

New Mexico State Personnel Office



Key Quarterly Performance Measures Report Quarter 3, Fiscal Year 2021

Mission: A trusted partner expertly leading the way in human resources practices and services that enhance the employee experience.

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Director's Report

The State Personnel Office provides the State of New Mexico (the state) with human resources (HR) leadership and direction to maximize service to New Mexicans, while protecting the rights of our State employees. A quarterly report is issued by State Personnel, as required by the Accountability in Government Act, to address the HR metrics established within the General Appropriations Act. The report is updated quarterly to provide timely data that is used to enhance the State's ability to address HR issues impacting management throughout state government.

The vision for State Personnel is, *to create an inclusive workforce supporting innovation and achievement while serving the state of New Mexico*. To accomplish this vision, the State Personnel Office has adopted the following goals:

- Serve as the thought partner and leader in expertise, research, and data-driven knowledge in human resource management, policy design and decision making;
- Create effective human resources solutions that foster a productive, positive, and high-performing workforce which serves the communities of New Mexico;
- Through our team of experts, provide timely, accurate, and responsive customer service that addresses the needs of our customers;
- Improve the effectiveness of State Government through promoting Diversity, Equity, and Inclusion in the workforce; and
- Promote, develop, and provide employee training and professional development as a critical element of their organizational success.

On April 22, 2020, the State Personnel Office issued General Memorandum 2020-002 which placed a hold on personnel actions for classified employees. The limitations were prompted by unprecedented health and economic challenges due to the spread of COVID-19. The following report presents outcomes during an atypical period in State Personnel history that imposed striking challenges to how state agencies managed their personnel resources. The State Personnel Office strives to address these challenges with thoughtful flexibility and in partnership with agency leadership.

Sincerely,

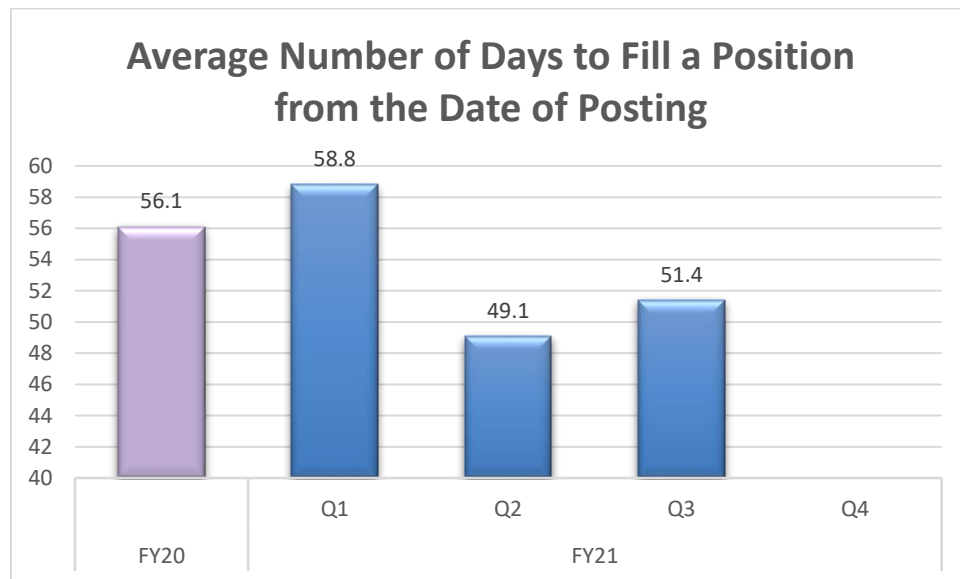


Ricky Serna
Acting Director

Average Number of Days to Fill a Position from the Date of Posting

Time to fill is a key metric for the State Personnel Office as it is often the first interaction a potential new employee has with the state. Ensuring a smooth and structured process for new candidates as they navigate through the various stages of the hiring process helps to identify and recruit the best talent. A lengthy hiring process can cause candidates to lose interest, leading to a loss of potential talent.

