



# People Forward: Human Capital Trends and Innovations Alabama

This factsheet provides an overview of state personnel trends and processes identified as part of *Grading the States 2008*, the Pew Center on the States' 50-state report card on state government management. To assess state performance in the People category, the Government Performance Project team examined how well a state manages its employees. Among many other factors, the team of management experts reviewed how state human resource systems go about hiring, retaining, developing and rewarding high performing employees. For full grading criteria, additional data reports, and a variety of promising new practices in recruitment strategies and leadership development identified during the course of the study, access the full report, *People Forward: Human Capital Trends and Innovations*, at [www.pewcenteronthestates.org/gpp](http://www.pewcenteronthestates.org/gpp).

## Criterion 1 Conducting and updating a thorough analysis of a state's human capital needs.

### Observations

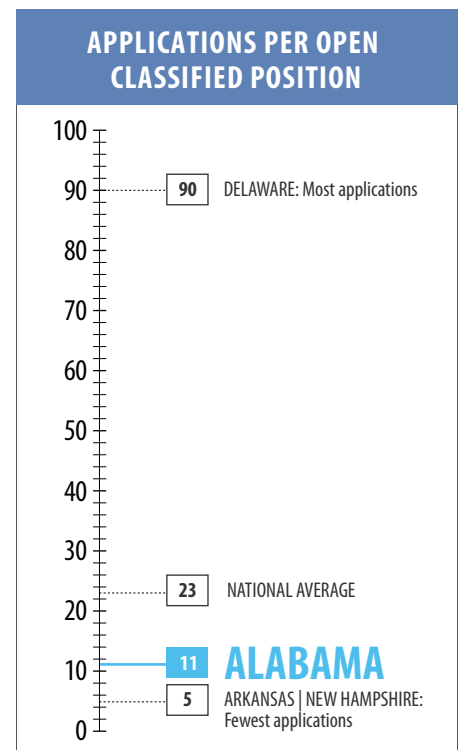
- Statewide workforce planning is required by the governor, but it consists of a set of initiatives, strategies, and goals directed toward the entire Alabama labor force rather than state workers.
- Alabama maintains a data warehouse and uses workforce analytics software for important Human Resource Management Information Technology (HRMIT) functions, including workforce planning. The statewide HRMIT system, however, is not integrated with agency systems, complicating statewide analyses.

## Criterion 2 Acquiring the employees a state needs.

Average time to fill open classified positions	Average number of applications per classified job opening	New hire turnover rates	
71 days	11	Voluntary	13.3%
		Involuntary	7.1%

### Observations

- The online recruitment system for Alabama has been upgraded and consolidated recently, potentially reducing the average time to fill open positions and increasing the number of applications received per job opening.
- The Alabama branding program includes a common design for the state's Web site and state documents.
- The state does not make use of recruitment-based compensation such as referral or sign-on bonuses.



**Criterion 3** Retaining a skilled workforce.

Classified job turnover rates	
Total	11.2% <sup>1</sup>
Voluntary	6.9%
Involuntary	1.4%
Retired	2.8%
Layoff	0.0%

Total classified compensation (2007 dollars)	\$58,900
Fringe benefits as a percentage of salary, classified employees	37.2%
Percentage of health insurance premiums paid by employees	0.0%
Grievances per 1,000 classified employees	NA

<sup>1</sup> Job turnover rate components may not add up to total turnover rate due to rounding.

**Criterion 4** Developing a state's workforce.

Average hours of training	
Per employee	36
Per manager	36

Training expenditure	
As a percentage of total payroll cost	NA
Per employee	\$476
Per manager	\$490

Employee development	
Total number of development programs	9
Hours in senior leadership program	84
Percentage of employees with a career plan	79.0%

**Observations**

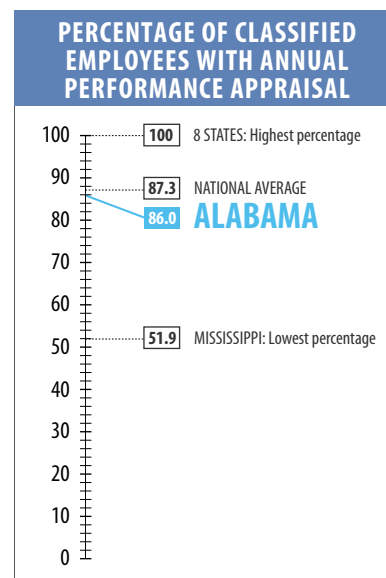
- Alabama provides an exceptional range of development programs within state government, including cross-functional training, mentoring, rotational training and internships.
- The senior leadership development effort, the Leadership Alabama program, is open to the public and is not tailored to state government leadership. In 2006, only six executive branch employees enrolled in the program.

**Criterion 5** Managing a state's workforce performance programs effectively.

Percentage of classified employees with an annual performance appraisal	Time to terminate classified employees for	
86.0%	Performance problems	8 days
	Behavior problems	10 days

**Observations**

- The Alabama performance management system emphasizes performance management as a continuous process. It features a robust performance appraisal policy manual and connects the goals of the agency with the individual performance goals of the employee.
- The state uses pay-for-performance increases effectively, with 69 percent of classified employees eligible and 51 percent of employees receiving compensation; however, the state does not make use of other performance-related compensation such as gain sharing or spot bonuses.
- Alabama leaders receive employee feedback via performance appraisals and agency surveys.



The Government Performance Project examined human capital management operations in all 50 states. States that did not submit sufficient data for inclusion in these data tables were assessed based on public documents and interviews. Information marked by an asterisk (\*) was extracted from state sources independently of the GPP survey. "NA" indicates insufficient data. The information included in this report is current as of February 1, 2008.