Fiscal Year 2014

Statewide HR Management Roll-up Report

May 2015

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Overview

To be a competitive employer, state managers must engage in management practices that build and reinforce a competent, productive and inspired workforce. To that end, the HR Management Performance and Accountability system measures and monitors the state's workforce management practices.

In addition, the HR Management Performance and Accountability system emphasizes the use of data to:
- Identify and anticipate HR management issues that affect delivery of state services.
- Enable data-driven HR management strategies and solutions.
- Improve processes and recognize HR management successes.

Approximately 36 executive branch agencies with 100 or more employees submit an annual HR Management Report to State Human Resources in October. These reports outline key workforce successes, challenges and strategies. In addition, State Human Resources publishes a statewide HR Management Report that details, by agency, the results of key workforce performance measures. This Statewide HR Management Roll-Up Report uses a combination of agency HR Management Reports and workforce performance measure data to analyze enterprise workforce measures and summarize agency and enterprise strategies.

Please note that information in this report includes the executive branch only. Higher education and the legislative and judicial branches are not included.

For questions on the Statewide HR Management Roll-up Report, contact **strategichr@ofm.wa.gov.**

Logic model
Washington's Accountability for Workforce Management's Logic Model is used for the HR Management Report. The logic model outlines the desired initial, intermediate and ultimate outcomes associated with five primary responsibilities for managers:

Accountability for Workforce Management

Logic Model
Managers Accountability for Workforce Management

Plan & Align Workforce	Hire Workforce	Deploy Workforce	Develop Workforce	Reinforce Performance
▪ Managers' Human Resource Management (HRM) accountabilities are articulated. ▪ Human Resource policies are in place. ▪ Workforce planning is administered. ▪ Job classes and salaries are assigned.	▪ Qualified candidate pools are created. ▪ Interviews and reference checks are conducted. ▪ Job offers and appointments are made. ▪ Onboarding activities are in place. ▪ Performance monitoring procedures are in place.	▪ Work assignments and requirements are defined. ▪ A positive workplace environment is created. ▪ Coaching and feedback are provided.	▪ Individual development plans are up to date. ▪ Time/resources are designated for training. ▪ A continuous learning environment is created. ▪ Individual skill assessments are done.	▪ Clear performance expectations are linked to goals and measures. ▪ Regular performance appraisals are conducted. ▪ Recognition is given. ▪ Discipline is administered.
So that …	*So that …*	*So that …*	*So that …*	*So that …*
▪ Staffing levels and competencies are aligned with agency priorities. ▪ Manager's HRM accountabilities are understood.	▪ Best candidates are hired and reviewed during the appointment period. ▪ Employees are oriented to their job. ▪ Successful performers are retained.	▪ Workplace is safe, fosters productive relations and encourages performance. ▪ Employees know job requirements and how they are performing. ▪ Employees are supported.	▪ Employees have access to formal and informal learning opportunities. ▪ Employees are engaged in development opportunities and seek to learn.	▪ Employees know how their performance contributes to the success of the organization. ▪ Strong performance is rewarded; poor performance is addressed.
So that …	*So that …*	*So that …*	*So that …*	*So that …*
▪ A strong foundation is in place to build and sustain a productive, high- performing workforce.	▪ The right people are in the right job at the right time.	▪ Time and talent are used effectively. ▪ Employees are motivated, productive and engaged.	▪ Employees have competencies for present job and career advancement.	▪ Successful performance is differentiated and strengthened. ▪ Employees are held accountable.
So that …	*So that …*	*So that …*	*So that …*	*So that …*

▪ State government has workforce depth and breadth needed for present and future success.
▪ Employees are committed to the work they do and the goals of the organization.
▪ Productive, successful employees are retained.

So that …

Agencies are better enabled to successfully carry out their mission and citizens receive efficient government services.

Performance measures

The high-level performance measures listed below expand on the logic model on the previous page. These measures align with most sections of this report. See Appendix A for performance measure definitions.

- **Plan and align workforce**
  - Management profile
  - Employees with current position/competency descriptions

- **Hire workforce**
  - Hiring balance — proportion of appointment types
  - Separations during review period

- **Deploy workforce**
  - Percentage of employees with current performance expectations and individual development plans
  - Overtime usage
  - Sick leave usage
  - Non-disciplinary grievances/appeals filed and outcomes

- **Reinforce performance**
  - Percentage of employees with current performance evaluations
  - Disciplinary actions taken; disciplinary grievances/appeals filed and outcomes

- **Ultimate outcomes**
  - Turnover rates and types
  - Movement between agencies
  - Workforce diversity profile
  - Employee survey ratings

Note: In FY 2014, the percentage of employees with individual development plans is not included in the Develop Workforce section and combined with the percentage of employees with current performance expectations measure in the Deploy Workforce section. This change was made because the completion rates are frequently the same for both measures, and to simplify agency tracking methods. OFM will work with the State Human Resources community to identify new training-related measures in the Develop Workforce section.

Executive summary

The FY 2014 Statewide HR Management Roll-Up Report highlights state agency successes and challenges over the year. Common agency successes and challenges reported in this year's report include:

Successes
- More Lean process improvement activities
- Implementation of on-boarding and new employee orientation processes
- More focus on training for supervisors and managers

Challenges
- Recruitment and retention in certain classifications
- Turnover in key positions
- Budget constraints

The following section provides highlights of workforce impacts and activities over the past fiscal year.

Employer of choice – Governor Inslee introduced the "Employer of Choice" initiative and goals in collaboration with Results Washington. Goals include increasing the percentage of employees who respond positively on engagement questions in the employee survey; feel their leaders create a culture of respect, feedback and recognition; and believe their agency is increasing customer value.

Veterans transition support – Governor Inslee's Executive Order 13-01 requires executive cabinet agencies to develop annual veteran employment plans to increase the representation of veterans in their workforce and report progress to the Office of Financial Management (OFM), State Human Resources.

Improving employment opportunities for people with disabilities – Governor Inslee's Executive Order 13-02 challenges state government to increase the percentage of persons with disabilities in the state workforce from 3 percent to 5 percent by June 30, 2017.

Expanding telework and flexible work hours programs – Governor Inslee's Executive Order 14-02 requires state agencies to increase the number of state employees participating in telework and flexible work hour programs. Information on participation will be provided to the Governor's Office on a biennial basis.

Lean process improvement – Results Washington calls on state agencies to apply Lean thinking and tools, report regularly on their progress on the Governor's priorities, and be accountable for making improvements and delivering results to the citizens of Washington.

The following Executive Summary Trend summarizes enterprise workforce measures over six HR Management Report cycles.

Executive Summary Trend

PLAN & ALIGN WORKFORCE	FY09	FY10	FY11	FY12	FY13	FY14
% of workforce that is WMS	6.9%	6.7%	6.7%	6.5%	6.4%	6.5%
% of workforce that are managers	7.2%	8.1%	8.1%	7.8%	7.9%	7.7%
% employees with current position descriptions	92.7%	84.3%	84.2%	81.7%	87.0%	86.9%
HIRE WORKFORCE	**FY09**	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**
Avg number of days to fill job vacancies	56	57	39	41	44	N/A[1]
Total number of appointments	9,233	9,290	6,888	12,702	13,244	14,770
% promotions	34.3%	34.3%	29.7%	30.3%	31.3%	34.1%
% new hires/rehires	28.6%	28.8%	30.9%	25.8%	32.1%	30.7%
% transfers	21.1%	20.4%	25.1%	31.9%	19.3%	14.2%
% hires from layoff list	0.8%	2.0%	2.0%	1.7%	1.1%	0.8%
% other appts	15.1%	14.5%	12.3%	10.4%	16.2%	20.1%
Number of separations during review period	712	588	449	555	850	1,013
DEPLOY WORKFORCE	**FY09**	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**
% employees with current performance expectations and individual development plans*	N/A	N/A	N/A	N/A	N/A	73.1%
% employees with current performance expectations*	76.1%	82.2%	64.3%	78.0%	84.6%	N/A[2]
Avg overtime hours used per month (of eligible)	4.4	4.0	3.8	4.1	4.8	4.8
Avg % of employees rec'ving overtime per month (of eligible)	28.0%	27.3%	26.9%	26.6%	27.7%	28.6%
Avg sick leave hours used per month	6.4	6.5	6.6	5.8	5.9	6.68
Avg sick leave hours balance	240.2	236.0	239.0	246.1	249.0	242.6
Number of non-disciplinary grievances filed	427	661	611	537	437	396
Number of non-disciplinary appeals/PRB	33	55	33	23	33	13
Number of Director's Reviews filed	92	49	56	120	62	104
DEVELOP WORKFORCE	**FY09**	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**
% employees with current individual development plans*	76.6%	81.0%	62.3%	77.5%	83.8%	N/A*
REINFORCE PERFORMANCE	**FY09**	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**
% employees with current performance evaluations	79.3%	83.4%	67.8%	83.0%	76.8%	72.3%
Number of disciplinary actions taken	311	311	350	288	295	323
Total number of disciplinary grievances and appeals filed	225	277	296	261	288	209
Number of grievances	198	261	282	249	275	197
Number of appeals	27	16	14	12	13	12
ULTIMATE OUTCOMES	**FY09**	**FY10**	**FY11**	**FY12**	**FY13**	**FY14**
Turnover rates (leaving state service)						
% of total turnover	7.9%	8.3%	9.7%	10.9%	10.1%	9.8%
% of resignation	3.2%	3.3%	3.8%	4.1%	4.4%	4.5%
% of retirement	1.9%	2.1%	2.7%	2.5%	3.0%	2.8%
% of dismissals	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%
% of layoffs	0.4%	0.8%	1.0%	1.8%	0.4%	0.1%
% of other turnover	2.1%	2.0%	2.0%	2.3%	2.0%	2.1%
Movement between agencies						
Total % movement between agencies	N/A	N/A	N/A	N/A	N/A	1.9%
number of transfers	N/A	N/A	N/A	N/A	N/A	197
number of promotions	N/A	N/A	N/A	N/A	N/A	661
number of demotions	N/A	N/A	N/A	N/A	N/A	50
number of other	N/A	N/A	N/A	N/A	N/A	108
Workforce diversity/diversity profile						
% of females	51.0%	50.9%	50.7%	50.6%	51.1%	51.4%
% of persons of color	18.0%	18.0%	18.0%	18.0%	18.3%	18.7%
% of persons with disabilities	3.7%	3.4%	3.3%	3.4%	3.1%	2.9%
% of persons age 40 and older	70.0%	71.1%	72.5%	72.6%	71.7%	70.7%
% of veterans	11.8%	11.5%	11.1%	10.5%	9.9%	9.5%
Employee survey positive response (% Usually or Always/Almost Always; 11 questions unchanged since FY 2010)	N/A	70%	N/A	67%	N/A	69%

Note: Some trend data may differ from past HR Management Reports due to recent reporting improvements and data cleanup by agencies.

