



People Forward: Human Capital Trends and Innovations North Carolina

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

- North Carolina's HR Innovations Initiative has resulted in an informal network linking the state workforce plan to those of the agencies that have published their own. The Office of State Personnel (OSP) acts on a consultant basis for state agencies, providing support in the form of planning tools for HR professionals rather than mandating the planning process.
- The state's human capital plan explicitly links the strategy to the state's strategic direction, and it includes an extensive internal and external scan, as well as a series of initiatives that outlined strategy through 2008.
- NCWorks, a workforce outlook system with extensive analytic and predictive modeling capacities, integrates external workforce data with a warehouse of internal data to aid analytic capacities for state agencies.

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	
77 days	NA	Voluntary	3.8%
		Involuntary	6.1%

Observations

- The North Carolina HR Innovations Initiative has provided an excellent guide and other resources to aid agencies in recruitment.
- Although North Carolina has a centralized job posting Web site, recruitment and selection is left to agencies, with OSP providing ancillary support. Statewide job opportunities are posted online, but there is little search functionality, and prospective employees are unable to apply online for open positions.
- Due to the decentralized nature of recruitment in North Carolina, there is no statewide branding effort developed to promote state employment. However, training for HR professionals includes significant information on an Employment Value Proposition developed by the Corporate Leadership Council.

Criterion 3 Retaining a skilled workforce.

Classified job turnover rates	
Total	15.8% ¹
Voluntary	9.1%
Involuntary	3.7%
Retired	3.1%
Layoff	0.0%

Total Classified Compensation (2007 dollars)	\$52,000
Fringe benefits as a percentage of salary, classified employees	26.6%
Percentage of health insurance premiums paid by employees	0.0%
Grievances per 1,000 classified employees	8

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	31
Per manager	59

Training expenditure	
As a percentage of total payroll cost	0.6%
Per employee	\$340
Per manager	\$430

Employee development	
Total number of development programs	11
Hours in senior leadership program	300
Percentage of employees with a career plan	85.0%

Observations

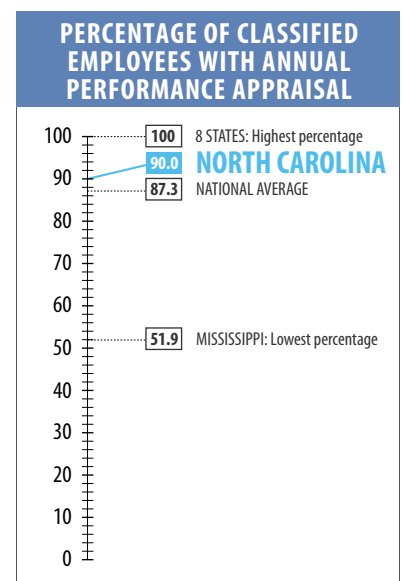
- The OSP maintains a well-constructed and easy to use course catalog; it includes the North Carolina e-learning program, which offers 21 percent of its courses entirely online.
- An exceptional 85 percent of state employees have a career development plan; the career banding program links competencies to development programs.
- The North Carolina Executive Institute relies on a partnership between the OSP and the Center for Creative Leadership, resulting in a custom development program designed to satisfy critical competency needs within the state.

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	
90.0%	Performance problems	2 days
	Behavior problems	2 days

Observations

- The North Carolina Performance Appraisal process is not standardized statewide, but the state links performance appraisal to pay-for-performance compensation strategies. Competencies are linked to the performance appraisal process, and required interim reviews emphasize the employee-supervisor feedback process.
- Although almost 100 percent of North Carolina employees are eligible for pay-for-performance increases under OSP policies, the North Carolina state legislature has yet to fund the program. The state offers several other reward and recognition programs, however, including the HR Rewards & Recognition Program, State Employee Recognition Week, and the State Employee Incentive Bonus Program.
- The state's low time to terminate for cause, combined with relatively low appeal rates and a high involuntary turnover rate, suggests that the state addresses problems with employee performance/behavior in a timely and fair manner.



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.