



People Forward: Human Capital Trends and Innovations Arizona

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.

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

Observations

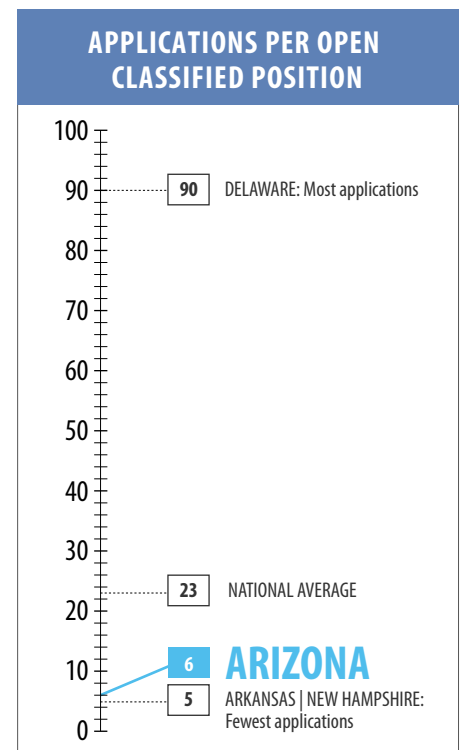
- The agency strategic plan submitted by the Arizona Department of Administration (ADOA) addresses the recruitment and retention of high-quality state employees; the state's workforce profile provides a comprehensive workforce supply analysis, but does not explicitly link to the state's strategic direction.
- The state's Human Resources Management Information Technology system is comprehensive and is slated for upgrades, including an enhanced data warehouse with agency-level reporting capability.

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	
60 days	6	Voluntary	17.5%
		Involuntary	24.4%

Observations

- The ADOA strategic plan includes strategies to strengthen recruitment of high-quality candidates.
- The state hiring Web site is easy to use and it enables applicants to apply online, but the site would benefit from the inclusion of more information about internships, career development and veterans' preference.
- An innovative new system dubbed "Onboard Arizona" automates the employee onboarding process, helping to ensure a smooth transition into state employment.



Criterion 3 Retaining a skilled workforce.

Classified job turnover rates	
Total	22.8%
Voluntary	15.5%
Involuntary	2.3%
Retired	2.2%
Layoff	2.8%

Total classified compensation (2007 dollars)	\$46,200
Fringe benefits as a percentage of salary, classified employees	32.0%
Percentage of health insurance premiums paid by employees	NA
Grievances per 1,000 classified employees	NA

Criterion 4 Developing a state's workforce.

Average hours of training	
Per employee	NA
Per manager	NA

Training expenditure	
As a percentage of total payroll cost	NA
Per employee	\$649
Per manager	NA

Employee development	
Total number of development programs	8
Hours in senior leadership program	43
Percentage of employees with a career plan	NA

Observations

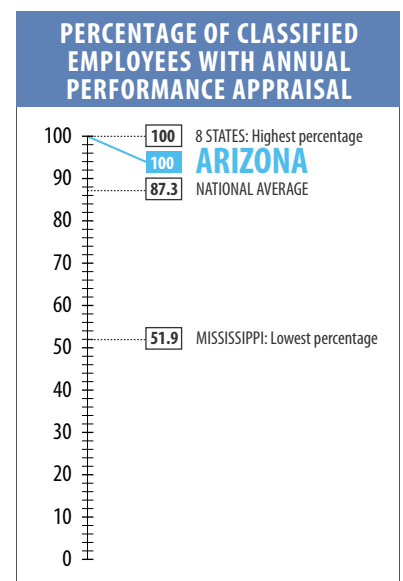
- The state has implemented a robust, easy-to-use learning management system and offers more than half of all training courses online.
- The state's Career Center provides comprehensive career services for all state employees. An employee Web portal provides career path information and enables employees to review and apply online for any open job in state government.
- Arizona Government University, the state's central training unit, provides a competency-based leadership development program that helps the state to develop entry-level supervisors, middle managers and executive leaders.

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	
100.0%	Performance problems	NA
	Behavior problems	NA

Observations

- The state's performance appraisal instrument links employee performance to agency goals through the use of behavioral performance standards.
- The state recognizes high performers in various ways, including performance-based salary adjustments, group performance bonuses and on-the-spot recognition.
- Employee engagement tools include several surveys and an Employee Innovations program that rewards state employees who demonstrably save time or money through business process improvements.



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.