[1] Time to hire measure is suspended for FY 2014 to determine an easier, more accurate way to track or pull this data.
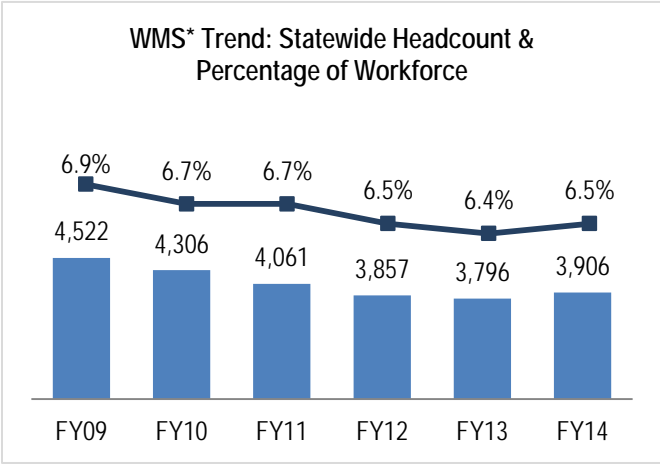
[2] In FY 2014, the measures % employees with current performance expectations and % employees with current individual development plans were combined
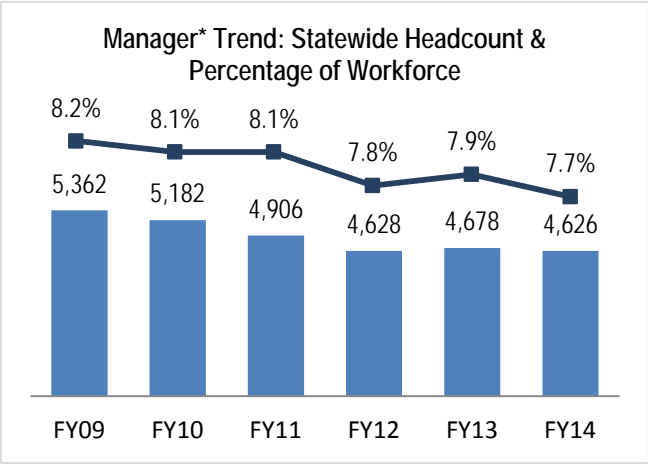
Plan and align workforce

Management profile

Executive branch management is a combination of Washington Management Service (WMS), Exempt Management Service (EMS) and Washington General Service (WGS) managers.

Overall management headcounts continue to decline with the exception of WMS, which showed a 0.1 percent increase in fiscal year 2014, an increase of 110 employees. The overall employee headcount increased by 1.6 percent in the same period.

WMS* Trend: Statewide Headcount & Percentage of Workforce

FY09	FY10	FY11	FY12	FY13	FY14
6.9%	6.7%	6.7%	6.5%	6.4%	6.5%
4,522	4,306	4,061	3,857	3,796	3,906

*WMS includes traditional managers as well as persons who do not manage personnel but are high-level technical experts in their field.

Manager* Trend: Statewide Headcount & Percentage of Workforce

FY09	FY10	FY11	FY12	FY13	FY14
8.2%	8.1%	8.1%	7.8%	7.9%	7.7%
5,362	5,182	4,906	4,628	4,678	4,626

*Manager includes persons who manage program(s), budget(s) and staff; this is a traditional managerial role.

Agencies reported ongoing challenges in retaining critical management talent or technical expertise. Reported barriers are compensation and growth and development opportunities.

Agency strategies

Agencies are using strategies to increase employee engagement and job satisfaction as part of Governor Inslee's Results Washington Employer of Choice initiative. The majority of reporting agencies are dedicating resources to increase supervisory and leadership training, and using Lean tools to look at management processes and policies. Strategies include:

- Using Lean initiatives to improve efficiencies by analyzing policies and practices to reduce, improve and streamline management systems.
- Exploring ways to retain employees with a variety of initiatives such as re-balancing workloads, pooling and sharing staff across divisions, and identifying and eliminating non-critical work.
- Developing promotional opportunities through a variety of initiatives, including succession planning, Lean leadership and creation of leadership competencies.
- Developing Lean leadership programs and teams to strengthen leadership capability and capacity throughout agencies.

Current position/competency descriptions

Position descriptions connect a person's work to his/her pay and to the agency's mission. Accurate position descriptions are the foundation for setting employee expectations, planning for development and evaluating performance. Agencies are required to maintain current position descriptions for classified employees in accordance with WAC 357-13-030.
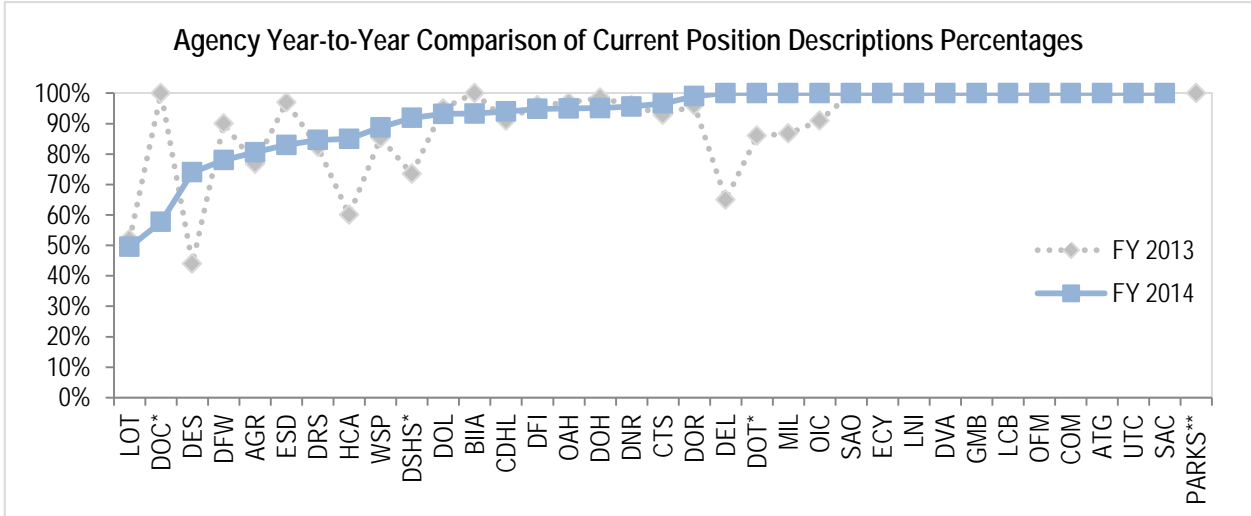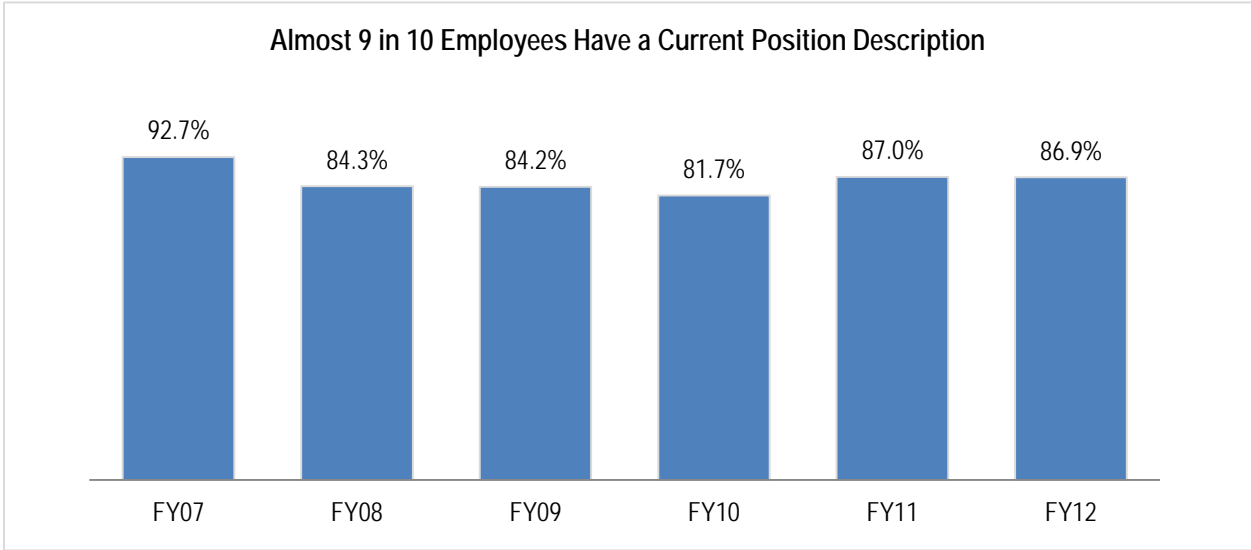
Almost 9 in 10 Employees Have a Current Position Description

FY07	FY08	FY09	FY10	FY11	FY12
92.7%	84.3%	84.2%	81.7%	87.0%	86.9%

Agency Year-to-Year Comparison of Current Position Descriptions Percentages

*DSHS, DOC and DOT compose 55 percent of the workforce, so changes in their completion rates may have a large impact on the overall percentage.

**Washington Parks and Recreation Commission has gone through significant turnover in its Human Resources office. This resulted in loss of knowledge and inadequate resources to determine position description completion rates in FY 2014.

Agency strategies

Several agencies discussed successes in position clarity and indicated they intend to make it a priority in FY 2015. Agency strategies to increase the number and quality of current position descriptions include:

- Renewing focus on agency vision, mission and goals related to workforce planning, including assessment of leadership and talent to achieve strategic goals and clearly connecting employees to the agency mission through the work they do and the value they add.

- Completing WMS position reviews to ensure proper placement based on work, and assessing and aligning "like positions" within the new WMS banding.

- Developing, clarifying and deploying core leadership competencies and involving employees at all levels to develop competencies and strengthen cultural change.

- Identifying better technology options for storing, updating and making position descriptions more easily available.

- Requiring an accurately updated position description form prior to posting a recruitment notice and evaluating vacancies prior to moving forward with recruitments, which allows realignment with strategy and candidate screening based on position-specific qualifications and competencies.

- Realigning and redeploying resources within limits.

- Using position description templates to reflect agency core competencies and ensure consistent duties, expectations and qualifications in common jobs.

- Clearly connecting positions with required training.