Hiring agencies are empowered to create, post, and fill their vacant positions via the Statewide Human Resources Accounting Reporting (SHARE) system. This allows the hiring agency to be proactive and strategic in how and when they recruit to ensure all resources are available including budget, hiring managers, and interview panels. State Personnel provides guidance and support, as needed.

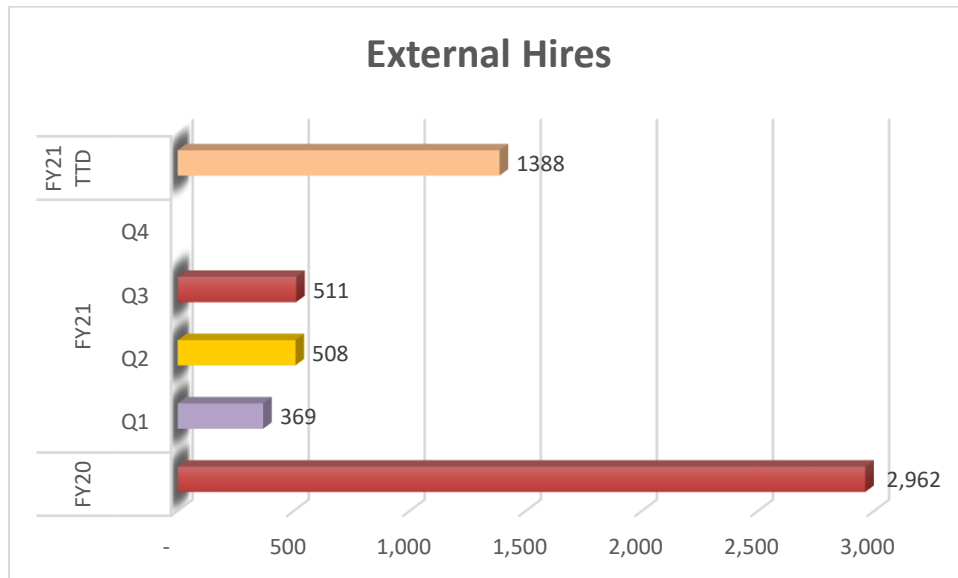


Many factors affect the time to fill, and it has been identified that the factors that most increase the time to fill occur after a posting has closed. The period between the time that the hiring agency identifies potential candidates and the time that a candidate accepts the hiring agency's offer can greatly affect the time to fill. As a result of General Memorandum 2020-002, the recruitment process includes the Exemption Request approvals which can have an impact on the time it takes to begin position recruitment.. With State Personnel's assistance, Agencies continued to examine their internal processes in order to reduce processing time at every step.

Data Source:
SHARE PeopleSoft- Human Capital Management (HCM)-Recruitment Module

Methodology:
Extract standard recruitment postings with an active posting date and a closed date, as indicated by the hiring agency. Calculate the days to fill.

Number of Candidate Hires External to State Government



Being able to attract and recruit qualified and experienced individuals from outside state government helps to ensure the strong and established workforce of the state is infused with new ideas and innovations. New minds and fresh sets of eyes are critical to challenge the status quo and the “we’ve always done it this way” refrain and to give agencies the opportunity to identify areas of improvement or solidify processes that work.

Unfortunately, the Public Health Emergency has created significant budgetary constraints for hiring agencies. This has forced agencies to reevaluate their programs and organizational listing with a new perspective: to redefine their processes and accomplish their tasks with a reduced recruitment footprint. This can be seen in the significantly reduced new hires this fiscal year.

Other external recruitment options also continue to be limited or non-existent due to the Public Health Emergency including mass recruiting events, job fairs and other collaborations.

