



# People Forward: Human Capital Trends and Innovations Michigan

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

- A robust set of workforce planning tools is available to agencies via the Michigan Civil Service Commission (MCSC) Web site. These include a four-phase guide to developing and implementing a workforce plan, a succession planning guide, and forms to assess the impact and vacancy risk of positions, identify key competencies, and define strategies for closing identified staffing gaps.
- The MCSC produces a quarterly workforce report (as well as an annual roll-up) that contains a wealth of information, including trends in the state's classified workforce, demographic information, separation data, Equal Employment Opportunity (EEO) reporting information, and statistics broken down by bargaining unit. In addition, basic demographic information by department, bargaining unit and county are available online via the MCSC Web site.
- Originally developed for the performance management system, competencies are identified for four different employee levels, and they are now used across many HR functions, including training and development.

## 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	
45 days	NA	Voluntary	2.3%
		Involuntary	2.8%

### Observations

- The state's hiring Web site offers a fair amount of information about state employment, provides tips on résumé writing and interviewing, and allows potential applicants to search by job category or location. While prospective employees cannot apply online, those who are invited to take a civil service exam can schedule it through the Web site.
- All new employees receive performance appraisals within the first three months of employment; overall, new hires appear to be well suited to their positions, as evidenced by the low voluntary and involuntary turnover rates.

**Criterion 3** Retaining a skilled workforce.

Classified job turnover rates	
Total	6.2%
Voluntary	2.0%
Involuntary	0.9%
Retired	2.1%
Layoff	1.2%

Total classified compensation (2007 dollars)	\$66,100
Fringe benefits as a percentage of salary, classified employees	26.7%
Percentage of health insurance premiums paid by employees	5.0%
Grievances per 1,000 classified employees	104

**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	\$479
Per manager	NA

Employee development	
Total number of development programs	9
Hours in senior leadership program	48
Percentage of employees with a career plan	NA

**Observations**

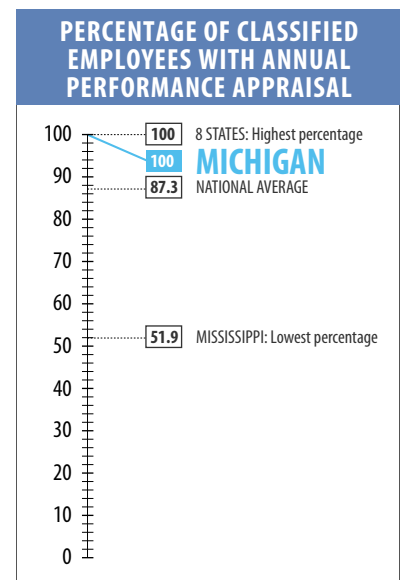
- Michigan is in the process of revamping its statewide training programs, moving toward a shared-services model that will allow the state to provide more courses at a lower cost and to collect much of the data that it is currently unable to track at the statewide level.
- Although employees are not required to have career development plans, the MCSC's Office of Employment Information and Career Planning Services offers a variety of services.
- The state's leadership development programs take on a variety of forms, including annual 360-degree feedback for supervisors, managers, administrators and executives; a coaching skills program; 10 competency-based leadership training modules; and regular executive learning meetings.

**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	17 days
	Behavior problems	17 days

**Observations**

- Appraisal instruments link to agency and state goals through the use of competencies; in addition, all supervisors, managers, administrators and executives receive regular feedback about their leadership style through an annual 360-degree leadership profile.
- The state has used pay-for-performance and individual performance bonuses in the past, but these have been curtailed recently in an effort to cut costs.
- While the time it takes to remove employees for performance or behavior problems is relatively low, the extremely low involuntary turnover rate among classified employees indicates that it may be difficult to terminate employees for cause.



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.