Hire workforce

Hiring balance – types of appointments

New hires, rehires and promotions continue to compose more than half of all appointments. Promotions provide development opportunities for state employees. New hires and rehires bring experience and ideas from outside the state, and develop potential for meeting new needs. Total appointments have doubled since the statewide hiring freeze — in place from March 2010 to June 2011 — was lifted, and one-third of those were promotions. While the number of appointments has doubled since the hiring freeze was lifted, the number of employees for FY 2014 of 59,878 is still below the 60,698 employees in FY 2011.

The percentage of transfers in FY 2014 was the lowest in six years. The spike in FY 2012 was due mainly to the formation of the Department of Enterprise Services. "Other" appointments include personnel actions such as probationary and project appointments, and the transition of successful hires from nonpermanent to permanent employment.
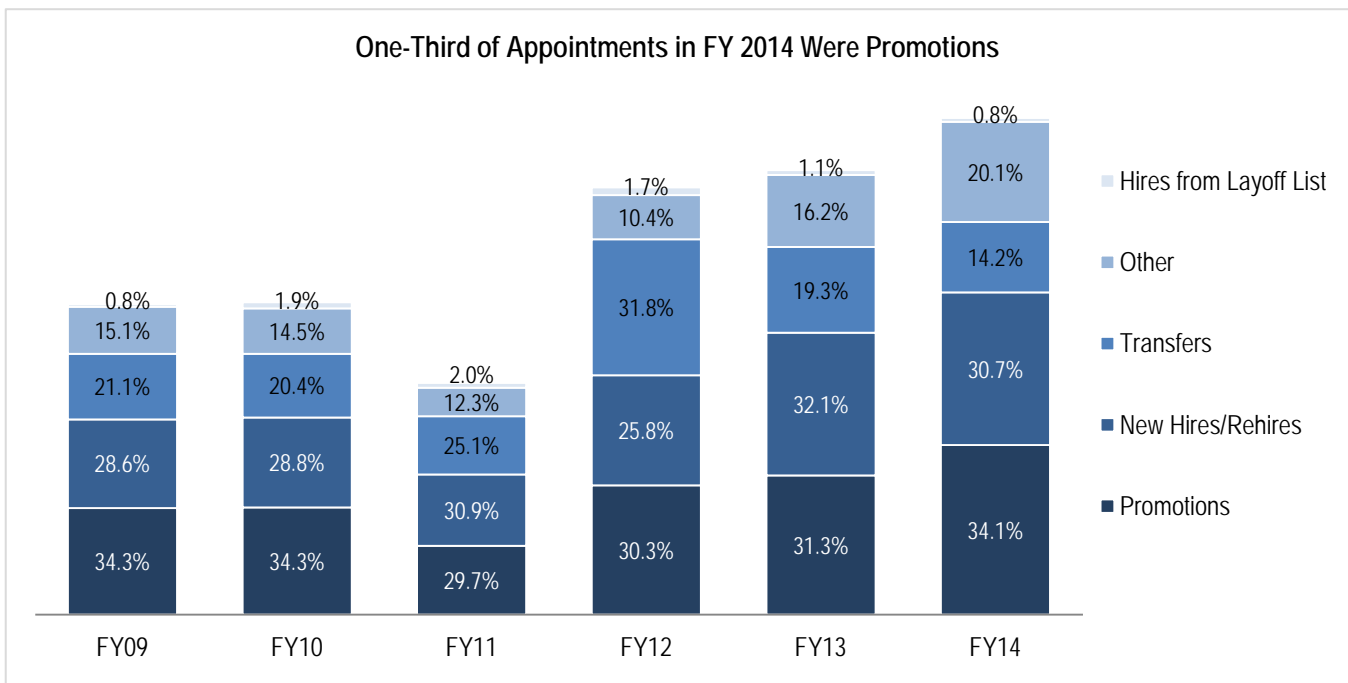
Twenty-three agencies reported hiring as a challenge or risk, including:
- More turnover in specialized classes and limited availability of specific skill sets in the market
- Pay gaps between the private and public sectors
- Difficulty attracting highly skilled applicants for senior executive-level positions
- Salary compression issues between skilled staff and higher levels of management
- Time/workload required to train inexperienced new hires
- Inadequate new employee orientation, such as lack of receiving timely expectations and relevant feedback
- Losing non-permanent employees to permanent employment opportunities
- Holding positions vacant due to budget constraints or to mitigate the impact of a layoff

Agency strategies

Many agencies are implementing strategies in FY 2015 to resolve their concerns, including the following:

- Using low- and no-cost programs such as Work-Study, college externships and/or cooperative work experience.
- Building partnerships with colleges, universities, professional associations and other community-based organizations to expand and enhance recruitment avenues.
- Creating a "ready-hire pool" to fill frequently open job classes.
- Enhancing and streamlining the recruitment process by educating and engaging hiring managers/panels and using Lean principles to explore and implement improvement opportunities.
- Seeking temporary and seasonal employees to fill permanent positions.
- Exploring ways to offer a competitive salary plus benefits package to recruit highly qualified and experienced candidates.
- Evaluating and refreshing new employee orientation and on-boarding processes using customer feedback, automation, classroom training, coach/mentor programs, feedback loops and quarterly check-ins with HR and divisional cross-training.
- Integrating workforce planning in program planning.
- Evaluating policies, processes and education to ensure the agency is hiring the best employee each time a vacancy is filled.
- Focusing less on technical skills that can be learned on the job and more on attracting the right talent and cultural fit for the organization.
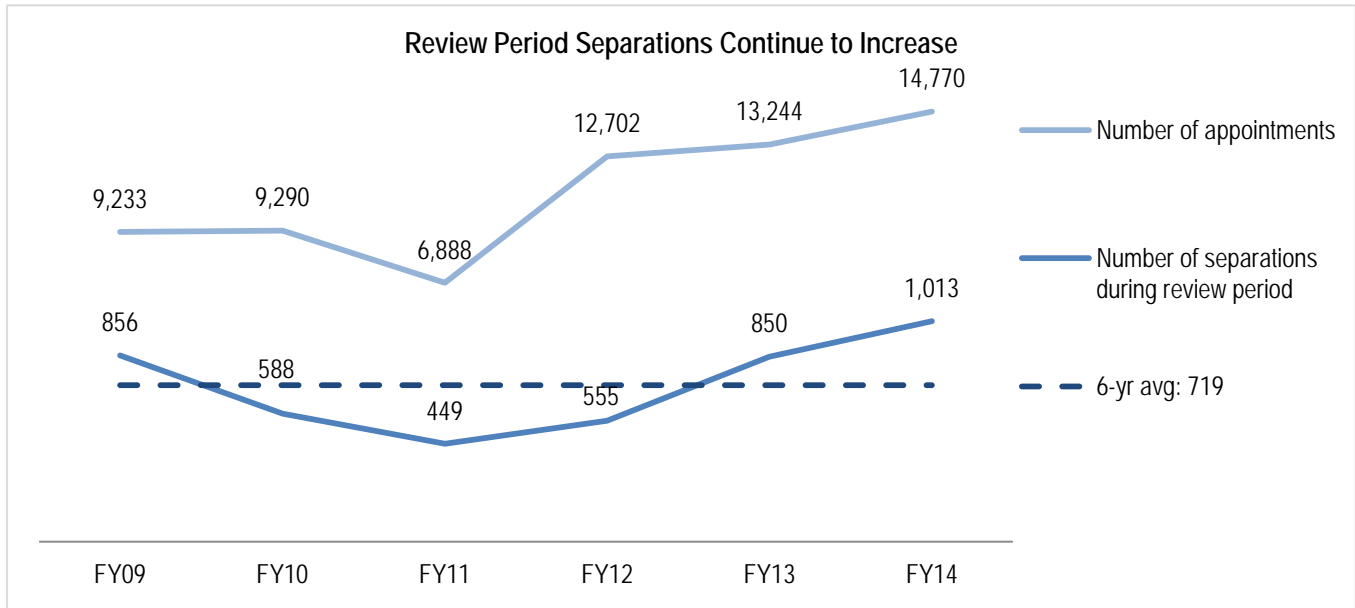
Enterprise strategies

- The interagency Staffing Council has identified best recruitment and selection practices, and is delivering training programs for staffing practitioners across the state.
- Cross-agency teams are working to ensure diversity in the hiring processes. See Workforce Diversity for more information.

Separations during review period

Review period separations increased 19 percent from the previous fiscal year. This increase may be related to an increase in appointments as a result of filling positions previously held vacant due to the hiring freeze.

When compared to the six-year average of appointments, approximately 6.5 percent of appointments resulted in separation during the review period.

Review Period Separations Continue to Increase

Number of appointments: FY09 9,233; FY10 9,290; FY11 6,888; FY12 12,702; FY13 13,244; FY14 14,770

Number of separations during review period: FY09 856; FY10 588; FY11 449; FY12 555; FY13 850; FY14 1,013

6-yr avg: 719

Agency strategies

Many agencies are implementing strategies to help improve candidate quality, such as:

- Creating a hiring managers guide that outlines best practices through the entire hiring process, including job analysis, recruitment, selection and on-boarding.

- Providing performance management tools and guidance to supervisors so they can set clear expectations and help employees understand how their work contributes to the agency's mission and goals.

- Improving on-boarding processes, including:
    - just-in-time training, including WebEx-based training
    - employee intranet site improvements
    - mentorship programs
    - on-boarding surveys
   - structured check-ins with new employees

Deploy workforce

Current performance expectations and individual development plans

Performance expectations outline the key results and competencies expected of the employee during a performance period and reflect the position's major responsibilities. Individual development plans (IDP) assist employees in career and personal development, and identify opportunities to improve job performance.

In FY 2014, one in four employees was working without current formal expectations and/or IDP. Several agencies with high rates of employees with current expectations and IDPs attributed their success to the importance their agency leadership places on performance management and communicating performance expectations.