Data Source:
SHARE PeopleSoft-HCM

Methodology:
Extract job data personnel records with action codes of Hire/Rehire in the quarter

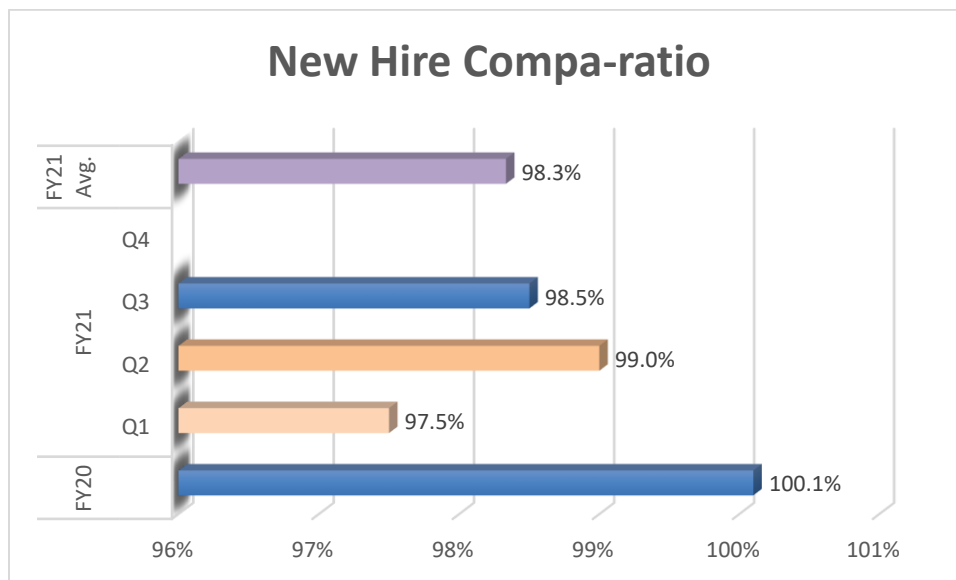
Average Classified Employee New Hire Compa-ratio

The average compa-ratio for new hires this quarter – 98.5% -- remained similar to the average in the two previous quarters, but continues to be lower than the past FY21 average of 100.1%. This represents the budgetary constraints hiring agencies are facing during the pandemic. In previous quarters, many agencies hired at the midpoint of the pay band or even slightly above midpoint of the payband (100% or higher).

| | Q1 | Q2 | Q3 | Q4 |
|------|--------|--------|-------|--------|
| FY20 | 102.1% | 100.7% | 99.2% | 100.4% |
| FY21 | 97.5% | 99.0% | 98.5% | 0.0% |

Regardless of the pandemic, it is critical for agencies to continue to administer their compensation policy consistently, applying the principles of “appropriate placement” and “internal alignment” to properly set new employee pay relative to other employees in the same classification within the work unit.

The State Personnel Office continues to provide feedback and guidance to agencies in support of “appropriate placement” and “internal alignment,” as needed.

