



# People Forward: Human Capital Trends and Innovations Montana

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

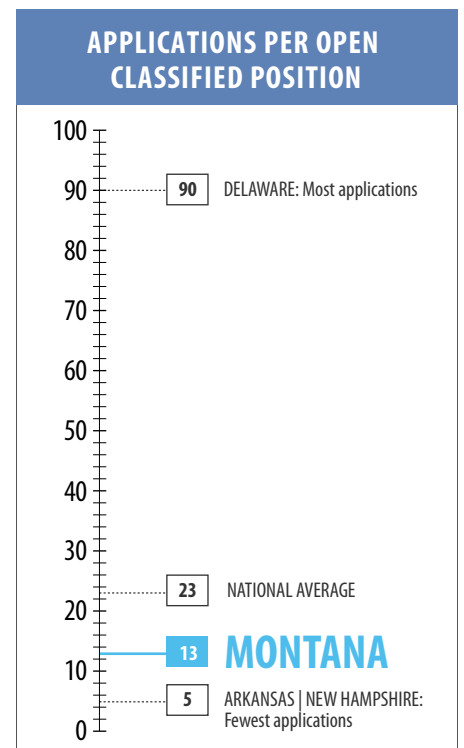
- Montana's State Personnel Division (SPD) provides several workforce planning resources to state agencies, including a competency-based workforce planning model, forms for needs assessment and action plan development, and links to external resources; however, fewer than half of state agencies published workforce plans in FY 2006, and several larger agencies declined to participate.
- The annual Employee Profile produced by the SPD includes trending in several categories, demographic information, Equal Employment Opportunity (EEO) statistics, compensation information, and hiring and separation data.
- The state's competency management program recently gained central oversight by the SPD, which provides a guide to integrating competencies into all HR procedures and policies.

## 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	
35 days	13	Voluntary	9.0%
		Involuntary	10.7%

### Observations

- The state's central hiring Web site can be confusing for applicants searching for open positions; the site would benefit from the inclusion of more information about state employment and the ability for prospective state employees to submit their applications online.
- The state makes limited use of recruitment-based compensation in the form of referral bonuses.



**Criterion 3** Retaining a skilled workforce.

Classified job turnover rates	
Total	13.4%
Voluntary	9.8%
Involuntary	0.7%
Retired	2.7%
Layoff	0.2%

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

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

Average hours of training	
Per employee	2
Per manager	3

Training expenditure	
As a percentage of total payroll cost	1.6%
Per employee	\$159
Per manager	\$302

Employee development	
Total number of development programs	9
Hours in senior leadership program	200
Percentage of employees with a career plan	12.0%

**Observations**

- While the SPD does not produce a distinct training plan, they have outlined several strategic goals for their Professional Development Center. These include the development of needed courses, special interest events, alternative course delivery methods (for example, e-learning) and surveying agencies about their training needs.
- The Department of Corrections has implemented a five-year training plan that links career tracks to external market pay.
- The Professional Development Center provides a robust Management Development Program, which consists of 32 competency-based management training courses.

**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	180 days
	Behavior problems	5 days

**Observations**

- Montana lacks a central performance management policy, instead employee performance appraisals are delegated to agencies without offering them substantial guidelines; additionally, the state does not track how often employees receive appraisals.
- The state makes limited use of performance-based compensation: only one-quarter of the workforce is eligible.
- A statewide program allows agency heads to grant monetary awards, leave, or other nonmonetary awards for ideas that result in cost savings or improved efficiency within the agency.

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.