Percentage of Employees with Completed Expectations/Individual Development Plans

Legend:
- ■ % employees with current performance expectations
- ■ % employees with current individual development plans
- ■ % employees with current performance expectations and individual development plans
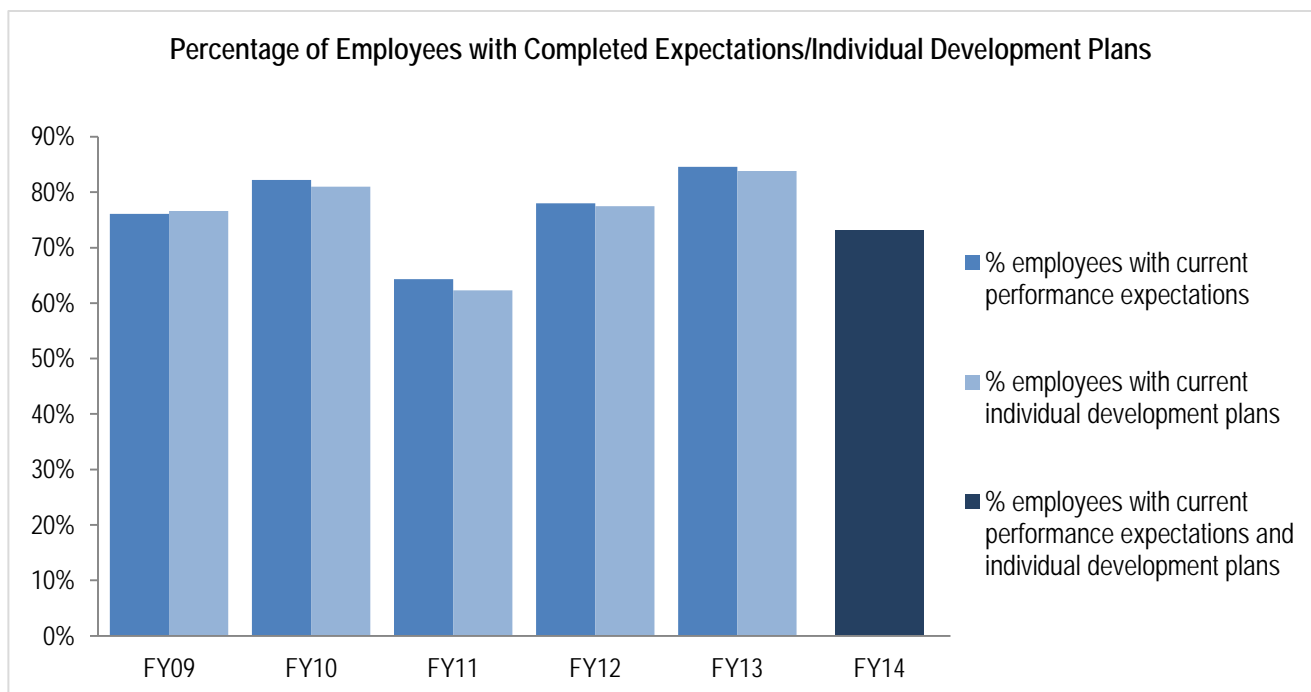
Note: In FY 2014, current performance expectations and IDP measures were consolidated to streamline agency tracking.

*DSHS, DOC and DOT compose 55 percent of the workforce, so changes in their completion rates may have a large impact on the overall percentage.

** DSHS suspended the evaluation process in 2011 while a joint labor-management work group developed an improved evaluation system. DSHS has had challenges with its new automated performance management system and moved to paper-based reporting at the end of FY 2014. Statewide percentages for these fiscal years were affected since DSHS composes approximately 30 percent of the state workforce.

DEPLOY

Agency strategies

In addition to increasing completion rates, 10 agencies (of 36 reporting agencies) reported a desire to improve the quality of employee performance expectations. Agency strategies include:

- Collaborating across agencies to develop requirements for online performance management systems to improve statutory compliance as well as process effectiveness and efficiency.
- Providing managers and supervisors more thorough training and tools to write more meaningful performance development plans.
- Developing a robust set of guidelines, approaches and tools to help supervisors set standards for acceptable behavior and productivity.
- Anticipating changes to work and the ways employees are expected to perform the work.
- Developing tools and opportunities, such as holding quarterly target review meetings, to help employees connect their work to the agency's mission, goals and objectives.
- Setting goals to have new employee expectations completed within a specific time frame (such as two weeks) to ensure new employees know what is expected of them and how their work contributes to the agency's mission.
- Making individual expectation and evaluation completion data available on agency SharePoint or intranet sites, increasing visibility and holding supervisors accountable for timely completions.

While only a few agencies discussed strategies to increase IDPs, 31 agencies reported strategies to increase or improve training and/or development in FY 2015. Strategies include:

- Preparing multiple successors, transitioning successors to new roles, ensuring knowledge transfer and planning for long-term leadership needs.
- Providing leadership development on clarified leadership competencies, conducting gap analyses of supervisor and manager skills, and providing supervisor performance management training.
- Exploring training opportunities for staff using resources such as e-learning; staff/subject matter experts; shared training; and partnerships with federal and state agencies and other sources, including private industry and in-house training for specialized certifications/licensures.
- Preparing staff for promotional opportunities though mentorships, coaching, cross-training (including cross division), counseling, job shadowing, special projects, participation on agency and statewide committees, and rotational and developmental assignments.
- Sponsoring quarterly all-staff training sessions, brown bag book reviews, Lean practitioner training and Lean certification.

Enterprise strategies

Agencies are working to improve Washington as an employer of choice. Results Washington Employer of Choice goal 5.1.2 uses Employee Engagement Survey data to measure management practices that influence engagement. Knowing how their work contributes to the goals of the agency is key to employees feeling connected and motivated in their jobs.

Clear expectations based on achievable outcomes set the stage for meaningful evaluations. From there, evaluations can include conversations about process improvements and skills development to achieve the outcomes.

Overtime usage

Approximately 69 percent of the workforce was eligible for overtime pay in FY 2014; less than 20 percent of the workforce actually received overtime. In 23 of the 36 agencies represented in this report, the number of employees receiving overtime was less than 10 percent.

Overtime hours are generally due to services such as those provided through the 24-hour operation of corrections facilities, veterans homes, social service institutions, and safety and emergency management positions such as firefighters and state troopers.

Percentage of Employees Who Received Overtime Hours by Agency
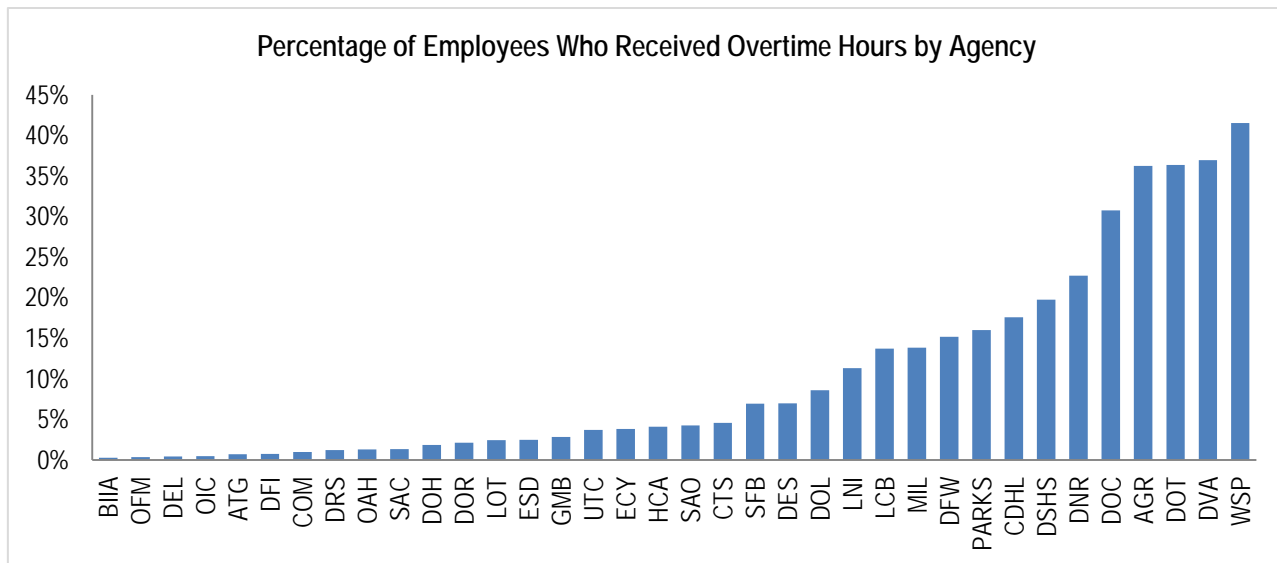
Agency strategies

- Continuing to assign the appropriate amount of work to overtime eligible employees.
- Developing retention strategies to address vacancies and absences.
- Monitoring overtime use at all levels, including monthly reviews with leadership of overtime use.
- Holding staff accountable for unscheduled leave use and reviewing staffing models to ensure appropriate levels.

Enterprise strategies

Overtime can often be a symptom of other workforce challenges, such as organizational changes and absences due to hard-to-fill positions, turnover and sick leave. Enterprise strategies related to retention, employee wellness, flexible work schedules and telework agreements aim to mitigate the demand on employees and minimize the need for overtime.

Nondisciplinary grievances

Grievances apply to represented employees only. The number of nondisciplinary grievances has continued to decrease, dropping 40 percent since FY 2010.

Nondisciplinary grievances are related primarily to compensation, hours of work and performance evaluations. Agencies strive to resolve grievances within the agency, and this is reflected in the fact that less than 1 percent of nondisciplinary grievances resolved in FY 2014 required arbitration. This has remained rather static, with less than 1 percent of nondisciplinary grievances resulting in arbitration during FY 2013 and 2 percent resulting in arbitration in FY 2012.

Nondisciplinary Grievances Filed Continues to Decrease

FY09	FY10	FY11	FY12	FY13	FY14
427	661	611	537	437	396
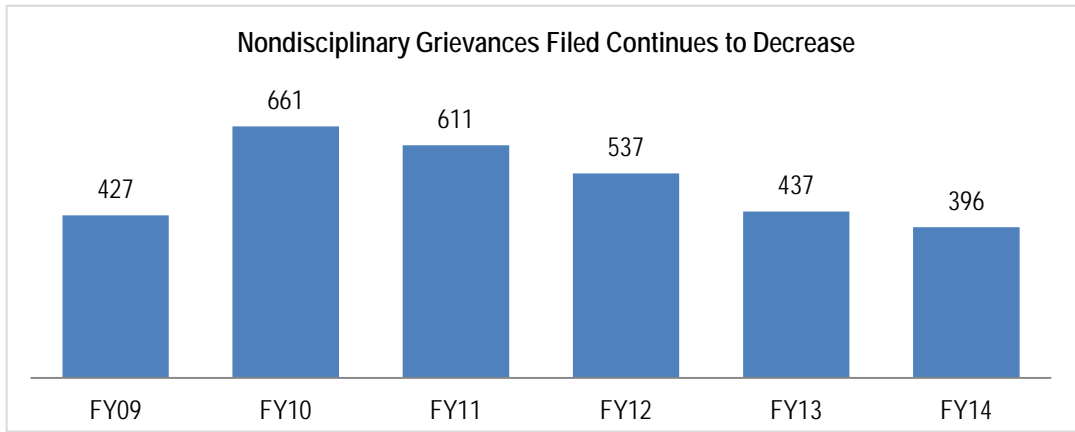
Nondisciplinary appeals

In FY 2014, 95 percent of the nondisciplinary Director's Review filings and 48 percent of the PRB filings were related to position allocation. This has been the trend over the past eight years. Most recently, the top three classifications that filed appeals were IT specialists, financial services specialists and program coordinators.

