



GOVERNMENT EMPLOYEES

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IMPORTANT

An address by

ORVILLE L. FREEMAN, Governor

State of Minnesota

before the "Employee members" Minnesota Self-Survey, at a dinner given by the Minnesota State Employees, Council No. 6 AFL-CIO, St. Paul, Minnesota.

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The Minnesota Self Survey analyzed administrative operations and problems within state government, with a view to discovering and recommending ways by which the efficiency, economy, morale, service and responsibility of government could be enhanced.

It was conducted by survey teams selected to analyze all of the major government operations. On each team were representatives of: the agency involved; the legislature; the Department of Administration; the public; and the rank and file employees of the agency. The latter were chosen by the Minnesota Council of State Employees No. 6 AFL-CIO.

The results of the survey have already proved its value in better operations and greater understanding. The "do-it-yourself" method of conducting the survey in itself brought results of real value; results that would not have been achieved had outside experts been hired to do the job. And the latter, it has been conservatively estimated, could easily have cost more than one hundred thousand dollars.

STATE EMPLOYEES

I welcome this opportunity to express appreciation to our public employees for their enthusiastic and outstanding efforts toward improving services and streamlining procedures in Minnesota state government. There is still much to do, but we have made notable progress. The self survey to which you devoted so much time and effort is only the first step in a continuing program of self-improvement. With your help I know we can make even greater progress in the future.

I therefore want to pay high tribute to you for your part in the Minnesota Self Survey, — for contributing to a program that has won recognition throughout, and even beyond, the borders of the United States. I want also to take this occasion to review some of the things we have accomplished together during these last three years, particularly those relating to greater financial return, more security, and broader participation for Minnesota public employees.

It is, I think appropriate for me to restate here my philosophy of administration-employee relationships, and to express my own attitude toward public employment.

GOVERNMENT EMPLOYEES ARE IMPORTANT

Public employees are in general a dedicated, devoted group of people. Their job is not simple. Policies and programs may change with election results. The sensitivity to public opinion, and the necessity for detailed explanation of every act to a sometimes biased and usually critical public, are responsibilities that private employment avoids, — yet they are a part of the essence of democratic, responsible government.

On the other hand, there is an abiding joy and satisfaction in serving the public that I believe is rarely matched in private employment. This satisfaction can help to make up for the fact that the public employee is in a very real sense "always on the spot", that he is often misunderstood, and that his work is usually subject to critical appraisal. For employees in government to win approval for work well done they must show more ability, greater dedication, and more hard work than would be expected of them in most private employment.

These aspects of public employment are not adequately understood. In my judgment they call for special, thoughtful consideration of public employees and their contribu-

tions to our state. For my part I am deeply concerned with this problem. This administration will continue to work with you to reach the goal of a well paid, well integrated, thoroughly participating group of public employees.

GAINS FOR PUBLIC EMPLOYEES

I would now turn to a brief review of accomplishments relating to Minnesota public employees during the last three years.

Often, when one gets together with a group of union representatives, the talk will swing toward the dark side of things, — the complaints and grievances that still remain to be cured. This is only natural, since it is one of the tasks of union representatives to air these matters, and to assure themselves that remedial action is being taken.

However, tonight the discussion is on the brighter side, for we can consider some of the really important gains that have been made.

SALARY INCREASES

Of all the factors which make up total compensation to an employee for the work he has performed, the direct salary level is of most concern. Other benefits are undoubtedly important; but it is the pay check we receive which buys our homes, feeds our families, and provides our comforts. On this subject, I quote the first two paragraphs of the introduction to the report of the Functional Task force on Employees' Salaries:

"The most immediately pressing of all administrative problems facing Minnesota state government is the growing difficulty in recruiting and retaining properly qualified personnel. The problem is directly related to the compensation level in state employment.

"Interest in this area of administration was one of the major reasons for establishment of the self-survey. Upon its assumption of office in January 1955, this administration immediately noted the acute need for a basic program to remedy the many existing problems in personnel management, the most pressing of which was the inadequate pay structure. Special emphasis was, therefore, given this aspect of the self-survey."

As you know, many of the questions in the Task Force Manual were directed at this subject of salaries and their effect on departmental efficiency. The evaluation made by the Functional Task Force on Employees' Salaries made it clear that something had to be done.

Our Civil Service Department made a complete salary

survey during the early part of 1956 to evaluate our salary position in relation to other employing groups in this area. On the basis of information thus gathered, the Civil Service Board took the unusual action of approving a new pay plan in August 1956. This was done despite the fact that there was no way to finance the revised plan at that time.

Accordingly, the task at hand was to implement the adjusted plan with adequate funds. Toward this end, we departed from past procedures, and included in the biennial budget which I proposed to the 1957 Legislature all salaries calculated on the basis of the new plan. We thus presented in the budget one clear picture of the cost of an adequate pay plan for Minnesota employees.

