

AMERICAN UNIVERSITY OF ARMENIA

ANALYSIS OF POSITION CLASSIFICATION IN ARMENIAN CIVIL SERVICE
WITH COMPARISON TO SELECTED COUNTRIES

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ABSTRACT

The study compares position classification standards in the U.S., Slovakia and Armenia as well as explains the differences within the system in the three countries from adoptability, complexity and effectiveness perspectives.

This study aims to explore whether position classification system in the Armenian Civil Service is less effective in comparison to the selected counties. The study also tries to find out how well the system performs and finally, whether there is a need of position reclassification.

The study has found out that the system faces some challenges as regard to position inflation in Armenian Civil Service, i.e. jobs done by the civil servants don't correspond to position passports.

The essay ends with some discussions about the limitations of the explanatory research, arguing for a research based on more representative sample. Finally, a number of recommendations are given in order to eliminate the drawbacks of the Armenian civil service position classification system.

INTRODUCTION

Position classification is one of the cornerstones in personnel management. Under this system all positions are grouped into categories or classes according to their occupation, qualification, responsibility, knowledge, skills and abilities (KSA) which allows determination of grades and a single pay range for all positions assigned to a particular grade. Consequently, position classification standards are crucial for any organization as the latter designs organization in terms of ensuring right people in right positions, establishing effective, equitable personnel system and determining equal pay for equal work. Furthermore, position classification establishes links between the objectives of organization and the work performed, in other words the latter creates relationship between salaries paid and services rendered. Position classification is time-consuming and expensive. If the exercise produces fake job classification it's greater cost is not justified by a better outcome.

In the Republic of Armenia the Law on Civil Service regulates classification of positions and grades. The civil service of the RA embraces four groups each of which are broken down into subgroups. All positions have job descriptions known as position passports which describe civil servants' rights and duties, professional knowledge, working skills as well as the requirements for having a corresponding classification grade of civil service. Position passports are approved by Civil Service Council on the bases of general description of each group of Civil Service Positions (RA Law on Civil Service 2001).

The present study will try to explain how well the position classification system works in the Armenian Civil Service System, whether position classification standards in RA are less effective in comparison to the selected countries and if there is a need of position reclassification.

THEORETICAL BACKGROUND

Civil service aims at establishing a government that works. If employees perform their job better government also does. When it fails to recruit, retain and reward the best possible people, government's performance suffer. Consequently, civil service reforms are crucial as they permeate everything that government executes.

In the U.S. positions in civil service up until 1883 tended to be created based of a patronage system, in other words, a civil servant was loyal directly to his patron, the local politician who procured him his job. Political hierarchy was highly involved in recruitment, selection, discipline, promotion and other processes. Consequently, civil servants have irrelevant backgrounds. The morale in a civil service was low and fear was high especially after the change of administration as civil servants were promoted and demoted not on the bases of their ability but promotions between parties.

From 1828 to 1883 the 'spoils system' largely prevailed in U.S. civil service and there was an urgent need of reforms. Classification system as a rational system didn't exist up until 1883. Even in 1883, it was very limited and started finally to evolve only from the 1920s.

'Position classification is simply a means for organizing work into groups/ classes and levels/grades on the bases of duties and responsibilities' (Naff 2002, 126).

Beginning the 19th century when civil service movements started, the landscape of position classification and management transformed. Frederick Winslow Taylor's 'Scientific management' played a pivotal role in the development of classification management processes. He believed that work should be separated into specific tasks which should be tested and timed to find out the highest output in the least amount of time. Furthermore, according to him there was 'one best way' to carry out which can be achieved by comprehensive work analysis (Taylor

1911). Work analyses afforded to select the advanced methods of performance, classify enhanced workers and to provide superior training. Job descriptions became more common. As a result, the scientific management movement became a long term trend of ‘pigeonholing’ work that is splitting into hundreds and thousands jobs at different levels (Berman 2006).

The Pendleton Act of 1883 which brought about changes in ‘spoils system’ was borrowed from British experience. This act required that ‘a limited portion of the civil service referred to as the classified service, be selected by competitive examination’ (Hoogenboom 1959, 303). This new system has become known as merit based system and replaced patronage one.

The number of government workers influenced by Pendleton Act grew quickly. If in 1883 only 11 percent of the civil service was classified, by 1990, 46 percent was under the merit system. The chief reason of this rapid change was the change of party control. Following 1885 parties lost the presidency to their opponents four times as a result of each defeat the classified service increased. The Pendleton Act increased job security by restraining political removals, professionalization was growing, better educated civil servants were recruited. Hence the merit system could not make through changes overnight. After 1883 classified civil servants occupied more distinguished positions in society, they had ‘good standing in community’ (Hoogenboom 1959, 321). However, it’s worth mentioning that businessmen profited more as service was largely improved. They provided money and dictated policy as a result their power increased. The influence and ideas of politicians were being replaced by those of businessmen.