Personnel Resources Board Filings

FY	Value
FY09	33
FY10	55
FY11	33
FY12	23
FY13	33
FY14	13

Director's Review Filings

FY	Value
FY09	92
FY10	49
FY11	56
FY12	120
FY13	62
FY14	104

Personnel Resources Board Outcomes

- Dismissed 42%
- Affirmed 42%
- Withdrawn 11%
- Reversed 5%

Director's Review Outcomes FY14

- Affirmed 36%
- Withdrawn 21%
- Reversed 20%
- Modified 12%
- No Jurisdiction 9%
- Untimely 2%

Note: There is not a one-to-one correlation between FY 2014 filings and outcomes shown in the charts above. The time lag between the filing date and when a decision is rendered may cross fiscal years.

Enterprise strategies

In FY 2014, the State Human Resources Classification and Compensation team held five "Introduction to Position Allocation" trainin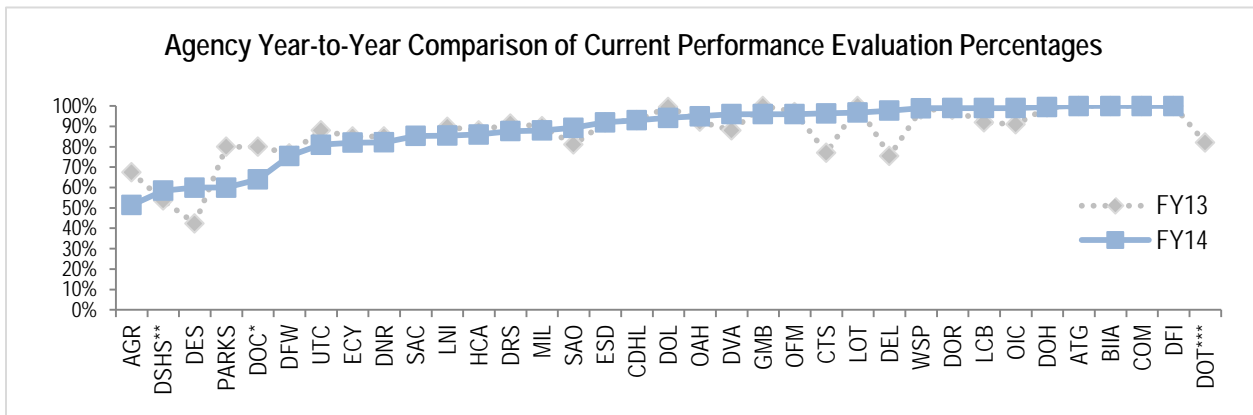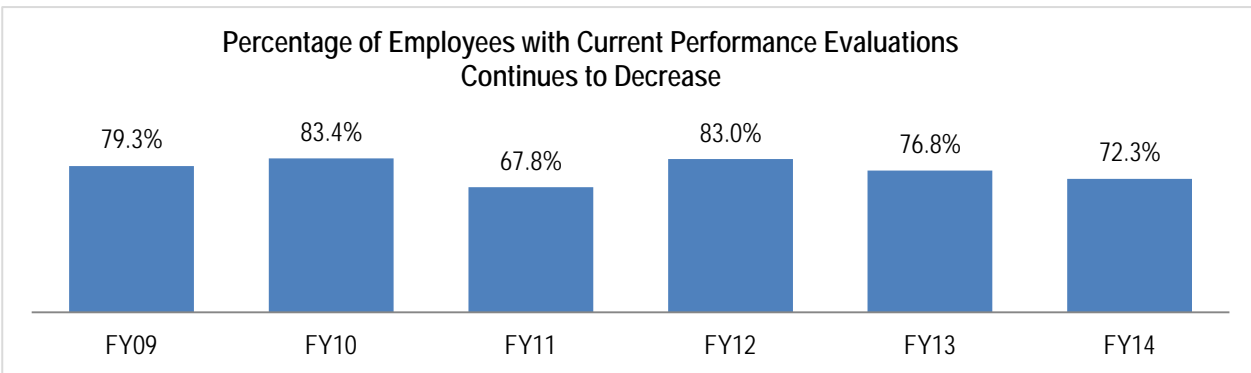g classes with a total of 191 participants. The training provides instruction on how to conduct a quality position review, manage the allocation process and understand the allocation resources available to state agencies.

Reinforce performance

Current performance evaluations

Performance evaluations provide a written assessment of the employee's demonstration of key results and competencies outlined in the employee's performance expectations. Chapter 357-37 of the WAC requires performance feedback be provided to classified employees through a formal evaluation process at least annually. More than one in four employees has not had a formal performance evaluation during FY 2014. See the following page for agency-identified strategies to address this matter.

An employee's level of engagement depends in part on feeling valued at work. Research shows that feedback needs to happen at least once a month or it creates *disengagement* in the employee[1]. The formal performance evaluation process provides a structure for conversations about the value of employees and their work. Combined with regular informal feedback and recognition, the state can achieve more frequent feedback, which helps improve employee engagement. Agencies are addressing this as noted on the following page.

Percentage of Employees with Current Performance Evaluations Continues to Decrease

FY09	FY10	FY11	FY12	FY13	FY14
79.3%	83.4%	67.8%	83.0%	76.8%	72.3%

Agency Year-to-Year Comparison of Current Performance Evaluation Percentages

(Legend: FY13, FY14)

Agencies (left to right): AGR, DSHS**, DES, PARKS, DOC*, DFW, UTC, ECY, DNR, SAC, LNI, HCA, DRS, MIL, SAO, ESD, CDHL, DOL, OAH, DVA, GMB, OFM, CTS, LOT, DEL, WSP, DOR, LCB, OIC, DOH, ATG, BIIA, COM, DFI, DOT***

*DSHS, DOC and DOT compose 55 percent of the workforce, so changes in their completion rates may have a large impact on the overall percentage.

** DSHS suspended the evaluation process in 2011 while a labor-management work group developed an improved evaluation system. DSHS has had challenges with its new automated performance management system and moved to paper-based reporting at the end of FY 2014. Statewide percentages for these fiscal years were affected since DSHS composes approximately 30 percent of the state workforce.

***DOT's performance evaluation system is inhibiting its ability to accurately report evaluation completion rates for FY 2014.

[1] CEB Corporate Leadership Council, Building Engagement Capital, page 53, published 3/11/2011, accessed Nov. 2, 2014.

Ultimate Outcomes

Agency strategies

Agencies continue to work on improving Washington as an employer of choice. Sixty-six percent of employees say they get feedback from their supervisor that helps them improve their performance. Fifty-two percent say they receive recognition for a job well done.
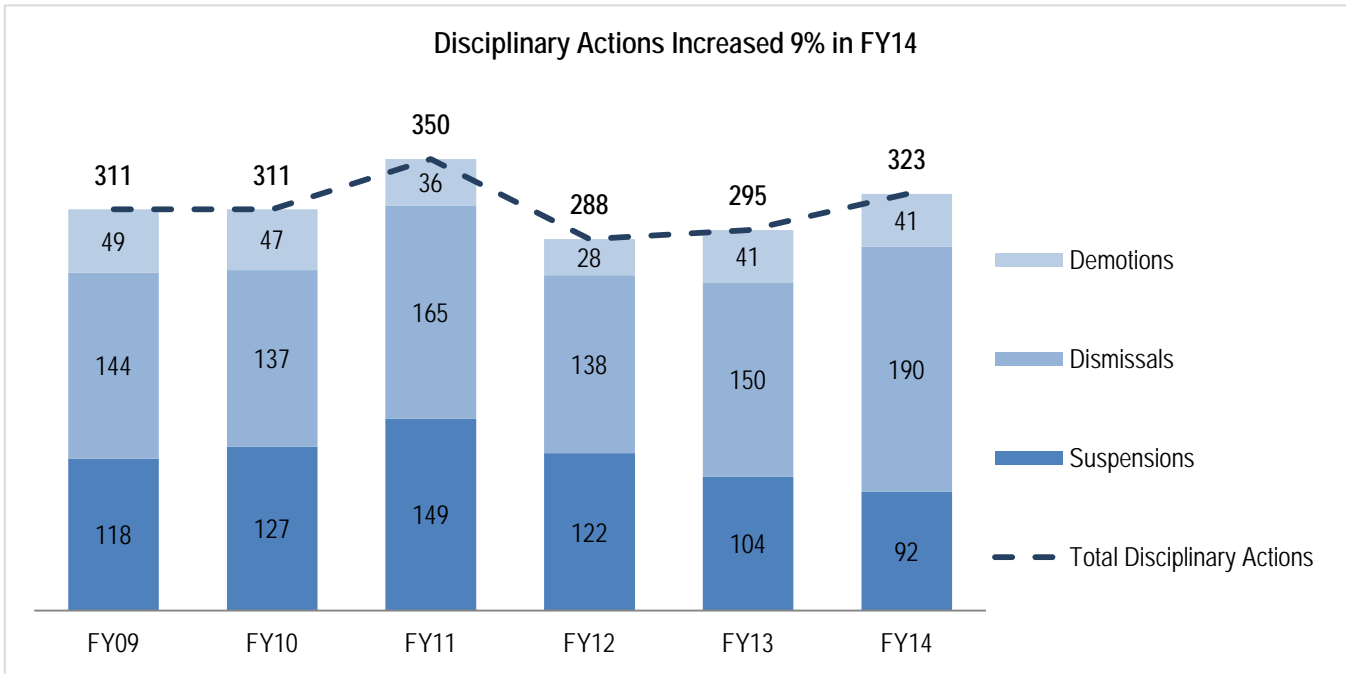
Half the reporting agencies are implementing strategies related to performance evaluations and/or recognition, including:

- Exploring innovative, non-monetary awards for high performance (such as time off, professional development opportunities and cross-training).

- Holding supervisors accountable for:
  › effectively managing employee performance
  › linking individual performance to organizational goals and performance measures
  › recognizing those who demonstrate agency values

- Finding ways for the executive management team, managers and supervisors to recognize employee efforts, including peer-to-peer recognition — efforts that will help employees remain engaged in their work.

- Improving employee engagement and driving employee performance, accomplishment and continuous improvement.

- Celebrating successes and helping employees understand how their agency measures success.

- Using "360 reviews" that incorporate feedback from peers, subordinates and supervisors.

- Addressing performance or behavior issues appropriately and quickly.

- Providing information, training and streamlined tools to supervisors for the most effective use of the evaluation.

- Reviewing options for an online performance evaluation system.

Disciplinary actions taken

Disciplinary actions for all employees increased 9 percent in FY 2014. However, the overall number of disciplinary actions remained low for a workforce of 59,878 represented and nonrepresented employees.

Additional types of disciplinary actions not reported at the enterprise level include oral and written reprimands and reductions in pay.