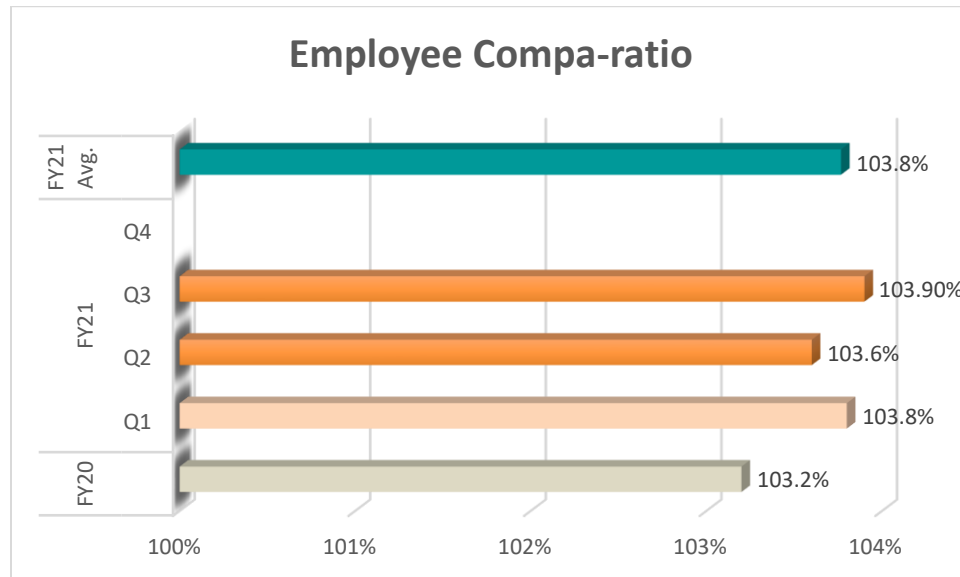


Data Source:
SHARE PeopleSoft-HCM

Methodology:
Extract job data personnel records with action codes of Hire/Rehire in the quarter
Average compa-ratio

Average Classified Employee Compa-ratio

The average compa-ratio for classified employees in the third quarter -- 103.9% -- remains slightly higher than the previous fiscal year average. This can be partially attributed to the revised legislative raises that were approved during the 2020 1st special legislative session. Those salary increases targeted employees with an annualized income of \$50,000 or less, which population represented 51% of the classified employee workforce.



Classified employee compa-ratio also depends on State Personnel's paylines, salary schedules, and classification system which all work in concert to allow agencies to be competitive in the market.

As seen in the table below, employees in the general salary schedule have an average compa-ratio far above midpoint. This is a strong indicator that the general salary schedule is behind market. As a result, agencies may be unable to offer competitive salaries to prospective employees and have difficulty attracting and retaining talent. By comparison, more recently implemented occupation-based paylines – Architecture, Corrections, Engineer, Information Technology, Attorneys, and Social Services – have average compa-ratios nearer or below midpoint, which indicates they appropriately reflect the market in these sectors.

| Payline | Average Compa-ratio |
|---|---------------------|
| Architecture | 91.3% |
| Attorneys | 98.9% |
| Corrections | 90.7% |
| Engineer, Surveyor, Water Resources, Engineering Tech | 100.7% |
| Information Technology | 100.5% |
| Social Services | 96.3% |
| General | 105.9% |

State Personnel aims to realign the general salary schedule with an upward adjustment of 5%. The implementation costs of this adjustment are projected to be less than \$100,000. That figure represents the total expenditure across state government and is the cost to bring employees who would fall below the minimum of their payband to the new to the minimum of their payband. An increase of 5% would allow the state to maintain a strong general salary structure while State Personnel works to make state employment more competitive by researching and developing additional, new occupation-based salary schedules. The largest barrier to implementing this shift is budgetary constraint across state government exacerbated by the economic consequences of the COVID-19 public health emergency. In order to absorb a 5% adjustment to the existing general salary schedule or to create and utilize new paylines, many state agencies will need legislative financial support.

For FY22, along with the approved legislative increase to all classified employees of 1.5%, the State Personnel Office will increase salary schedules 1.5%. This will help to ensure the current schedules do not fall behind the market and agencies can be competitive in their recruitments. There will be no upfront cost impact to the state for the salary schedule increases.

