

Retirement Study Commission

Does the State particularly wish to attract employees at certain points in their careers (e.g. right out of school, after achieving a certification, after 10 years of experience)?

The State of North Carolina has as its priority building and sustaining a workforce of top performers. To be effective the State must employ a workforce consisting of persons at all points in the career life cycle. The State must create and retain a workforce of blended skill sets that include those based on historical knowledge as well as competence with current and anticipated technologies. By sustaining such a workforce, the State will benefit from the wisdom of experience, the dependability of currently identified skills and the promise of newer skills. This combination can drive much of the innovation required for government to thrive; this is a key strategy for the State to do more with less in the coming years. Consequently, the State must manage talent in the right amounts, at the right levels and with the right experience to accomplish whatever work needs to be done at any given time. This paradigm is not a one-size-fits-all approach but is highly adaptable and allows state agencies and universities to be highly agile in responding to business environment changes.

Therefore, the State must attract top performers from all points across the career continuum. OSP has and is continuing to create programs to help managers and supervisors manage this intergenerational workforce of diverse but complementary skills.

Does the State particularly wish to retain employees at certain points in their careers (e.g. after achieving a certification, after 10 years of experience, after 30 years)?

The answer to this question is similar to the first one. The State must consider all employees as assets regardless of where they are on the career continuum. As such, the State must seek to retain each employee for an optimum period and to invest in that asset to realize a meaningful return on investment. On the one hand, employees expect the employer to deliver on development and growth opportunities so that they can consider staying with an employer more than a few years. On the other hand, the research indicates that, in spite of an agency's/university's best efforts, some people will ultimately move on, typically within five years. If we do not deliver, we will lose the newer workforce entrants prematurely and our organizations will suffer. Therefore, it is the State's job to maximize their productivity and contribution while they are with us. Further, to the extent the newer entrants have a good employment experience; they can help us recruit others like them.

OSP is developing on programs to help state government employers create a sufficiently strong employment brand. As a result, the agencies/universities can be more competitive in attracting and retaining top performers of the more recently graduated workforce.

Does the State particularly wish to attract/retain employees certain job types (e.g. math teachers in rural counties, certified water plant operators, IT staff, etc.)?

The State has traditionally experienced difficulty in attracting and retaining certain workforce segments critical to institutional effectiveness. For example, The Occupational Outlook Handbook of the U.S Department of Labor asserts that the number of openings in occupations such as the healthcare, social assistance, professional, science and technology as well as managerial occupations will exceed the supply. In North Carolina, this problem is more exaggerated in the rural areas where serious skilled labor shortages can even negatively affect economic development. To compete successfully for this talent the State must present a clear and compelling employee value proposition [EVP] (the set of attributes that employees and the labor market perceive as the value they gain through employment in the organization) for all of North Carolina's regions. The State must help agencies and universities with geographic presences to emphasize attributes that make rural areas attractive places to live. Strengthening this type of marketing is especially important if the State is to compete with the private sector strategy of buying talent since the State does not have the resources to consistently compete in the compensation arena. However, the State can offer other tangibles such as development opportunities, excellent management and supervision, meaningful benefits and a work-life balance orientation that can help improve the State's ability to attract and retain a world class workforce.

OSP is growing these programs and making them available to our HR system partners. The goal is to build capacity among the agencies/universities to acquire the quality workforce they need.

Does the state wish to encourage employees to voluntarily leave state employment at a certain point in their careers in order to create opportunities for other employees? If so, should this transition be all at once or over several years?

To rephrase the question, the State should help employees identify the best time to transition to retirement. The State should never be perceived as pushing someone out of a job; however, the State must help its employees self assess whether they can continue to make the contribution at the level necessary for agency/university excellence. The State needs people who desire to do their best and to help the organization deliver results that meet or exceed expectations, no matter their age or years of experience.

However, the transition to retirement should not be sudden. It should occur after a phased period that includes personal acclimation to retirement for the exiting worker and institutional knowledge transfer for the organization to pass on critical knowledge and skills to successor positions within the agency/university. OSP is implementing an internal workforce planning pilot to test some of the strategies and techniques that will be used as recommendations for statewide implementation.

Do you have any feedback on how employees view the value of the pension, health care (active and retiree), and pay?

OSP conducted research with the Corporate Leadership Council in 2007 to ascertain employment features items that are important to different segments of our workforce. We asked respondents to rate each Employee Value Proposition (EVP) dimension they considered in the top five. We discovered the following trends:

Most Important EVP Attributes Percentage of Respondents Listing the Item in the Top Five Attributes	
Age Group: 23-29	Age Group: 50-59
Compensation – 48%	Compensation – 49%
Future Career Opportunities – 47%	Organizational Stability – 37%
Work-Life Balance – 34%	Health Benefits – 34%
Organizational Stability – 32%	Work-Life Balance – 32%
Development Opportunities – 30%	Retirement Benefits – 29% Respect – 29% (tie)
Respect – 26%	Job-Interests Alignment – 25%
Job-Interests Alignment – 25%	Ethics – 24%
Location – 20%	Location – 23%
Health Benefits – 18%	Future Career Opportunities – 20%
Meritocracy – 16%	Empowerment – 18%

The table above indicates agreement in the following areas: compensation, future career opportunities, respect, organizational stability, job-interests alignment and location. Please note that “health benefits” appears on both lists although in different order. Other research suggests that longer term attributes such as pension will become more important as the younger workforce ages.

Over the past decade, i.e., in both good and bad labor markets, has the State had trouble attracting quality workers?

The State periodically experiences problems attracting quality talent for particular occupations because of and sometimes despite economic conditions. Typically, these are high demand, hard-to-recruit classifications. The list of these varies by the need created in the economy and by the State’s ability to be competitive in convincing the talent we need that we are the employer that they need.

The current economic situation is different in that the incoming workforce will not be in sufficient numbers and skill levels to replace the exiting Baby Boomers. Consequently, new ways of working that employ rapid skill development and a stronger use of technology will be necessary for government to keep pace in the future.

Currently, OSP works with each agency/university with recruitment difficulties to craft customized solutions. We also monitor and evaluate the results for lessons learned that can be used at other times by other agencies/universities.

Are there other incentives that you would like to create through the pension plan?

We have no specific recommendations at this time. However, any incentive must be within the purview and intent of the retirement system; also, the incentive must have a line of sight to the desired outcome such as improved recruitment or increased retention of high performers.