Disciplinary Actions Increased 9% in FY14

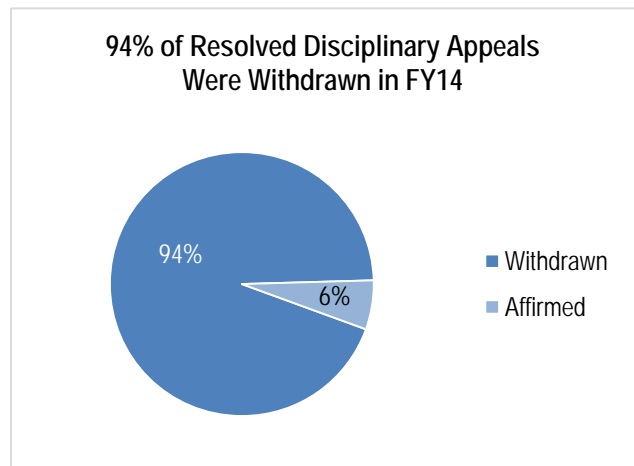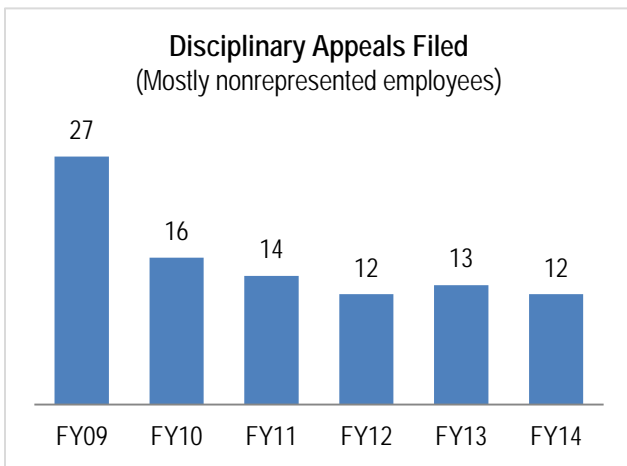| Fiscal Year	Demotions	Dismissals	Suspensions	Total Disciplinary Actions
FY09	49	144	118	311
FY10	47	137	127	311
FY11	36	165	149	350
FY12	28	138	122	288
FY13	41	150	104	295
FY14	41	190	92	323

Disciplinary grievances and appeals

Disciplinary grievances apply to represented employees while disciplinary appeals apply mostly to nonrepresented employees.

Although the number of disciplinary actions taken increased in FY 2014 (see Disciplinary Actions Taken), the number of disciplinary appeals filed with the PRB remained low.

Ninety-four percent of the disciplinary appeals resolved at the PRB in FY 2014 were withdrawn by the appellant.

Disciplinary Appeals Filed
(Mostly nonrepresented employees)

FY09: 27, FY10: 16, FY11: 14, FY12: 12, FY13: 13, FY14: 12

94% of Resolved Disciplinary Appeals Were Withdrawn in FY14

94% Withdrawn, 6% Affirmed

Disciplinary grievances dropped 28 percent in 2014, mostly due to an effort by two of the largest agencies to work closely with the unions on disciplinary actions. The number of filings remains low for a workforce of 45,078 represented employees. Of the disciplinary grievances resolved in fiscal year 2014:

- 63 percent were resolved at the lowest level
- 28 percent were resolved at the agency-head level
- Less than 1 percent went to arbitration

Disciplinary Grievances Filed
(Represented employees only)

FY09: 198, FY10: 261, FY11: 282, FY12: 249, FY13: 275, FY14: 197
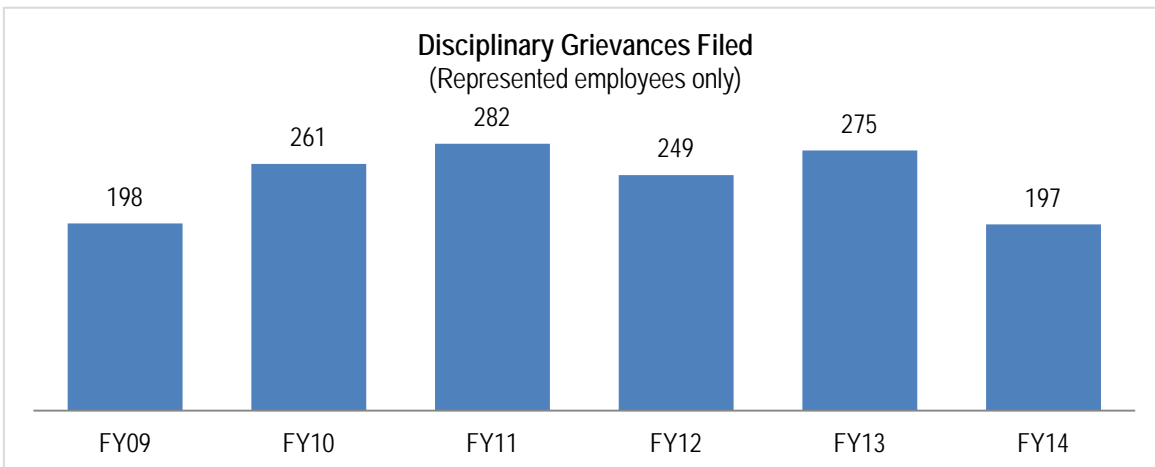
Ultimate outcomes

Turnover (leaving state service)

Turnover decreased from 10.1 percent in FY 2013 to 9.8 percent in FY 2014. Resignations continued to increase in FY 2014, which parallels the U.S. public sector increase in resignations.

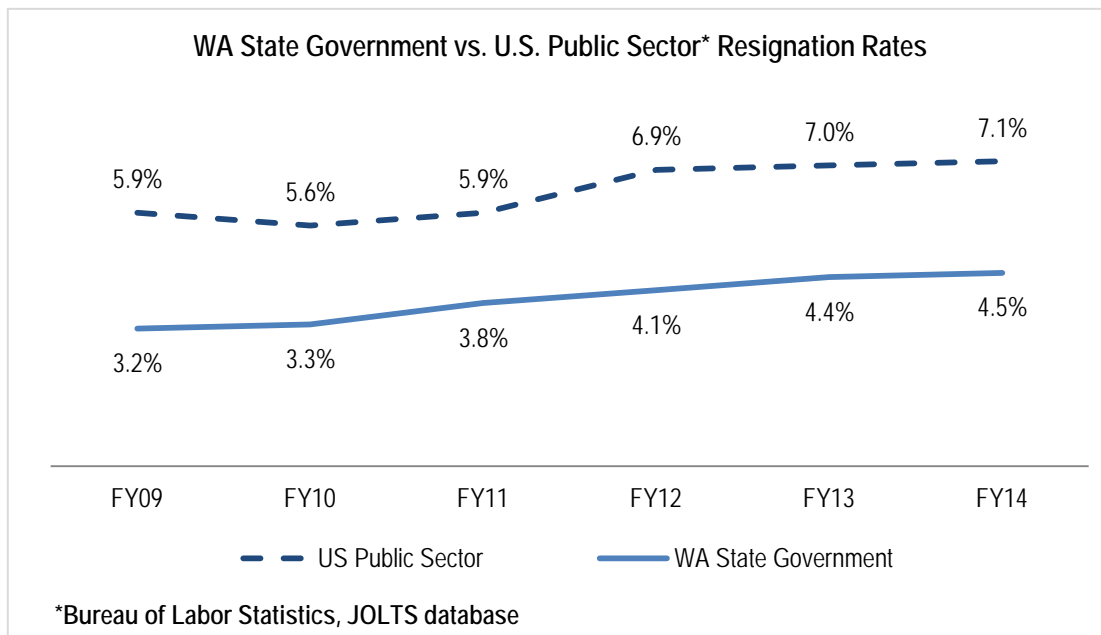| Turnover Type	FY09	FY10	FY11	FY12	FY13	FY14	6-yr avg
Resignation	3.2%	3.3%	3.8%	4.1%	4.4%	4.5%	3.9%
Retirement	1.9%	2.1%	2.7%	2.5%	3.0%	2.8%	2.5%
Dismissal	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.2%
Layoff	0.4%	0.8%	1.0%	1.8%	0.4%	0.1%	0.8%
Other	2.1%	2.0%	2.0%	2.3%	2.0%	2.1%	2.1%
Total Turnover	7.9%	8.3%	9.7%	10.9%	10.1%	9.8%	9.5%

Despite the increase, state employee resignations are still well below the U.S. public sector "quit rate," as shown below.

WA State Government vs. U.S. Public Sector* Resignation Rates

US Public Sector: 5.9% (FY09), 5.6% (FY10), 5.9% (FY11), 6.9% (FY12), 7.0% (FY13), 7.1% (FY14)

WA State Government: 3.2% (FY09), 3.3% (FY10), 3.8% (FY11), 4.1% (FY12), 4.4% (FY13), 4.5% (FY14)

— — US Public Sector   —— WA State Government

*Bureau of Labor Statistics, JOLTS database

Note: Bureau of Labor Statistics is used as a benchmark because it is a similar, although not exact, comparison of resignation rates.

ULTIMATE OUTCOMES

Agency strategies

As the economy improves, several agencies predict higher turnover in both retirements and resignations. Many agencies are concerned about the impacts of turnover combined with already reduced resources and heavier workloads.

Agencies anticipate positive impacts on employee engagement and retention as they move toward becoming an employer of choice. Agency strategies include:

- Developing a Lean culture that solicits employee feedback and supports continuous improvement.
- Developing mentorship programs and cross-training opportunities.
- Increasing focus on developmental assignments and career advancement opportunities.
- Reinstating and/or increasing tuition reimbursement and individual training programs.
- Assisting with updating the classification and compensation system, starting with the IT classification project.
- Expanding leadership development and succession planning programs.
- Improving recruitment processes and practices with the goal of hiring the right person for the right job.
- Improving on-boarding and/or new employee orientation programs.
- Increasing work-life balance accommodations, including telework, flex-work and employee wellness programs.

Movement between agencies

Movement between agencies is a new measure in FY 2014 that captures cross-agency mobility. Its purpose is to better quantify the total movement out of an agency.

Movement Between Agencies	Number of Actions	Percentage
Transfers	197	0.4%
Promotions	661	1.2%
Demotions	50	0.1%
Other*	108	0.2%
Total Movement Between Agencies	1,016	1.9%

* Other includes personnel actions such as project, nonpermanent, probationary, reassignment and reversion

Of the 1.9 percent of employees who moved to another agency in FY 2014, the majority (65 percent) left for a promotion.