Before 1883 a number of attempts were made to pass a bill on civil service reform, hence all the attempts doomed to fail. Why did Congress passed Pendleton Act? What did change between 1864 and 1883 that caused the adoption of Pendleton Act?

Various scholars tried to find an answer to these questions. Theriault comes up with three explanations. Inefficiencies in spoils system and party politics played a huge role in the passage of Pendleton Act. Nevertheless, he stresses that public pressure is at least as important in the establishment of merit based system as spoils system inefficiencies and party politics (Theriaul 2003). In other words, Congress gave up patronage and political assessment because the public demanded reform and they had a self interest of getting reelected. 'The passage of the civil service reform law in an excellent example of a reform forced on politicians against their will by the pressure of public opinion aroused by a few earnest advocates' (Theriaul 2003, 65).

The Classification Act of 1923 led to comprehensive changes in civil service establishing the following key rules: a) positions not individuals were to be classified, b) job duties and responsibilities were the distinctive characteristics of jobs, c) qualifications were to be a critical factor in determining classification status, and d) a member of a class in the U.S. would be qualified for all other positions in the class. This Act, for the first time in the history of civil service, enhanced legislative ability to monitor and control positions as regard to overall employee members, grade, ceiling and salary ranges. In addition, wages\salaries for each position were to be decided by the position description and the qualifications for it. Thus, it can be assumed that the passage of Classification Act represented more determined attempt for the scientific management principles to the federal merit system.

Classification Act of 1949 simplified the classification system by reducing the number of pay categories for white- and blue- collar workers, thus dividing personnel systems into occupational clusters. This period promoted the idea of fitting people into the jobs. Besides, managerial efficiency and legislative control were highlight. Step by step jobs were becoming narrower and less flexible (Milkovick et.al 1991).

Despite all the positive changes in the civil service, people were discriminated based on their race, color, religion, gender, age, disabilities. Thus, Equal pay Act of 1963 which addressed gender discrimination in pay, transformed position management in terms of legislation dealing with the discrimination.

The Civil Service Reform Act of 1978 surprisingly didn't cover so much the classification system or the basic federal compensation, it reformed the fringes of the system. The Civil Service Commission was replaced with the Office of Personal Management (OPM) which would oversee the human resource management of the federal government. OPM divided jobs into 23 major groups, 96 minor groups, 499 broad occupations, and 821 detailed occupations. The Civil Service Reform Act covered the creation of the Senior Executive Service performance (SES), rank-in person system for top executives, appraisals for all employees, merit pay for middle managers, formalization of the federal labor management for dealing with poor performer (Milakovick et.al 1991).

SES was considered to be the core of the Civil Service Reform Act of 1978. Its members were to be federal government's managerial elite and were supposed not only to take part in policy making activities but also management activities reserved for the traditional career service. Performance appraisal and pay for performance were essential parts of the concept of Senior Executive Service and they were supposed to be position-specific and identify critical elements of the position. Performance appraisals were to encourage excellence in performance, create basis for performance awards and for promotion by senior executives.

Thus, it can be stated a series of reforms have shifted the basic question from 'How the Government should be managed?' to another inquiry: 'Who should manage the government?'

Consequently, job classification method became one of the main tools in allocating right people into right positions and determining grades.

The structure of jobs in civil service comprises a hierarchy of grades based on the level of responsibility and tasks assigned and guarantees consistency between the actual duties and responsibilities of a certain position and the grade which has a huge impact on better recruitment processes i.e. graded classifications provide equal pay for equal work within each occupation and among different occupations while ungraded classification provide equal pay for equal for only in the same occupation (Campo, et al. 2000). Both graded and ungraded classifications embrace advantages and disadvantages that's why no clear recommendations can be made regarding the choice. Number of grades of civil service depends on the particular countries 'conditions. Too few and too many grades create problems i.e jobs become more difficult to classify, disputes may arise in the grading of specific post, motivation may be diluted. Hence, it's worth mentioning that graded classifications are more complex. The trade-off is between flexibility and equity or between short-term and long-term efficiency.

Overall, grades are crucial for efficient organization of personnel not only in government service but also in large organizations. Two basic approaches to the grading of government personnel and jobs have been distinguished: *rank-in-person* and *rank-in-post*. Under the rank-in-person approach, a person does not require for a certain type of post but a joint group of employees, usually known as a service or cadre. A service embraces its own structure of ranks and grades with its rules of promotion and requirement and is distinguished by the type of work performed, e.g., engineering and accounting service etc.

Under *rank-in-position* approach rank is assigned to positions and recruitment for a certain position. In other words, the job not the person is rated and salary is determined by the

position description and the requirements for it, rather than qualifications of an employee (Campo, et al. 2000). Usually, civil service is rank-in-person. It is the essence of rational system-not personal, however it is not an objective job-based system.

