



# People Forward: Human Capital Trends and Innovations Tennessee

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 strategic plan for the Department of Human Resources (DOHR) outlines goals, action plans, implementation timelines and obstacles in four areas, including workforce planning.
- Fewer than one-half of state agencies produced a workforce plan in FY 2006, but the DOHR does not review these plans, nor does it produce a statewide strategic workforce plan.
- The state did not provide a workforce profile, and the state's overall strategic plan does not include any workforce characteristics such as supply, demand or gap analyses.

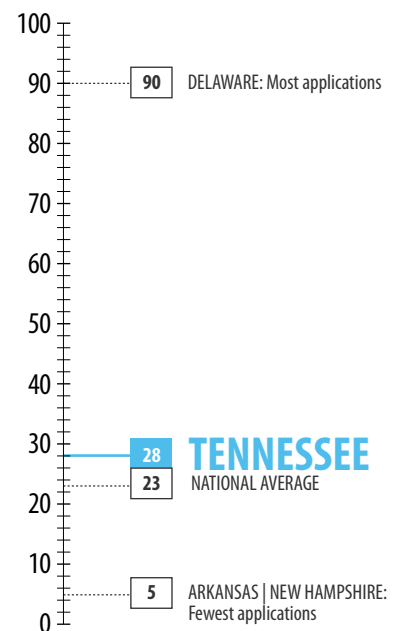
## Criterion 2 Acquiring the employees a state needs.

Average time to fill open classified positions	Average number of applications per classified job opening	New hire turnover rates	
28 days	28	Voluntary	14.9%
		Involuntary	6.2%

### Observations

- Agency managers are required by statute to hire from the top five available and interested applicants (as determined by exam scores or application evaluations), leaving little incentive for HR professionals to invest in recruiting strategies.
- While the percentage of new hires terminated for cause during the probationary period is below average, only one-half of all new hires receive a performance appraisal within the first 12 months of employment. This may indicate that some underperforming new hires remain unidentified.
- The state's hiring Web site includes excellent search features and has the capacity to accept online applications for open positions. The site would benefit from more information regarding state employment, such as career development opportunities and internships.

### APPLICATIONS PER OPEN CLASSIFIED POSITION



**Criterion 3** Retaining a skilled workforce.

Classified job turnover rates	
Total	11.1% <sup>1</sup>
Voluntary	6.6%
Involuntary	2.0%
Retired	2.2%
Layoff	0.0%

Total classified compensation (2007 dollars)	\$54,000
Fringe benefits as a percentage of salary, classified employees	45.3%
Percentage of health insurance premiums paid by employees	20.0%
Grievances per 1,000 classified employees	14

<sup>1</sup> Job turnover rate components may not add up to total turnover rate due to rounding.

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

Average hours of training	
Per employee	6
Per manager	27

Training expenditure	
As a percentage of total payroll cost	0.1%
Per employee	\$86
Per manager	\$301

Employee development	
Total number of development programs	4
Hours in senior leadership program	129
Percentage of employees with a career plan	NA

**Observations**

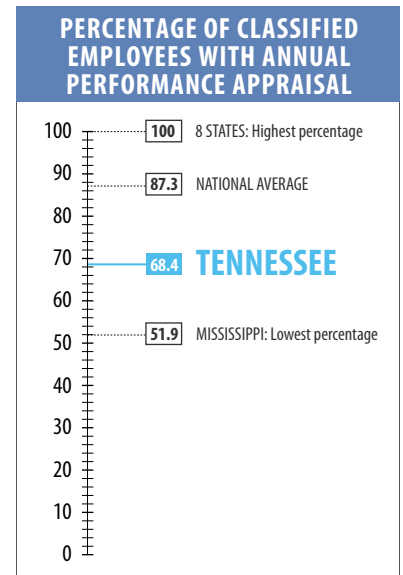
- The state does not currently track training provided by agencies, but it plans to begin doing so within the next two fiscal years; the reported data represent overall training expenditures by state agencies for training provided by DOHR only.
- The Tennessee Government Executive Institute is a professional development program run every summer for senior executives in state government; for three intensive weeks, during a three-month period, executives have the opportunity to broaden their knowledge and perspectives of leadership principles and practices.

**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	
68.4%	Performance problems	10 days
	Behavior problems	10 days

**Observations**

- Through the state's Job Performance Planning and Evaluation system, classified employees establish their performance goals and objectives and are required by policy to have at least one interim meeting with their supervisor to discuss their performance, in addition to an annual appraisal meeting; however, only two-thirds of classified employees received even an annual appraisal in FY 2006.
- Only a fraction of classified employees are eligible to receive an individual performance bonus; the state does not use any other type of performance-based compensation, such as group performance bonuses or spot bonuses.



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.