Data Source:
SHARE PeopleSoft-HCM

Methodology:
Extract job data personnel records
Average compa-ratio

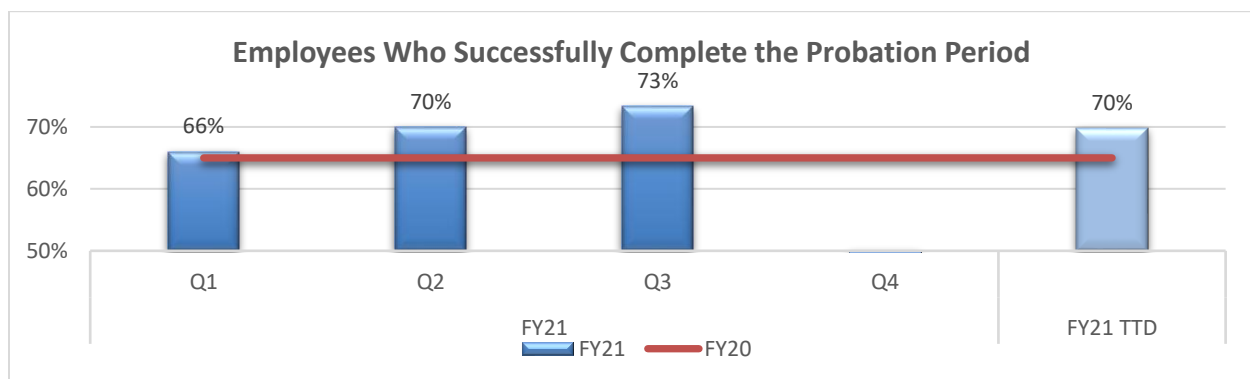
Percentage of Classified Employees Who Successfully Complete the Probationary Period

Whether employees successfully complete their probationary period is a key indicator of an agency's success or, alternatively, an agency's need to assess and review work processes and procedures with its managers and supervisors. Trainings, like those led by the State Personnel Office, are critical to ensure that managers and supervisors have the tools and strategies to ensure all employees and especially new hires are successful in their position.

Probationary employees can be separated from employment involuntarily, on account of poor attendance, poor performance, and other factors. More often, probationary employees separate from employment voluntarily, to take a position with a competitor or for personal reasons. Agencies are encouraged to identify opportunities within their programs and teams for new employees. Successful communication is critical to reinforce procedures that work and highlight areas that need improvement. Along with successful communication, exit interviews should be utilized to identify problem areas and solicit helpful ideas and solutions.

The greater the number of employees who complete their probation, the lower the costs of recruitment and training.

In the third quarter, 73% of employees successfully completed their probationary period, an increase of 8% over the FY20 average. This increase might be attributed to the State's response to the Public Health Emergency and the conditions it created, such as telework flexibility and the extension of paid COVID leave..*



Data Source:

SHARE PeopleSoft-HCM

* <https://www.bls.gov/news.release/empst.nr0.htm>

Methodology:

Extract and compare job data personnel records hire and separation action codes

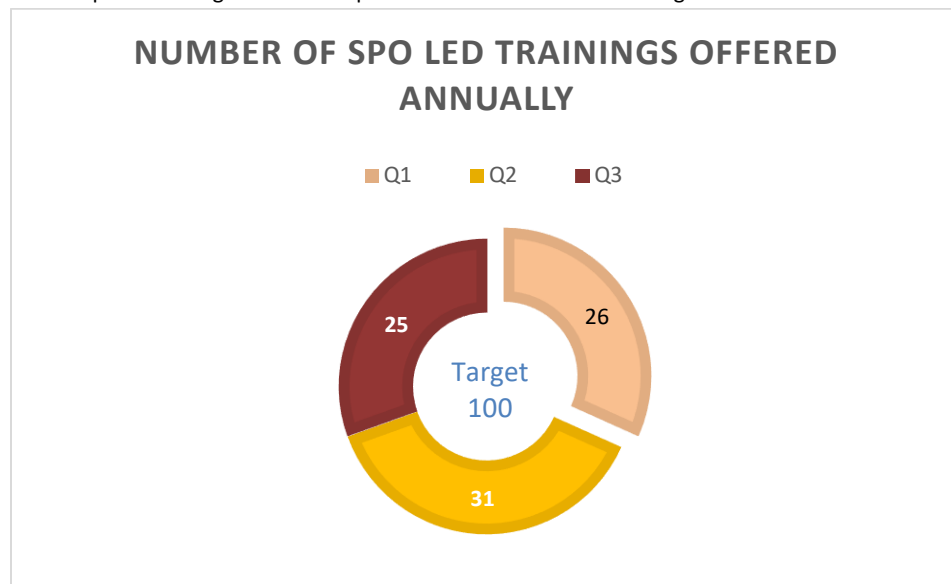
Numerator: Number of employees who meet 1 year of classified service