It's worth mentioning that in countries where government enjoys high status the civil service is viewed positively and vice versa civil servants enjoy little public trust in countries where government is seen as a problem. Though many developing and transition countries have legal provisions in their constitution that define the rights and structure of civil service, they don't exercise systematic planning and forecasting of personnel needs and follow informal rules because they lack systems for classifying government personnel (Campo, et al. 2000).

In the present research we will try to illustrate position classification standards in Armenian reality, compare it with U.S. and Slovakia in order to disclose similarities and differences as well as coverage and deepness of the system in the three countries respectively. We will also seek to reveal the challenges and drawbacks of position classification in Armenian civil service.

To fulfill the purpose of the present paper the study answers the following research questions:

RQ1: Is position classification system in the Armenian Civil Service less efficient in comparison to the selected courtiers?

RQ2: Is there a need of position reclassification in Armenian Civil Service?

RQ3: How well does Armenian position classification system perform?

METHODOLOGY

The methodology is mainly based on primary and secondary data analysis. The purpose of this research is descriptive and explanatory.

The primary data was collected through face-to-face interviews with civil servants of the Republic of Armenia. An original questionnaire was designed based on the information needs of this study. The secondary data analysis included review of relevant literature and legal documents.

For sampling the RA Civil Service Council (CSC) was contacted for the list of all civil servants of Government bodies since one of the functions of the Civil Service Council is regulating and registering the civil servants in the Republic of Armenia.

The sampling frame includes 7,911 civil servants, out of which 128 civil servants were chosen. The margin of error is 8.3%. The sample was created using multistage cluster sampling method. The first cluster involved 46 State governmental bodies. From these 46 Government bodies 32 were randomly selected using random number generator. For the second stage four civil servants were randomly sampled from each of those 32 Government bodies.

The resulting sample reflects the characteristics of the target population, from which it has been drawn.

A total of 128 interviews were conducted in February 2011. A pretest was conducted of all measures and adjustments were made accordingly. All data were input in Excel for analysis.

Several terms used in this study are explained below.

“The aim of the position” is the purpose of the job done by the civil servant, while the “level of responsibilities” encompasses the main tasks ranging from the most important to the least important one, from most to least time consuming one. The “complexity of issues” refers to

the variety and magnitude of complex issues and guidelines to arrive at a solution. The “authority to take decisions” implies the types of decisions made by the civil servant and his/her input in decision making process in high levels. The “contacts and representations” include the level, type and frequency of contacts and representation within and outside organization, whereas the “skills and knowledge” involve the level of education, experience and special skills.

For making comparative analysis of position classification in Armenian civil service, two countries in the face of U.S. and Slovakia have been chosen. If U.S. have been chosen on the basis of the latter being developed county, having rich history of position classification standards as well as encompassing immense and extremely developed system, Slovakia has been selected because she is developing and ex-Soviet country. In addition, Slovak position classification system is an interesting case because the latter completely differs both from Armenian and U.S. one as it serves only for establishing pay plans. The three countries aim at demonstrating entirely different extremes of position classification which are essential for comprehending how the system works in diverse countries, what can be learnt and incorporated in Armenian system and whether these changes are relevant, consistent, and adaptable in Armenian civil service.

COMPERATIVE ANALYSIS OF POSITION CLASSIFICATION STANDARD

Positon Classification standards play a vital role in assuring a sound personnel management. This role is increasingly significant as the latter provides uniformity, designs organization, establishes performance standards, launches logical grouping of jobs and ensures a better ‘fit’ of individuals within jobs leading to more effective, efficient and equitable personnel system (Campbell and Knapp 2001). Although classification is not a pay plan, it also influences to the administration of employee compensation i.e. equal pay for equal work.

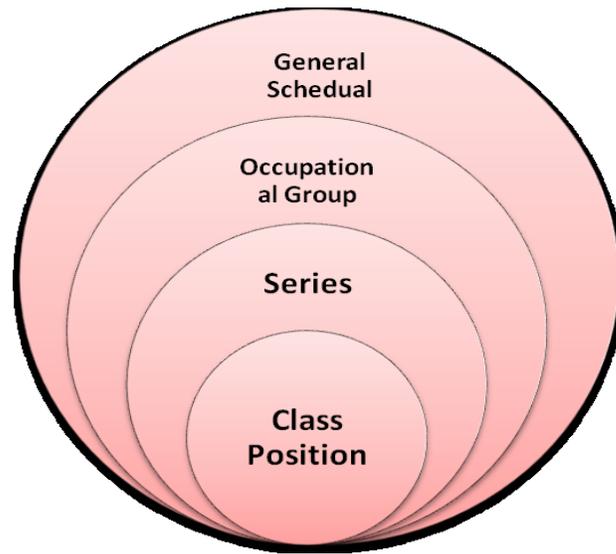
In the Unities States of America the classification standards were established by the Classification Act of 1949, which has been codified in chapter 51 of title 5, Unities States Code. The statute :

- Establishes the principles of providing equal pay for substantially equal work;
- Provides a definition of each grade in the General Schedule;
- Directs the Office of Personnel Management, after consulting with Federal agencies, to prepare standards for agencies to use in placing positions in the proper classes and grades. (U.S. Office of Personnel Management, 2009).

