



People Forward: Human Capital Trends and Innovations California

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

- Although the state does not produce a workforce plan, both the Department of Personnel Administration (DPA) and the State Personnel Board (SPB) provide workforce planning resources on their respective Web sites. Neither DPA nor SPB track the number of state agencies that are actually conducting workforce planning.
- The state conducts a workforce census to comply with Equal Employment Opportunity (EEO) reporting, but additional statewide information is scarce because information is not freely shared among agencies in the state.
- California intends to move toward a competency-based system as part of an HR Modernization project, which will change all classifications from duty-based to competency-based.

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	
NA	NA	Voluntary	NA
		Involuntary	1.5%

Observations

- The current hiring system is inefficient; according to the Little Hoover Commission (a bipartisan board made up of citizens and state legislators that investigates state government issues) it takes about four months to fill open positions, nearly twice the national average.
- The involuntary turnover rate among new hires is well below average, but this figure may have more to do with difficulties in the state's hiring and performance management systems than with the quality of these new employees.
- The state's hiring Web site provides an easy-to-search listing of open positions in state government, but prospective applicants would benefit from the ability to apply online as well as more information about state employment.

Criterion 3 Retaining a skilled workforce.

Classified job turnover rates	
Total	11.7%
Voluntary	7.5%
Involuntary	0.7%
Retired	3.5%
Layoff	0.0%

Total classified compensation (2007 dollars)	\$57,900
Fringe benefits as a percentage of salary, classified employees	30.0%
Percentage of health insurance premiums paid by employees	20.0%
Grievances per 1,000 classified employees	6

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	NA
Per manager	NA

Employee development	
Total number of development programs	10
Hours in senior leadership program	80
Percentage of employees with a career plan	NA

Observations

- Training comes from several sources, including the SPB, CPS Human Resource Services (a quasi-governmental organization that provides HR services to local, state, and federal agencies) and partnerships with the University of California and the state's community college system.
- The training offered by CPS is extensive, consisting of more than 100 courses, several seminars and a six-course HR Academy; CPS also provides leadership development programs, which are mandatory for supervisors and managers.
- The state is looking into creating a statewide training coordinator position within the DPA to address needs that arise on a statewide level.

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	
	NA	Performance problems
	Behavior problems	NA

Observations

- The state's HR Modernization project will tie performance appraisals to competencies, create individualized evaluations for employees and hold managers and supervisors accountable for completing appraisals for their direct reports.
- The DPA administers a merit award program that includes recognition for exceptional contributions to improving state government and medals for acts of bravery or heroism; in addition, a managerial bonus program recognizes high-performing managers and supervisors.
- Data regarding the time it takes to terminate employees for cause were unavailable because they are housed only at the agency level. Involuntary turnover is well below average, indicating that it may be difficult to remove employees who have performance or behavior problems.

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.