Denominator: Number of employees with action codes of Hire/Rehire

Number of SPO-Led Trainings Offered Annually

Prior to March 2020, trainings led by the State Personnel Office were delivered primarily in person. As a result of the Public Health Emergency, trainings were re-evaluated and new technologies were leveraged to meet the needs of teleworking employees. Now, employees statewide, either teleworking or working in an office, can attend and participate in trainings remotely. In this quarter SPO offered 25 web-based trainings. State Personnel piloted 2 new courses – *Collaborative Leadership* and *What’s Your Communication Style?* that are now available to state employees in addition to the below courses:

- **Managing Employee Performance-** This course helps managers and supervisors learn to implement the Employee Evaluation Cycle, write job goals that promote employee growth and development, and rate employee performance.
- **Strategies for Positive Management-** This course addresses common issues in supervision using positive strategies to guide employees toward growth and success.
- **Civil Rights-** This is a comprehensive course that increases awareness and knowledge of workplace civil rights; helps employees recognize and avoid conduct that may be discrimination, harassment, or retaliation; provides employees with the appropriate steps to resolve issues related to discrimination, harassment, or retaliation in the workplace; and encourages employees to engage in actions that help create a respectful workplace for everyone.
- **Living in a Union Environment-** This course teaches managers, supervisors, and HR professionals union rights, management rights, common issues that arise in these areas and how to solve them, and how to navigate recent changes in the Labor-Management relationship.
- **Workplace Investigations-** This course teaches managers, supervisors, investigators, and HR professionals the skills to conduct workplace investigations and improve fact-based decision-making.



Data Source:
SHARE PeopleSoft-Enterprise Learning Management (ELM)
Internal Database

Methodology:
Count number of SPO led training offered in quarter

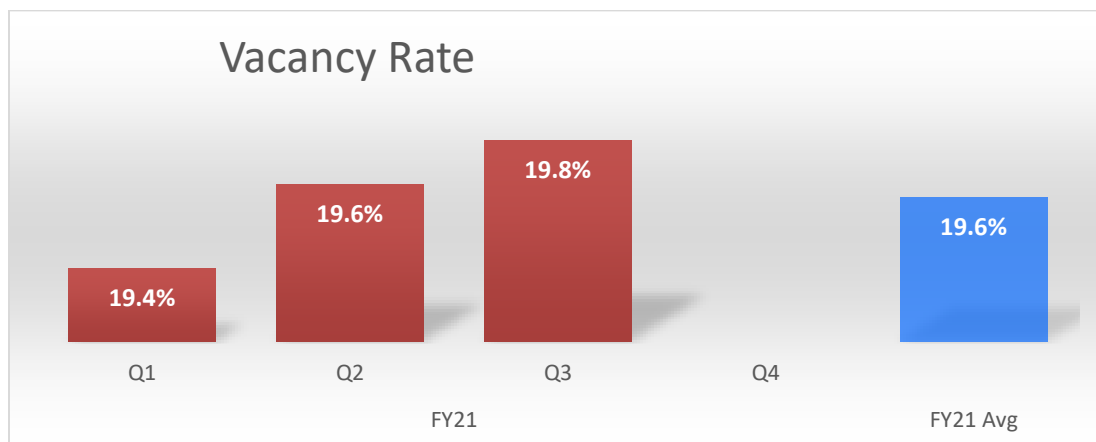
Classified Service Vacancy Rate

The State Personnel Office continues to work with agencies both to fill vacant positions and to reduce or re-evaluate positions that are not needed or can be repurposed for better use. Starting in the first quarter of FY21, positions vacant for longer than 2 years were assessed in collaboration with agency input and subject to inactivation. Agencies also still have the ability to request the creation of new positions or the reclassification of existing positions pursuant to agency need and State Personnel Board Rules.

The first inactivation, which occurred in August 2020, reduced the vacancy rate from 21.2% to 19.4%. After the second inactivation in the second quarter of FY21, the vacancy rate remained lower at 19.6%. The vacancy rate this third quarter is 19.8%.