Position Classification standards in the U.S are developed by OPM and comprise a background information i.e. job description, official titles and grading criteria for positions under the General Schedule Classification System. While OPM is responsible for establishing the rules of the game, basic policies and guidance governing the classification system, each agency has an authority to classify all the positions covered by the General Schedule (GS). The

1.1 Figure below illustrates that U.S. position classification standards are multifaceted.

Figure 1.1: U.S. Position Classification Standards



Source: U.S. Office of Personnel Management

GS covers the majority of white collar personnel in the Federal civil service and splits into 15 grades. The numerical designation, GS-1 through GS-15 demonstrates the range of difficulty and responsibility and the level of qualification requirements of positions included in the General Scheduling.

Occupational Group is the major subdivision of GS which covers a group of related occupations. For instance, the Accounting and Budget Group GS-500, The Engineering and Architecture Group, GS-800, the General Administrative, Clerical and Office Services Group, GS-300.

Series in their turn are the part of occupational group embracing positions similar to specialized line of work and qualification requirement. General Schedule series can be divided into five “categories” of work. These include *professional, administrative, technical, clerical* and *others*. They are chosen by a title and number such as the Accounting Series, GS-510, the Secretary Series, GS-328 , etc.

Class of Positions is when all positions that are classified to the same schedule, series and grades (e.g., GS-510-12) and are sufficiently alike to call for same treatment in personnel processes such as testing, selection, transfer and promotion.

As opposed to U.S multi-sided and complex classification standards, in Slovakia the picture differs thoroughly. There is no legal requirement for job classification in Slovakia. The only grading system is the one used in the salary scheme for public servants and by respective regulations. According to Article 16 a Civil Servant in permanent civil service shall be ranked in the 1st through 9th salary classes according to the most demanding activity to be performed in the relevant civil service employment (Slovak Law on Civil Service 2001). In this system public servants (with some exceptions) are paid a basic salary according to two criteras:

- 12 grades based on academic qualifications and scope of responsibility
- 9 classes based on experience

<u>Positions</u>	<u>Salary Class</u>
Desk Officer	1
Senior Desk Officer	2
Desk Officer Specialist	3
Chief Desk Officer	4
Counselor	5
Senior Counselor	6
Counselor - specialist, District Counselor	7
Chief Counselor, Regional Counselor	8
State Counselor	9

Source: Law on Civil Service of the Slovak Republic

Job classification in Armenia differs from both U.S and Slovak standards. The Law of the Republic of Armenia on Civil Service regulates classification of Civil Service Positions and

classification grades of Civil Service. According to Article 7 the Civil Service Positions shall be classified into groups on the basis of the necessary level of responsibility for work organization and management, authority to take decisions, contacts and representations, complexity of issues and the requirement for the creative solution for the persons occupying the positions concerned, as well as their knowledge and skills (RA Law on Civil Service 2001).

The Civil Service Positions are classified into four groups: *the highest, the chief, the leading, the junior*. The group of the highest Civil Service Positions shall be broken down into Subgroups 1 and 2, and the groups of the chief, leading and junior Civil Service Positions shall be broken down into Subgroups 1, 2 and 3. Subgroup 1 in the groups of Civil Service Positions is considered the highest.

If we compare position classification standards in the three countries from effectiveness perspective, at first glance the number of GS groups may seem huge and multi-sided. However, taking into consideration the enormity of the system, U.S. Civil Service should have narrower positions and should embrace more white collar workers who will satisfy the demands of the population. Thus, it can be stated that U.S should have numerous groups as the system includes so many specific positions and professions that not only Armenian public but also private sector doesn't have the demand

In Slovakia position classification is less effective as the latter serves merely for establishing pay plans. Although position classification has also an impact on pay system and is crucial in setting up equal pay for equal work in organization, the latter primarily deals with classification grades, series, categories which in their turn are pivotal for high-quality and efficient personnel management.

As opposed to U.S. and Slovak position classification standards , position classification in R.A. is between these two extremes. It's narrow which evidently has its own benefits. Having only four groups makes it easy to determine which group the position belongs to i.e. based on classification some new positions may happen to be between two groups. The subgroups are also good from the work efficiency perspective as the latters specify the positions and give the chance to have all the necessary positions that Armenian society needs.

The complexity of government in regard with the deepness and wideness of the coverage of civil service varies in the U.S. and Armenia. IF RA civil service covers only the ministeries beside Ministry of Defence, marzpetarans, government aduncted bodies, committees and commisions, U.S. federal service beside minstieries, government adjuncted bodies, committees and commisions covers also libraries, health and human services, homeland Security, veterans affairs, the interior, postal service, judiciary, parks and recreation, etc. Thus, it can be stated that U.S. coverage of Federeal Government is deeper and wider in comparison with Armenia.

