



People Forward: Human Capital Trends and Innovations Virginia

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

- The governor requires that workforce planning take place at all state agencies as part of the strategic process, and that these efforts link to both the statewide strategic direction and the budget process. The central Department of Human Resource Management (DHRM) produces an annual statewide workforce planning report as well as a human capital plan that aligns the central agency's efforts with the state's strategic direction.
- Statewide workforce data is available publicly through annual "Human Resources At-A-Glance" reports and a Web-based reporting tool that provides statewide information for the past five fiscal years in areas including demographics, pay practices and turnover; agency leaders can run similar agency-level reports through the state's intranet.
- Competencies are used across all HR functions and are integrated into Virginia's leadership development programs; agencies can use the state's data both to answer individual job needs and to link employees more closely to their organizational mission and values.

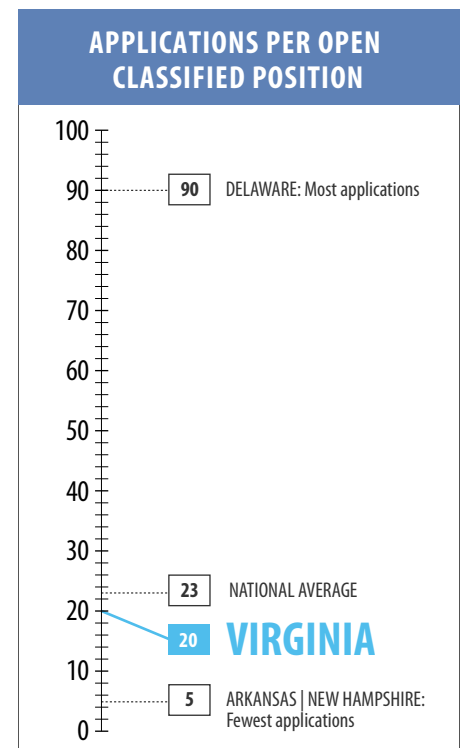
Criterion 2

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 | |
|--|---|-------------------------|-------|
| 91 days | 20 | Voluntary | 24.0% |
| | | Involuntary | 7.7% |

Observations

- Nearly one quarter of newly hired employees leave voluntarily before the end of their probationary period, suggesting that they may not be well-suited for their positions or that they view state employment as a temporary stopping point on their job search.
- Virginia does a good job providing feedback to new hires: nearly three-quarters of new employees receive a performance appraisal within three months, and more than 90 percent receive one by the end of their first year.
- Virginia's hiring Web site is easy to use and provides a wide range of information about state employment; many (but not all) agencies allow prospective employees to apply online.



Criterion 3 Retaining a skilled workforce.

| Classified job turnover rates | |
|-------------------------------|--------------------|
| Total | 13.5% ¹ |
| Voluntary | 9.2% |
| Involuntary | 1.5% |
| Retired | 2.2% |
| Layoff | 0.1% |

| | |
|---|----------|
| Total classified compensation (2007 dollars) | \$58,700 |
| Fringe benefits as a percentage of salary, classified employees | 41.6% |
| Percentage of health insurance premiums paid by employees | 10.0% |
| Grievances per 1,000 classified employees (classified) | 32 |

¹ 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 | 89 |
| Per manager | 65 |

| Training expenditure | |
|---------------------------------------|-------|
| As a percentage of total payroll cost | 0.9% |
| Per employee | \$552 |
| Per manager | \$407 |

| Employee development | |
|--|--------|
| Total number of development programs | 11 |
| Hours in senior leadership program | 80 |
| Percentage of employees with a career plan | 100.0% |

Observations

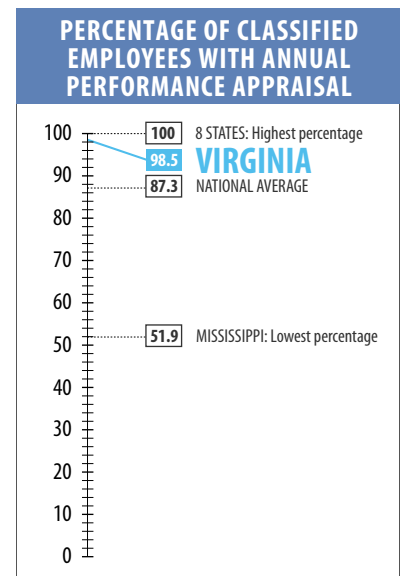
- The state partners with the public higher education system to provide an exceptional training program; a set of development programs for managers and supervisors of all levels is administered through the Office of Public Policy Training at Virginia Commonwealth University.
- The Commonwealth of Virginia Knowledge Center is the state's learning management system, providing online courses, training management, career planning resources and tools for knowledge sharing and retention; the system can be easily customized to meet the needs of individual agencies, and it allows for the sharing of training content among agencies.

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 | |
|---|--|--------|
| 98.5% | Performance problems | 7 days |
| | Behavior problems | 1 day |

Observations

- Virginia uses competencies to emphasize the link between agency goals and employee performance, and it encourages the use of 360-degree feedback as part of the appraisal process, especially for supervisors and managers.
- Spot bonuses are used to reward high-performing employees on an ongoing basis, and the state is working on implementing a program that allows for the sharing of cost savings from improved productivity and performance with agencies and employees.
- The state is able to terminate for cause in a timely fashion; after following a course of progressive discipline designed to consistently address employee performance and behavior issues, final termination can happen within a week for performance issues, and just over one day for behavioral 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.