Looking forward, the inactivation process will occur semi-annually to ensure agencies are recruiting or otherwise addressing outstanding vacant positions. As positions vacant for more than 2 years are assessed and either recruited and filled or inactivated, the state's vacancy rate will more accurately depict the vacancies in state agencies.

It is the responsibility of the agencies to recruit and fill vacancies timely, as they occur, to avoid excessive vacancy rates. Failing to recruit can cause unnecessary strain on teams and individual employees, which, unchecked, can lead to further vacancies and hinder agency programs and mission. It's important to note that General Memorandum 2020-002 did place a hold on some recruitment actions for classified employees.



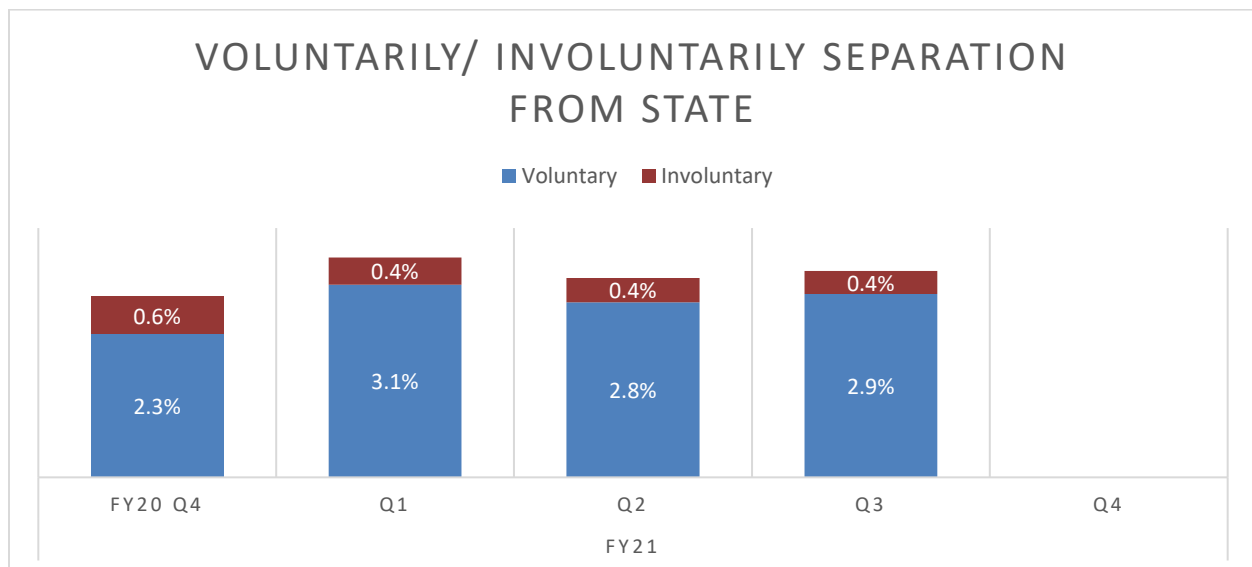
Data Source:
SHARE PeopleSoft-HCM

Methodology:
Compare position and filled data
Numerator: Count of Filled FTE
Denominator: Count of Active/Reg or Term/ FTE Positions

Percent of Classified Employees Voluntarily/Involuntarily Leaving State Service

Separations, whether voluntary or involuntary, create losses for agencies and the state, ranging from loss of institutional knowledge to recruitment and training costs.

The last quarter of FY20 saw a departure from previous trends, with a decrease in voluntary separations and an increase in involuntary separations. This deviation may have been directly related to the uncertainty related to the Public Health Emergency and did not carry forward into the FY21. The current quarter continues to be in line with historical trends.