Employees More Likely to Move to Another Agency for a Promotion
(Proportions of cross-agency movement)
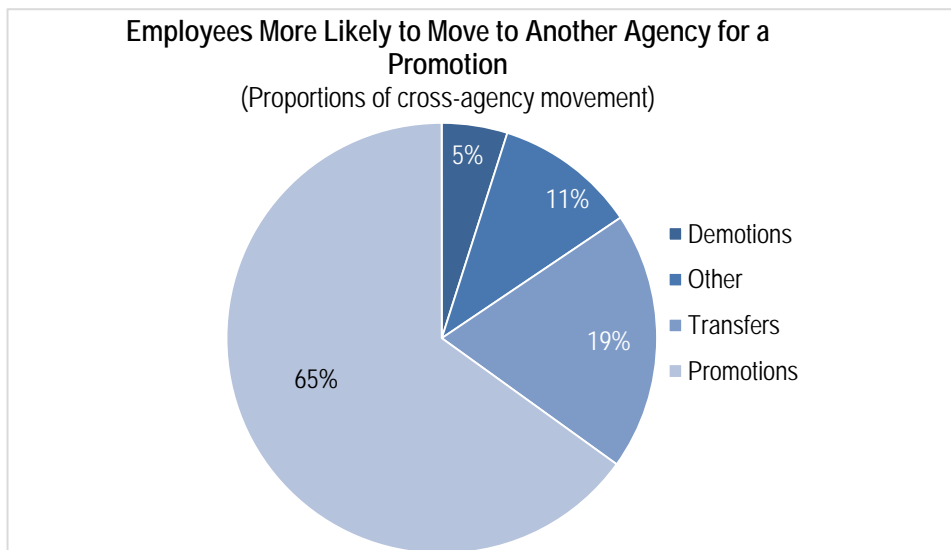
Agency strategies

Few agencies identified concerns with the number of employees they lose to other state agencies. Of those that expressed concern, most reported losing employees to customer or client agencies.

No agency strategies addressed movement between agencies. Evidence suggests that movement between agencies provides employee development opportunities. According to the Statewide Exit Survey, employees moving to another agency say they are more likely to return to the agency they left than employees who leave state service.

See Turnover for how agencies are addressing retention concerns.

Workforce diversity

Executive Order 12-02 requires executive branch agencies to develop an annual affirmative action plan for addressing underrepresentation of women, people of color, persons with disabilities and veterans. In FY 2014, the percentage of people of color increased by 0.4 percent from the previous fiscal year, to 18.7 percent of the total workforce. The percentage of women also increased slightly from the previous fiscal year, to 51.4 percent of the total workforce.

Workforce Diversity	FY09	FY14	Change from FY09 to FY14	
Persons of Color	18.0%	18.7%	0.7%	
Persons with Disabilities	3.7%	2.9%	-0.8%	
Female	51.0%	51.4%	0.4%	
All Veterans	11.8%	9.5%	-2.3%	
Post-Vietnam Era Veterans	6.6%	6.7%	0.1%	
Vietnam Era Veterans	5.2%	2.8%	-2.4%	
Disabled Veterans	1.6%	1.4%	-0.2%	

Workforce Diversity	Workforce FY14	Civilian Benchmark*	Difference from Benchmark	
Persons of Color	18.7%	24.1%	-5.4%	
Persons with Disabilities	2.9%	6.4%	-3.5%	
Female	51.4%	46.6%	4.8%	
All Veterans	9.5%	9.1%	0.4%	
Post-Vietnam Era Veterans	6.7%	6.1%	0.6%	
Vietnam Era Veterans	2.8%	3.0%	-0.2%	
Disabled Veterans	1.4%	0.8%	0.6%	

* Civilian benchmark from the American Community Survey, conducted by the US Census Bureau. Includes Washington civilian labor force age 16 and older.

Agency strategies

In FY 2014, all agencies chose strategies that included at least one of the following:

- Support for and expansion of cultural competency training
- Support for internal diversity committees
- Participation in public- and private-sector partnerships that promote community engagement
- Improved internal communication to promote inclusive workplaces
- Improved external branding to highlight themselves as employers of choice
- Resurvey the workforce to correct for underreporting of diverse groups
- Advertise employment opportunities to diverse job seekers

Agencies will concentrate their focus in FY 2015 on:
- Support for and expansion of cultural competency training
- Better internal communication to promote inclusive workplaces and employee engagement
- Participation in public- and private-sector partnerships that promote community engagement
- Expanding outreach to diverse job seekers
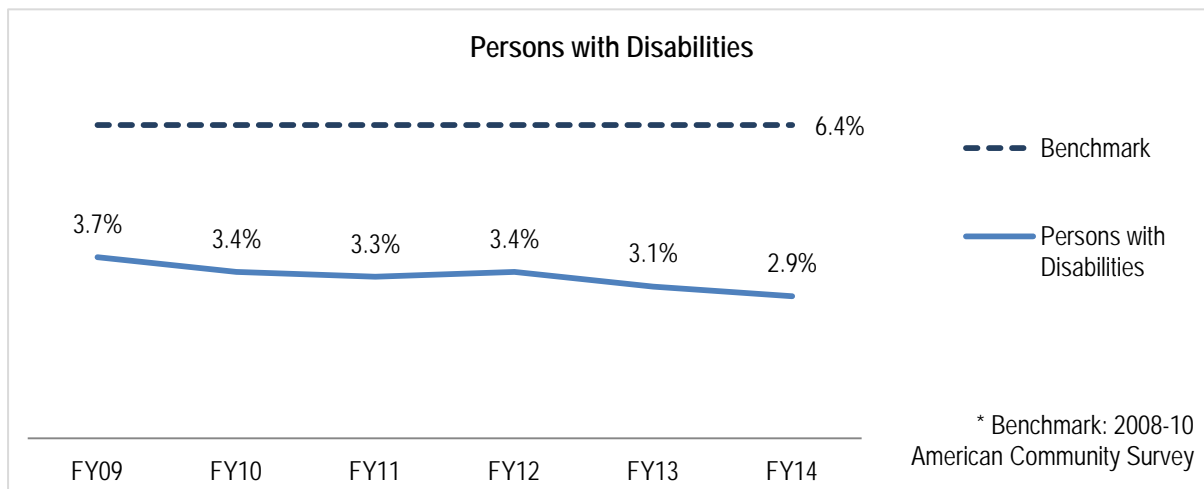
Enterprise strategies

State Human Resources will continue to support agencies with semi-annual data reports, and regular training, coaching and strategy consultation in FY 2015. State Human Resources will also continue to support and coordinate enterprise strategies on employment of veterans, who are more racially diverse than the general population, and persons with disabilities.

Additionally, State Human Resources will continue to develop and implement:
- An enterprise cultural competency framework
- Statewide cultural competency training, including delivery of a train-the-trainer course for agencies to deliver the training themselves

Persons with disabilities

Executive Order 13-02 requires executive branch agencies to develop an annual employment plan for addressing underrepresentation of persons with disabilities. In FY 2014, representation of persons with disabilities continued to decline, dropping to 2.9 percent.

Persons with Disabilities

6.4% - - - Benchmark

3.7%   3.4%   3.3%   3.4%   3.1%   2.9%   — Persons with Disabilities

FY09   FY10   FY11   FY12   FY13   FY14

* Benchmark: 2008-10 American Community Survey

Agency strategies

In FY 2014, almost all agencies chose to support three enterprise strategies:
- Resurvey the workforce to correct for underreporting of persons with disabilities.
- Target recruitment from talent pools maintained by state disability service agencies.
- Increase participation in the state's Supported Employment in State Government (SESG) program.

While several agencies completed or began resurvey efforts during FY 2014, the latter two strategies were delayed while the Division of Vocational Rehabilitation (DVR) and the Department of Services for the Blind (DSB) populate their new Talent Acquisition Portal (TAP) and DVR hires a SESG specialist.

The large majority of agencies, including all 14 agencies with more than 1,000 employees (composing more than 85 percent of the executive branch workforce), will continue to participate in all enterprise strategies. Four agencies are implementing one or more other programs:

- An employee affinity group for persons with disabilities, charged with creating a more inclusive culture
- A disability awareness training for all supervisors and managers
- An employee outreach program to connect with employees who self-identify as a disabled veteran but not as a person with disabilities, and update employee information as appropriate
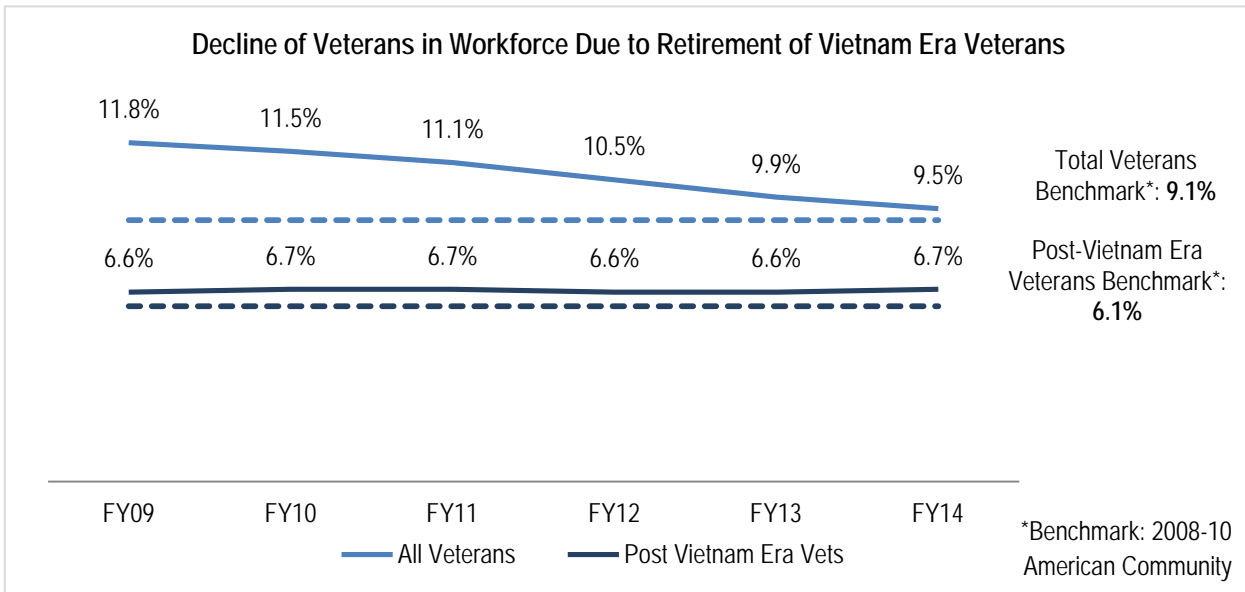
Enterprise strategies

The state will continue implementing the three enterprise strategies listed above from the previous year. DVR and DSB have begun populating the TAP with clients, and a corporate account has been set up for state agencies. DVR is in the process of hiring a specialist for the SESG program. The Governor's Disability Employment Task Force is developing additional strategies.

