay policy.

Seventeen years in operation prove that the Montana Merit System works and that it is a benefit to agencies under its jurisdiction. Its function has been minimal, but the Merit System has done well. Its service to the state of Montana should be increased.
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The supervisor's kind assistance was indispensable to preparation of this thesis.

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**Montana Merit System Records and Forms**

NOTE: All of the forms and records listed here are unpublished and are located in the Merit System office, Mitchell Building, Helena, Mont. The Montana Merit System Council may be cited as the author of all of them.

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Form 104-2M-51, "Verification of Experience."

Form 105-2M-51, "Verification of Education."

Form 202, "Stenographic Test Instructions."

Form 202, "Typing Test Instructions."

Form 237, "Performance Test."
Form 239, "Eligible List."

Form T4 (2), "Points Allowed for Education and Experience."

Form T4 (251), "Points Allowed for Education and Experience."

Other Unpublished Material


