



# People Forward: Human Capital Trends and Innovations New Mexico

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

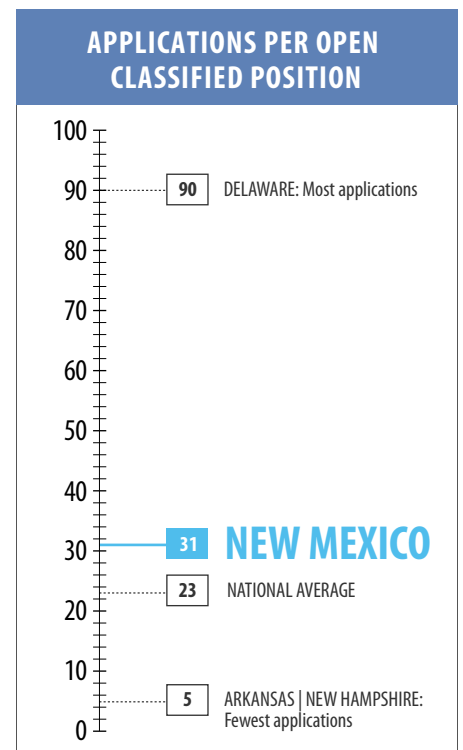
- The State Personnel Office (SPO) is in the early stages of implementing a system for developing a tactical Strategic Human Resources Plan (SHRP) for state agencies. The new system will require agency leaders to submit a set of documents, such as a strategic plan and turnover data, and the SPO will deliver a plan back to the agencies. This system is designed to link workforce planning to each agency's strategic goals and budgeting process.
- The SPO provides limited workforce data, including a quarterly workforce report that provides a few key data points and an annual summary that outlines the basic demographics of the state workforce. The recently implemented PeopleSoft system is expected to provide more robust, on-demand workforce data at agency and statewide levels.
- As part of a new performance management system, New Mexico has identified two sets of core competencies—one for managers and one for non-managers—that agencies use to align employee performance with agency strategic goals and core values.

## 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	
90 days	31	Voluntary	14.3%
		Involuntary	28.1%

### Observations

- The state's new central hiring Web site allows applicants to search for jobs by location, job type or keyword, and offers online application functionality; the site would benefit from more information on topics such as career development opportunities, internships and other information regarding state employment.
- New hires are given three performance evaluations in their first year of employment, at 3, 6 and 12 months—an exemplary practice in terms of providing feedback to new employees. However, the involuntary turnover rate reveals that new hires do not perform well overall, because more than one-in-four are terminated during their probationary period.



**Criterion 3** Retaining a skilled workforce.

Classified job turnover rates	
Total	17.7%
Voluntary	10.2%
Involuntary	4.7%
Retired	2.8%
Layoff	0.0%

Total classified compensation (2007 dollars)	\$50,700
Fringe benefits as a percentage of salary, classified employees	33.0%
Percentage of health insurance premiums paid by employees	20.0%
Grievances per 1,000 classified employees	13

**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	8
Hours in senior leadership program	NA
Percentage of employees with a career plan	NA

**Observations**

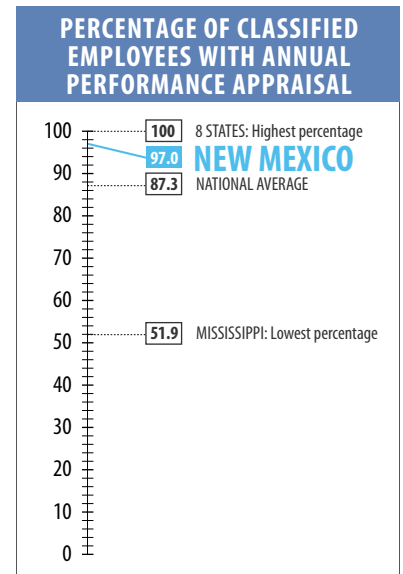
- Training is heavily decentralized in New Mexico, with only two training courses provided by the SPO ("Fundamentals of Supervision" and "Managing Employee Performance"); all other training and development take place at the agency level, very likely leading to redundancies across the state.
- The newly implemented SHRP system and forthcoming phases of the PeopleSoft system will give the SPO the ability to show where training and development dollars are needed and how they are being used.
- The above average percentage of employees receiving promotions indicates that career advancement appears to take place in the state workforce, but there is no formal career planning mechanism in place.

**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	
97.0%	Performance problems	22 days
	Behavior problems	22 days

**Observations**

- A newly developed performance appraisal instrument links agency goals to employee performance through core competencies and gives employees the option to list their own goals for growth. Yearly merit increases are contingent on a "satisfactory" or better appraisal rating, and demonstrated performance is one justification for in-band pay adjustments.
- At the statewide level, a Government Cost Savings Award program offers a financial incentive for employees to find cheaper ways of doing things, though only one award was made in FY 2006.
- The high involuntary turnover rate among classified employees suggests that the state can terminate for cause. But the involuntary termination of nearly 1 in 20 employees is relatively high.



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.