Besides position classifications standards, job descriptions are fundamental to the process of assigning the correct title, series, groups and grade. They illustrate the official record of the duties and responsibilities assigned to a position or group of positions by a supervisor or manager in order to accomplish a specific job (Campbell and Knapp 2001). Consequently, position description must be developed carefully to capture the important features of the job so that, when evaluated against appropriate classification criteria, the position can be classified properly.

In U.S. each agency determines who will prepare position descriptions. Depending on individual circumstances within an organization, the position description may be written by the employee in the job, the supervisor or manager, a personnel specialist, or any combination of

these. U.S. system differentiates between supervisory and non supervisory job descriptions. If supervisory job description should clearly define major duties, extent of responsibility and qualification requirements, non supervisory should identify the information necessary to evaluate the position by the appropriate supervisory criteria. All position descriptions must be signed by the immediate supervisor certifying the accuracy of position description. However, OPM is responsible for reviewing the final position description and determines its adequacy.

In Slovakia all public service organizations create job descriptions for all employees. According to Labor Code, paragraph 29 the compulsory part of working contract is also the definition of the employee's list of duties resulting from the kind of job. Slovak job description is not a working contact but a separate document with a relevant legal weight (Labor Code of Republic of Slovakia 2009).

Armenian Law on Civil Service states that all positions should have job descriptions known as position passports. According to the Law of the RA on Civil Service the position passport is a document which describes the Civil Servant's rights and the duties, professional knowledge, working skills and the requirements for having a corresponding classification grade of the Civil Service. Civil Service Council approves position passports on the basis of the general description of each group of Civil Service Positions (RA Law on Civil Service 2001).

In Armenia each state body (like ministry, marzpetaran, commission, etc.) writes the position passport according to the Decision of the Civil Service Council of the RA on General Description of each Group of the Civil Service Positions (2002), nevertheless CSC should approve the position passports written by the state bodies.

As in the U.S., Slovakia and Armenia as well position description is a key ingredient in the civil service system. In all three countries job descriptions can change during internal

changes in the organization, however, a defined time for updating descriptions are not mentioned. On the one hand, this point can be problematic as duties and responsibilities of a position change very fast with the rapid changes in technology. On the other hand, continuous updates of positions are time consuming and expensive.

The process of position description preparation system is more complex in Slovakia than in U.S. and Armenia as in Slovakia the definition of the employee's list of duties is not only working contract but also a separate document with a relevant legal weight which is good in regard with providing non formal job description. In other words, duties and responsibilities written in the working contract match the work done by the civil servant.

The position description procedure is more efficient in U.S. as not only each agency, state body and organization determine duties and responsibilities of workers as in Armenian and Slovak case, but also the employee in the job, the supervisor or manager, a personnel specialist, or any combination of these. The system is more flexible which is beneficial as the job descriptions can be written on more professional ground and tasks will not overlap with other co-workers. U.S. model if incorporated in Armenian system would probably solve the problem of job description. Actually, duties of the same group and its different subgroups are very similar. For instance, if we compare position passports of the Chief group with its third subgroup, we can state that the job descriptions of these positions embrace very many common features. Consequently, this creates some limitations in terms of efficiency and formality of position passports, i.e. performing other duties rather than the ones written in the position passport.

Moreover, if Armenian position descriptions have legal weight as in Slovak case, the problem of formal position descriptions possibly will be reduced. Another important step for job evaluation is identifying qualifications of employees. Required qualifications for civil servants

differ from country to county. However, education and experience are the minimal fundamental criteria required in all countries. Taking into consideration this fact, it has been decided to observe the hierarchy of these two elements in U.S., Slovak and Armenian Civil Service.

Table 1.1 illustrates the differences and similarities of education and experience requirements in the Civil Service of the three countries respectively. In all the three countries, there is no requirement of higher education and experience for the lower groups. The higher is the position the more the demands of higher education and experience are. In other words, the higher is the positions, more responsibility, competence, proficiency, skills are required for carrying out the job. The system is more complex in Slovakia besides requirements of higher education in the highest groups, the number of years of work experience required is much more than in Armenia and U.S. For instance, for the highest groups more than 9 years of work experience is mandatory. If we look at this phenomenon from effectiveness perspective we can state that the more experienced the employees are the better performance is expected in the organization. In addition, as the highest groups have more responsibilities and duties having more experience impacts on the productivity and quality of job done in the overall civil service. The rationale of less experience requirements is understandable both in Armenia and Slovakia i.e. as the salaries are not high in civil service, people having long work experience history would rather prefer to work in private sector than in public one because the latter is more compatible. Therefore, problems with recruitment could occur. In other words, employees with long experience history and high qualifications would prefer a work with high salaries in private sector rather than public one. Hence, it's worth mentioning that very often because of job shortage employees with long work history are obligated to work in public sector.