The bill which went before the Legislature to effect these salary increases was truly an administration bill. It received my full support and the support of our department heads at every turn. We regarded it as "must" legislation for the benefit of the state service, and I was indeed happy to see its successful enactment.

The new program marks substantial progress. Much was done toward reaching the goal of equal pay for equal work within the state service. Seven new upper salary ranges were added, to put us in a better position to compete for the services of highly qualified personnel. And state employees received, on the average, an eight percent increase in pay.

All along the line we were in communication with representatives of the employees on this matter of salaries. Employee representatives were included in the Self-Survey Policy Committee; most of you here tonight served on various task forces; your representatives were kept informed of our progress with the pay plan, and were invited to enter into the discussions held during its development. I am proud of this example of cooperation between an administration and its employees to get a job well done.

UNION RECOGNITION

Great strides have been made in the last few years in the matter of union recognition. The needs of employees are being brought forward more clearly than ever before, and the advice and assistance of employees are being sought as a matter of course.

Chapter 108 of the 1955 Session Laws is a good example of this recognition. Through this legislation the collection of union dues by payroll deduction was made possible. This action is more than just a convenience to the individual and to the union. It is in effect a recognition that

public employee unions are an aid to proper government management, and that as such they merit the advantages of the payroll deduction process. As you know, membership stabilization, so important to any group, is an important by-product.

Chapter 789 of the 1957 Session Laws is another important piece of labor relations legislation affecting public employees. This act clarifies the right of public employees to organize, and provides mechanics for recognition in the event of dispute. Incidentally, I understand Minnesota is the only state with such legislation, and is cited as leading the nation in this respect.

Increased recognition, in Minnesota, of public employees' unions is not confined to the legislative sphere. Much has been done administratively to foster this spirit of cooperation. As governor I have repeatedly made it clear that organized representation is to be encouraged in the departments under my jurisdiction. On January 12, 1956, I wrote to Mr. Robert Olson, President of the State Federation of Labor, on this subject as follows:

"... I have been pleased to work intimately and closely with the employee representatives in our state administration. I have found them understanding and cooperative, while at the same time militant in representing the interests of our public employees. I think it is useful to this administration, and helpful to the employees, to have such organizations represent them in terms of wages, working conditions, and hours, as well as other factors which are of concern to all of us as we earn our daily bread."

This line of thinking has been followed in our daily operations. Your participation in the self-survey, for example, is a reflection of administrative recognition of the value of employee representation. We are attempting to encourage the "open door" policy, to glean the wealth of employee knowledge and experience, and to keep intimately aware of the needs and desires of the employees. Thus we have included employee representatives in the planning stages of many of our programs and in our pre-legislative discussions.

Lack of adequate machinery for airing employee grievances prompted me to establish a formal grievance procedure by executive order in April, 1956. My appointment of Charles Bannister, an experienced and able union administrator, to the Civil Service Board in 1955 was a move designed to protect and promote labor's objectives in state employment. All these administrative actions are taken in recognition of the value of cooperative action

between administration and employees in promoting efficient and effective state government.

RETIREMENT CHANGES

Another area of progress in these last few years is the changing of retirement laws to strengthen the employee retirement program. Next October 15 employees will participate in an election to express their wishes in regard to coverage under the federal social security program. I am not going to attempt to influence the way you vote in that election, but I do most emphatically urge you to vote; for the privilege to vote in any type of free election is a precious thing, and is the only way we have of expressing the will of the majority.

I also want to emphasize that, whether you vote for or against integrating the Minnesota public employees' retirement plan with the federal social security program, retirement provisions for state employees will be improved over the plan previously in effect. Survivors' benefits will be provided under either plan, as will improved disability benefits. And because the state has finally recognized its obligation in this field, and will be contributing a greater share toward the retirement funds, the retirement system will be sounder financially.

EMPLOYEE TRAINING AND PROMOTION

We have made material progress over the last few years in increasing training opportunities for our employees. The period of trainee appointment has been extended from one to two years. Preparation for in-service promotions is being improved through a variety of methods. Some training films are being shown by various departments. Individuals are making arrangements with their supervisors for time to pursue courses of study for self-improvement. Out-of-state travel has been liberalized to some extent to promote professional growth. Attendance at special technical classes is being encouraged.

APPROPRIATIONS

Fundamental to the morale of employees, and to the effective performance of any state function, is an appropriation sufficient to cover essentials needed to carry out the program. A job that is only half done because of lack of adequate supplies, equipment, or personnel, reflects on both employees and administration in the eyes of the public. With as careful scrutiny and as strict economy as possible,

I have tried to secure budget requests adequate to carry out the essential services of our state government.