Veterans transition

Executive Order 13-01 requires executive branch agencies to develop an annual employment plan for addressing underrepresentation of veterans.

Employment of both total veterans and post-Vietnam Era veterans remains higher than the general labor force. Post-Vietnam Era veterans are those who began their military service after 1975.

Decline of Veterans in Workforce Due to Retirement of Vietnam Era Veterans

	FY09	FY10	FY11	FY12	FY13	FY14
All Veterans	11.8%	11.5%	11.1%	10.5%	9.9%	9.5%
Post Vietnam Era Vets	6.6%	6.7%	6.7%	6.6%	6.6%	6.7%

Total Veterans Benchmark*: **9.1%**

Post-Vietnam Era Veterans Benchmark*: **6.1%**

*Benchmark: 2008-10 American Community

Hiring of post-Vietnam Era veterans has improved significantly in the past year, from 4 percent of hires in FY 2013 to 5.6 percent of hires in FY 2014. As of June 30, 2014, a total of 5,691 veterans were employed with the state.

Agency strategies

In FY 2014, almost all agencies chose to participate in at least one of four enterprise strategies:

- Support and expansion of the Veterans Employee Resource Group (VERG)
- Establishment of a Veterans Fellowship Program (VFP)
- Participation in the Camo2Commerce (C2C) on-the-job training program
- Development and implementation of veterans military translation tools and resources, which assist in translating military skill sets to civilian employment classifications

All agencies have at least one representative participating in the VERG, which has been a vital partner with Joint Base Lewis-McChord's NW Edge transition program and the state's veteran recruitment efforts. Additionally, approximately 45 percent of agencies have participated in the VFP, and four have made hires from C2C. Translation resources have also been developed and made available to agencies.

In FY 2015, all agencies will continue to participate in at least one of the strategies listed above.

Enterprise strategies

In FY 2015, the state will continue implementing the above four enterprise strategies, leveraging the VERG and the partnership with the NW Edge program to enhance the state's recruitment efforts. State Human Resources may develop additional strategies in coordination with the Washington State Military Transition Council.

Employee Engagement Survey

In fall 2013, 86 agencies, boards and commissions participated in the State Employee Engagement Survey. State Human Resources received survey responses from 32,996 employees — 56 percent of the executive branch workforce.

Survey results for 2013 recovered, in part, from the across-the-board drop in ratings from 2011. Sixty-nine percent of employees who responded said they were generally satisfied with their job, compared to 67 percent in 2011. Despite the overall positive gain, most ratings did not return to the peak of 2009.

Employer of Choice Initiative

In fall 2013, Governor Inslee set a goal to make Washington state an employer of choice. A team of agency leaders selected 11 of the 17 employee survey questions as key measures. Agencies used their 2013 data to identify areas to target for improvement, with the goal to improve survey scores by 3 percent between 2013 and 2016. Because positive survey responses typically vary less than 2 percent between surveys when averaged across all questions, a 3 percent improvement may be achievable only with systemic changes. To check on progress toward this goal, survey frequency was increased from every two years to every year.

The most recent survey was conducted in October and November 2014. Results will be available in early 2015.

	Spring 2006	Fall 2007	Fall 2009	Fall 2011	Fall 2013	Overall
Survey response rate:	58%	58%	59%	56%	56%	
Percent positive of those who responded						
1. I have the opportunity to give input on decisions affecting my work.	54%	58%	59%	55%	57%	
2. I receive the information I need to do my job effectively.	69%	69%	73%	72%	72%	
3. I know how my work contributes to the goals of my agency.	78%	80%	83%	80%	82%	
4. I know what is expected of me at work.	84%	85%	88%	87%	88%	
5. I have opportunities at work to learn and grow.	57%	61%	59%	53%	57%	
6. I have the tools and resources I need to do my job effectively.	67%	67%	71%	69%	70%	
7. My supervisor treats me with dignity and respect.	81%	82%	84%	83%	85%	
8. My supervisor gives me ongoing feedback that helps me improve my performance.	62%	64%	66%	64%	66%	
9. I receive recognition for a job well done.	48%	52%	54%	51%	52%	
10. We are making improvements to make things better for our customers.					64%	
11. A spirit of cooperation and teamwork exists in my workgroup.					69%	
12. I know how my agency measures its success.	52%	54%	57%	54%	55%	
13. My agency consistently demonstrates support for a diverse workforce.		67%	71%	68%	72%	
14. I receive clear information about changes being made within the agency.				47%	47%	
15. I am encouraged to come up with better ways of doing things.				51%	53%	
16. We use customer feedback to improve our work processes.					44%	
17. In general, I'm satisfied with my job.				67%	69%	

ULTIMATE OUTCOMES

Agency strategies

All 36 reporting agencies are working to improve in areas that influence employee engagement and taking actions to improve the work environment. A number of agencies reported they are:

- Conducting other surveys or gathering additional data to supplement what they learn from the State Employee Engagement Survey.

- Providing training on Lean or supervisory/leadership skills to improve the general environment of respect, involvement and improvement that help lead to employee engagement.

- Reporting and discussing survey results with all employees.

- Initiating committees or formal groups to work on improvements.

- Identifying environmental factors they believe may have an impact on survey participation, responses and, ultimately, the engagement of their agency.

Enterprise strategies

In FY 2014, agencies, OFM and Results Washington worked together to improve in the following two areas:

- Encouraging employees to come up with better ways of doing things.

- Using customer feedback to improve work processes.

Eleven agencies worked together on encouraging employees to innovate (the "Better Ways" cohort). Nine agencies collaborated on improving use of customer feedback (the "Customer Feedback" cohort). Cohorts were led by the Results Washington Lean fellow assigned to the employer of choice goal and are developing problem-solving capacity in agencies.

In FY 2015, statewide strategies were:

- Better ways and customer feedback cohorts – Agency participants will meet on a monthly basis to receive coaching and just-in-time training, and to share learning. Cohorts will develop and test an employee engagement problem-solving worksheet to help agencies identify problems that lead to employee disengagement. They will also develop a menu of strategies that agencies have experimented with to address the root causes of employee disengagement.

- Lean Training – Results Washington, in collaboration with OFM and the Department of Enterprise Services, will develop and implement statewide Lean training to emphasize the role of leaders as coaches and employees as problem solvers.

- HR employee engagement toolkit – The Human Resource Advisory Committee will develop a toolkit for HR staff to use in their agencies to support the development of competencies and behaviors that positively affect employee engagement. Topics include coaching, mentoring, communicating, respect and employee development.

Appendix A

Performance measure definitions

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PLAN & ALIGN WORKFORCE
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Management profile

Definition: Number and percentage of WMS employees

Number and percentage of the workforce that are managers compared to the total workforce
- managers are EMS, WMS and WGS coded as "Manager"

Number and percentage of WMS employees coded as "Manager," "Policy," "Consultant" and "Unassigned"

Employees with current position/competency descriptions

Definition: Percentage of employees with a current position description form or similar document on file that accurately reflects their job duties and competencies

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HIRE WORKFORCE
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Hiring balance – proportion of appointment types

Definition: Number and percentage of appointments by type compared to the total number of appointments

- Comprises the following appointment types:
  › new hires /rehires
  › promotions
  › transfers
  › hires from layoff list
  › other appointments (such as full-time, year-round positions)

Separations during review period

Definition: Number of voluntary and involuntary separations from state service during probationary and trial service review periods

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DEPLOY WORKFORCE
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Percentage of employees with current performance expectations / individual development plans

Definition: Percentage of employees with current performance expectations and individual development plans completed in "Part 1" and "Part 2" of their performance development plan

Overtime usage

Definition: Amount of overtime paid for overtime hours worked — for those eligible for overtime

Average monthly overtime hour usage (per capita) —– for those eligible for overtime

Average monthly percentage of employees receiving overtime of those eligible for overtime

Sick leave usage

Definition: Average monthly sick leave hours used (per capita)

Average monthly sick leave hours balance (per capita)

Nondisciplinary grievances/appeals filed and outcomes

Definition: Number of nondisciplinary grievances (represented employees):
- Number of grievances filed
- Outcomes of grievances cumulative for the reporting time period (for example, percentage withdrawn, settled, arbitration decision rendered, etc.)

Number of nondisciplinary appeals (mostly nonrepresented employees):
- Director's Review number of filings by category — job class, rule violation, layoff register, exam results, remedial
- Director's Reviews outcomes number by category — affirmed, reversed, modified, withdrawn, untimely no jurisdiction
- PRB number of appeals filed by category (classification, layoff, disability separation, nondisability separation, other exceptions)
- PRB outcomes number by category — affirmed, reversed, modified, dismissed, remanded withdrawn

REINFORCE PERFORMANCE

Percentage of employees with current performance evaluations

Definition: Percentage of employees who have a completed annual performance evaluation

Disciplinary actions taken; disciplinary grievances/appeals filed and outcomes

Definition: Number of disciplinary actions taken by type — dismissal, demotion, suspension

Number of disciplinary grievances /appeals filed and the number/ percentage of outcomes

Disciplinary grievances (represented employees):
- Total number of disciplinary grievances filed
- Number and percentage of the disposition (outcomes) of disciplinary appeals processed by category — withdrawn, settled, arbitration decision rendered, dismissed, affirmed

Disciplinary appeals(mostly nonrepresented employees):
- Total number of disciplinary appeals filed with the PRB
- Number and percentage of disciplinary appeals filed by type — dismissal, demotion, suspension, salary reduction, other
- Number and percentage of disposition (outcomes) of disciplinary appeals by type — withdrawn, remanded, modified, reversed, affirmed

Turnover rates and types

Definition: Number and percentage of employees who left state service by turnover type and total turnover for the agency
- Include turnover by:
  - › retirement
  - › resignation
  - › dismissal
  - › layoff
  - › other (includes abandonment of position, transition review period not met, WMS acting appointment, termination of project, etc.)

Movement between agencies

Definition: Number and percentage of employees who moved between agencies by movement type
- Include movement between agencies by:
  - › transfers
  - › promotions
  - › demotions
  - › other (such as layoff list, nonemployee, nonpermanent limited, nonpermanent on call, permanent, probationary, project, reassignment, reversion

Workforce diversity profile

Definition: Number and percentage of the state workforce by diversity groups
- Diversity groups are:
  - › female
  - › persons with disabilities
  - › Vietnam-era veterans
  - › disabled veterans
  - › all veterans
  - › persons of color (black, Hispanic, Native American, Asian)
  - › persons age 40 and older

Percentage of the state workforce by age group for all employees and for WMS employees only

Employee survey ratings

Definition: Average rating for questions on the State Employee Survey (include comparative results from previous years).