Table 1.1

	United States		Armenia		Slovakia	
<i>Group</i>	<i>Education (minimum)</i>	<i>Experience (minimum)</i>	<i>Education (minimum)</i>	<i>Experience (minimum)</i>	<i>Education (minimum)</i>	<i>Experience (minimum)</i>
1	None	None	Secondary education	Not required	Secondary education	Not required
2	High school graduation	3 months	Secondary education	Not required	Secondary education	More than 2 years
3	1 years above high school	6 months	Secondary education	Not required	Secondary or higher vocational education	More than 4 years
4	2 years above high school	1 year	Higher education	2 years in Civil Service position	Secondary or higher vocational education	More than 6 years
5	4 years above high school	3 year	Higher education	2 years in Civil Service position	Bachelor degree	Not required
6	Generally not applicable	1 year	Higher education	2 years in Civil Service position	Bachelor degree	More than 2 years
7	1 year of graduate-level education	1 year equivalent to at least GS-5	Higher education	2 years in the 2d subgroup	Completed university education	More than 6 years
8	1 year of graduate-level education	1 year equivalent to at least GS-6	Higher education	2 years in the 2d subgroup	Completed university education	More than 6 years
9	2 years of progressively higher level graduate education leading to a master's degree <i>or</i> master's	1 year equivalent to at least GS-7	Higher education	2 years in the 2d subgroup	Completed university education	More than 9 years
10	2 years of progressively higher level graduate education leading to a master's degree <i>or</i> master's	1 year equivalent to at least GS-8	Higher education	2 years in the 2d subgroup		
11	3 years of progressively higher level graduate education leading to a Ph.D. degree <i>or</i> Ph.D	1 year equivalent to at least GS-9	Higher education	2 years in the 2d subgroup		
12	No educational equivalent	1 year equivalent to at least next lower grade level				
13	No educational equivalent	at least 4-years experience in contracting or related positions				
14	No educational equivalent	at least 4-years experience in contracting or related positions				
15	No educational equivalent	at least 4-years experience in contracting or related positions				

Source: Law on Civil Service of the Slovak Republic, Law on Civil Service of RA, US Office of Personnel Management.

Overall, Armenia civil service requirements and position classification standards are good for successfully implementing the organization's missions and goals. Hence, some new approaches and changes are necessary to incorporate in Armenian civil service system in order to eliminate the challenges within the system and launch better performance standards in the civil service.

The rationale of the present comparative analysis was to contrast Armenian position classification standards with two extremes: a developed country with long history of position classification and a developing ex- Soviet one. Based on similarities and differences of the three diverse systems we strived to reveal how effective, complex and adaptable RA position classification standards are in comparisons to the selected countries. We also aimed at finding out whether several features incorporated in Armenian system would solve some limitations in RA system. After having described and compared RA position classification standards with U.S. and Slovakia we need to discover how well the system performs in Armenia.

FINDINGS AND DISCUSSION

For the purpose of our survey, factor comparison method has been chosen to conduct job evaluation. Though it is the most complex and costly method to develop, it is more scientific, applicable, consistent thus, it is ultimately more cost effective. Under this method, instead of ranking complete jobs, each job is ranked according to a series of factors. In RA this method was used for work evaluation in 2001. The five factors of job evaluation are:

- A. ***Level of responsibility for work organization and management:*** the responsibility for the control and management of human resources within the organization.

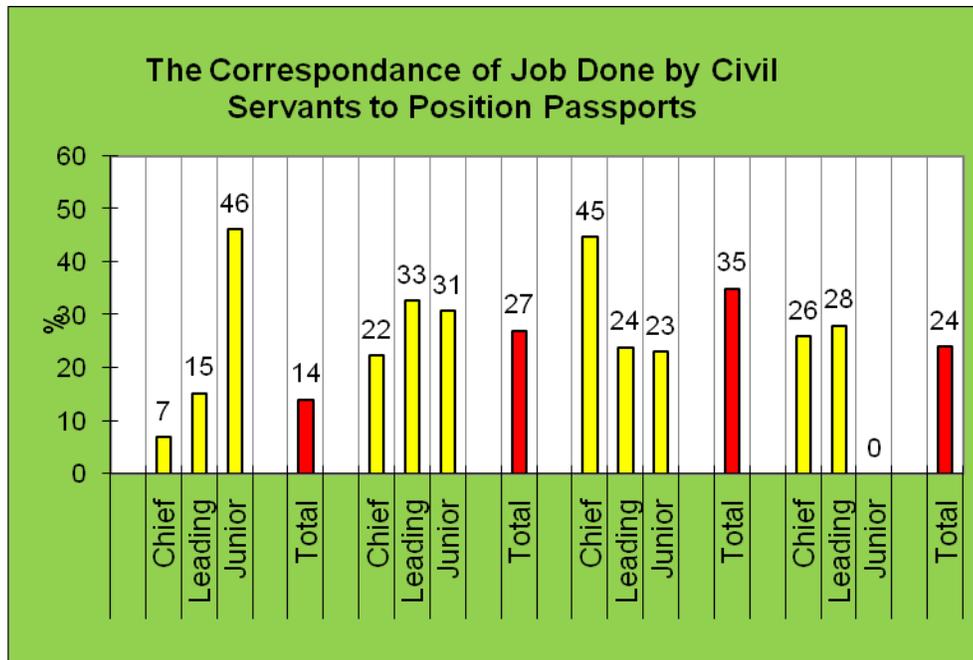
- B. **Authority to take decisions:** employees’ scope of own initiatives, difficulties in decision-making and types of required judgments. Participation and input in high levels decision-making processes.
- C. **Contacts and representations:** human relation skills in dealing with internal and external contacts. The skills, sort of influence and forthcoming results are considered.
- D. **Complexity of issues and the requirement for the creative solution:** the variety and magnitude of duties, degree of analysis, creativity in problem solving and guidelines to arrive at a solution.
- E. **Knowledge and skills:** The level of formal education, knowledge and experience required to perform the functions required of a position. (Government Reform Committee 2001).