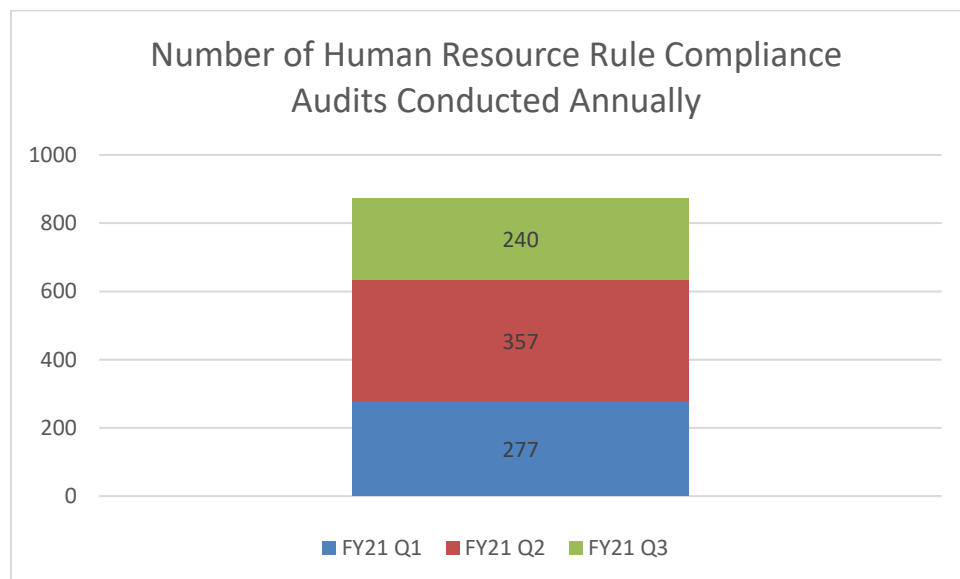
Data Source:
SHARE PeopleSoft-HCM

Methodology:
Compare position and filled data
Numerator: Count of Reg or Term voluntary/ involuntary terminations
Denominator: Count of Reg or Term/ Filled Positions

Number of Human Resources Rule Compliance Audits Conducted Annually

Ensuring rule compliance is a critical function of the State Personnel Office. It reviews compliance with the Personnel Act and the State Personnel Board Rules across a wide spectrum of actions and users. The State Personnel Office conducted 240 rule compliance audits this quarter. In the event of a finding, the State Personnel Office works with agencies to ensure similar findings are prevented in the future.

The State Personnel Office continuously redefines and refines how reviews of personnel and position data are done. It aims to leverage the SHARE system to automate the review process based on State Personnel Board Rule-derived criteria. By reviewing in this way, the State Personnel Office is able to identify findings in real time and work with agencies to circumvent potential issues, including those concerning payroll, as applicable.



Data Source:
SHARE PeopleSoft- Human Capital Management (HCM)
State Personnel Log

Methodology:
Review and Audit position and compensation actions for rule compliance

Quarterly Performance Measures Summary

| FY21 Approved Quarterly Performance Measures | FY21 Targets | Q1 | Q2 | Q3 | Q4 | FY21 Total |
|--|--------------|--------|--------|--------|----|------------|
| Number of rule compliance audits conducted | 1,000 | 277 | 357 | 240 | | |
| Number of SPO-led trainings offered | 100 | 26 | 31 | 25 | | |
| Average number of days to fill a position from the date of posting | | 58.8 | 49.1 | 51.4 | | |
| Percent of classified employees who successfully complete probation | | 66% | 70% | 73% | | |
| Percent of classified employees who voluntarily left state service | | 3.0% | 2.8% | 2.9% | | |
| Percent of classified employees who involuntarily left state service | | 0.4% | 0.4% | 0.4% | | |
| Classified service vacancy rate | | 19.4% | 19.6% | 19.8% | | |
| Average classified employee new hire compa-ratio | | 97.5% | 99.0% | 98.5% | | |
| Average classified employee compa-ratio | 100% | 103.8% | 103.6% | 103.9% | | |
| Number of candidate-hires external to state government | | 369 | 508 | 511 | | |