This has been especially difficult because we have been faced with, these last few years, exceptionally great need arising out of several factors. Many needs went unmet during the depression and war years. The need for capital investment, for present requirements and for future progress, and built up. Our increase in population, and especially of the proportion of children in our population, places great demands on our schools; increased traffic, more business, and greater prosperity place greater demands on our highways; and so on in many areas. It is my firm conviction that we cannot jeopardize our progress in the future by failing to meet these needs. And therefore I have tried earnestly to realistically face this responsibility, in framing our budget requests. While some areas were not given as much money as they and I had hoped, we did succeed in getting appropriations during this last session that come closer to meeting the needs in providing the services the people of Minnesota want than ever before.

UNIFORM PAYROLL

I am firmly convinced that the new payroll plan, now being put into effect, will be of substantial long-term benefit to state employees; — and I say this fully aware that it has been the subject of many complaints. I believe that most of the complaints have resulted from a failure to understand the purpose and the necessity of the plan, as well as its operation and its effect on employees.

Some employees, it is true, face a temporary hardship as the plan is being put into effect, as a result of the lag between the payroll period and the time they will receive their pay. This will hit hardest those who have been paid before the end of the payroll period, a practice that is clearly contrary to law and that must be corrected. Actually, more than 60 percent of all state employees are now paid on a deferred basis, — and for more than half of these employees, the deferral period is two weeks or longer.

All of the 60 agencies of the federal government operating in this area, with the exception of the postal system, use deferral periods varying from 10 to 14 days, — the postal system has a deferral of one week. Deferral pay periods are common among the states. Once our new plan is launched in Minnesota, our employees will not suffer from the maximum two-week deferral, and they will gain as the result of many other related changes.

They will, for example, have twenty-six equal pay-roll

periods during the year, instead of 24 periods that vary. There will no longer be three successive weekends between paychecks, as sometimes occurs now.

The placing of all payrolls under machine operations will save scores of thousands of man-hours, and will result in much greater efficiency and economy.

I therefore ask that, before you chafe too much at the inconvenience that some of you may face during the few weeks the plan is being put into effect, you consider the benefits and savings that will result; — that you recognize that we have no alternative if we are going to mechanize our operations and observe the law with regard to advance payment. I am confident that employees who understand the plan and the reasons for it, and who evaluate it in the light of the many other employee gains that I have described, will not find it too difficult to give understanding cooperation.

OBJECTIVES

Against the background of increased employee benefits over the last few years, what have been our objectives? First of all, we are striving for better service to the people of our state. This is our duty and our major responsibility. As a part of our effort toward this goal, we wish to increase the prestige of public employees. We would increase public awareness of the dedication of career employees, and counteract the old "public trough" idea. We can do this best by instilling in the public a new confidence in state operations, — a confidence based on more efficient and more effective performance.

ACCOMPLISHMENTS

How far have we progressed toward our objectives? We know that we have already substantially improved our procedures. The self-survey alone pointed the way to countless improvements; and we are continuing our studies of trouble areas which develop. We have mechanized many routine processes, with the result that we are obtaining better use of our personnel. We have eliminated many unnecessary activities, improved processes, cut out unnecessary storage; — in short, we have made great strides toward better service.

The employee suggestion system continues to produce

noticeable improvements, and the employees themselves are striving to improve the results of their efforts. This has not gone unnoticed. We have received much favorable newspaper publicity on our efforts, and letters from the public reflect a growing satisfaction with our results. We are beginning to prove the advantages of an effective merit system.

The functional task forces brought some of the leaders of industry into an examination of state operations. They discovered that government has all of the problems of bigness, plus other problems originating in statutory restrictions, or the nature of government itself. They found that government had solved many of its own problems as they themselves had; and in some instances they found that they could learn from government planning, just as we could learn from them. By and large, the general comment from business leaders was, "I never realized before how complicated and technical the business of government really is."

INCREASED PRESTIGE FOR PUBLIC SERVICE

Increasing our efficiency is the best way we know to complete the cycle which started with vague distrust and has now proceeded to grudging admiration. We hope to move this cycle to enthusiastic cooperation. We know of no more fundamental way to increase the prestige of the public service than to make the public proud of it.

The specifics I have outlined are aimed at dignifying the employee and his position. His salary should be commensurate with the services he performs, and should be such that he can live as well as his neighbor. He should be as proud of his job as the next man next door. He should be confident of his security in his older years. He should feel that he is not a machine, but a thinking adult who can find proper audience for both his grievances and his ideas. He should feel a real and well-defined responsibility to the state, to give his effort and his talent for value received.

Efficiency does not spring from a sliderule, a textbook, nor from the flashing lights of electronic data processors; but rather from an eager, informed, and intelligent work force. Pay increases, security provisions, grievance me-

chanics, and hours and conditions of work are all important; but they do not in themselves produce pride in work. That pride comes from a realization of a job well done.

Properly spiced and mixed, good management can stir efficiency and pride into an exciting, living, dynamic thing called good government. We are working toward that goal. We have come a long way, but there is yet much to be done.

Let us get on with the job!





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