The next step is to determine Weights (W) and degrees (D) for each factor after which accurate calculation is done: $A(WxD)+B(WxD)+C(WxD)+D(WxD)+E(WxD)$. Finally, it is decided which column of the below table the weighted factor belongs to.

Groups	Junior			Leading			Chief		
Subgroups	3	2	1	3	2	1	3	2	1
Ranges of Weighted Factors	0-77	78-105	106-133	134-161	162-189	190-217	218-245	246-273	274-301

Source: Government Reform Committee 2010.

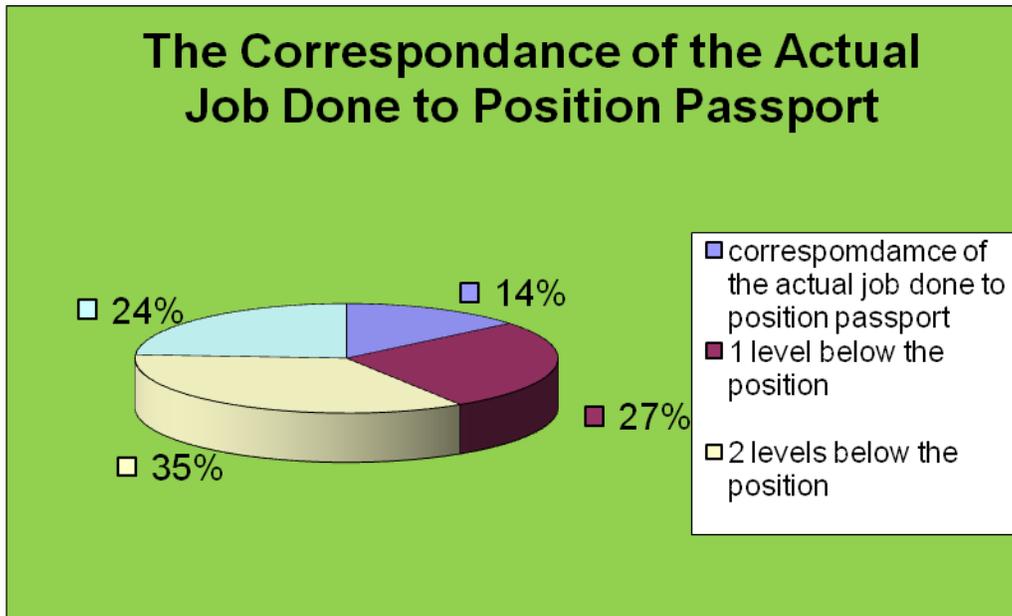
Our survey suggests that Armenia faces a problem of position inflation, i.e. jobs done by the civil servants don’t match to position passports, they are exaggerated.



The graph illustrated that 46% of the junior position employees don't perform their duties and responsibilities depicted in their position passport. Taking into consideration that the junior group is the lowest level which doesn't require special qualifications, long experience history the situation is devastating. In addition, the reclassification of the junior group to a lower one is not possible as there is no group below. Thus, we can conclude that the number of junior positions is more than there is a need, therefore, almost the half of the this group could be reduced.

The survey has shown that the most problematic group is the Leading one as on the one hand we have 33% of 1 level below the actual position, on the other hand 28% of 3 level below the actual position. 61% of the Leading group could be reclassified to the Junior group. The Junior position employees who according to their position passports are not supposed to have experience and higher education, are not in a position to fulfill all the tasks of the leading group. Moreover, there is no demand of more Junior employees as the organization cannot rest solely on the workforce of the lowest group.

In the Chief group we face position inflation as well. 45% of the Chief is 2 level below the actual position. The level of qualifications, duties and responsibilities are high for this group, hence the leading group requirements are not enough for those positions. Consequently, the level of productivity and efficiency are put under the question.



Overall, only 14% actual job done matches the position passport. 27% is 1 level below the position, 35% 2 level below and 24% 3 level below actual position. This data illustrates that the position inflation is a huge problem in the RA Civil Service. In other words, position passports are formal, a member of a class is not qualified enough for the position in a group and positions are not monitored, controlled as regard to overall grade ranges, consequently, the final outcome is devastating not only from job quality, productivity and efficiency perspective but also from administration of employee compensation one.

The survey has discovered that because of position inflation in the Civil Service a considerable amount of surcharge annually can be calculated. Here we encounter a paradoxical situation. On the one hand, employees complain that their salaries are low, on the other hand from

the survey results it becomes vivid that they are paid more for the job they actually perform. Nevertheless, this doesn't mean that their salaries are not low and should not be increased.

The main reason of grade creep is the low remuneration of Armenian civil servants in absolute and relative terms. Besides, they lag behind the compensation of their counterparts in the private sector. Though their salaries are not enough to support their families, the majority of civil servants are obligated to continue their work in civil service because of work shortages in Armenian job market.

Another reason is that civil servants lack fringe benefits and there is no appraisal system which will motivate them to perform well their duties and responsibilities. Moreover, there is no performance based pay and they are convinced that in any case they are going to get the same salary, accordingly they have no incentives to work hard and perform at a higher level, as a result of these chain of actions the organization doesn't deliver desired outcome.

Overall, because of low salaries, lack of motivation, fringe benefits, performance based pay, the grades are raised to reward people i.e. employees are motivated by their job titles and ranks because it adds prestige to their persona even if they don't perform their duties and responsibilities depicted in their position passports.

A solution to this problem could be to downsize the amount of employees in civil service and increase the salaries. It is crucial to set up high salaries that can attract, motivate and retain high quality workers. Nevertheless, downsizing will create a number of problems in regard with productivity will be decreased, insecurity will rise, and in Armenian reality of job shortages reductions of employees could create a huge discontent within society.

Overall, position classification standards in Armenia are not less effective in comparison with U.S. and Slovakia. Moreover, despite a number of drawbacks and challenges that the

system faces, job classification standards are sufficient for successfully implementing the goals and missions of RA civil service and satisfying the demands of Armenian population. Hence, because of amplification, mismatch of positions, RA civil service suffers a lot which impacts on the level of productivity, job quality and the government's performance as if employees perform their job better government also does. Consequently, this situation demands position reclassification in order to improve the system, overcome the challenges and deal with position inflation. Civil Service reforms will require continued commitment from the government as the process is going to take time and resources to achieve

CONCLUSION

From all the findings analyzed above we can induce that position classification standards in Armenian are not less effective in comparison to the selected countries. Four groups with their subgroups give an opportunity to embrace all the positions to satisfy the demands of Armenian populations and provide effective, efficient personnel management.

Our study has also revealed that RA position passports and minimum requirements of education, experience, duties and responsibilities in Armenian system is not only good in comparison with the U.S. and Slovak ones, but also sufficient for successfully implementing the organization's missions and goals. Though there are some elements of U.S. and Slovak models as regard to flexibility of position description writing processes, i.e. not only each agency, state body determines duties and responsibilities of employees' but also each employee, supervisor, manager or combination of them, legal character of position passports and others which if incorporated in Armenian system would have solved some drawbacks in Armenian civil service

and would have eliminated the challenges within the system thus providing better performance standards in the overall Armenian civil service.

We also revealed that because of amplification, mismatch and formality of position passports a member of a class is not qualified enough for the position in a group, the final outcome is devastating not only from job quality, productivity and efficiency perspective within the organization but also from administration of employee compensation one. The main reason of grade creep was the low remuneration system. As a result of the current situation, it has been revealed that positions in RA civil service should be reclassified.

Still, there are certain limitations which can be improved in the further studies. As our sample was not representative, more generalizable conclusions are needed. Measures and instruments of the study can be also improved as well.

POLICY RECCOMENDATIONS

1. To update position passports in order to eliminate the mismatch and formality of the latter's thus providing more productivity and efficiency in the overall civil service.
2. To ensure position compliance with position passport which is very important as employees will perform their duties and responsibilities as well as they will have the level of qualifications depicted in their position passports which will raise the level of performance in the civil service.
3. To reclassify jobs to determine appropriate grade level in order to improve the system, deal with the challenges thus fitting right people into right positions who will meet civil service's goals and missions.
4. To strengthen checks and balances among CSC and state bodies in the process of job description. Position description is a key ingredient in the civil service thus, it is essential

that CSC and other state bodies monitor and control overall grade ranges on a constant bases. Though continuous updates of positions are time consuming and expensive, they are significant in dealing with position inflation.

5. To downsize the amount of employees in civil service and increase the salaries. It is crucial to set up high salaries that can attract, motivate and retain high quality workers. nonetheless, it's worth mentioning that downsizing in Armenian reality of job shortages could create a huge discontent within society.

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