

**NORTH CAROLINA DEPARTMENT OF LABOR
OCCUPATIONAL SAFETY AND HEALTH DIVISION**



**COMPLIANCE OFFICER TURNOVER AND SALARY
REPORT**

February 5, 2020

1. Clarify The Problem

The Division of Occupational Safety and Health (OSHNC) is having significant difficulty attracting and retaining trained, experienced safety and health professionals. **The average length of service for all compliance officers from the years 2016-2019 was 32 months. When combined with the number of experienced staff who leave for higher salaries outside State government, and the number of staff predicted to retire, OSHNC is quickly approaching a crisis that could expose more workers to safety and health hazards potentially resulting in injuries or illnesses.**

Our customers expect the OSHNC staff who inspect their workplace will be experts in safety and health. Due to the low salaries compared to the job market, OSHNC is unable to recruit experienced and qualified professional safety and health staff. OSHNC often must advertise the same vacant position many times in order to hire from an increasingly small qualified candidate pool. **New hires are often marginally qualified and often have little experience** which prevents us from meeting customer expectations and diminishes our ability to complete needed workplace inspections. While new staff are in training, the bulk of the inspection and consultation work falls on the remaining staff who are also required to help the new hires gain field experience. **Due to the high turnover rate, senior compliance positions and supervisory positions must sometimes be filled with less experienced staff who may lack fully developed skills for the position.**

AVERAGE EMPLOYMENT IN MONTHS 2016-2019

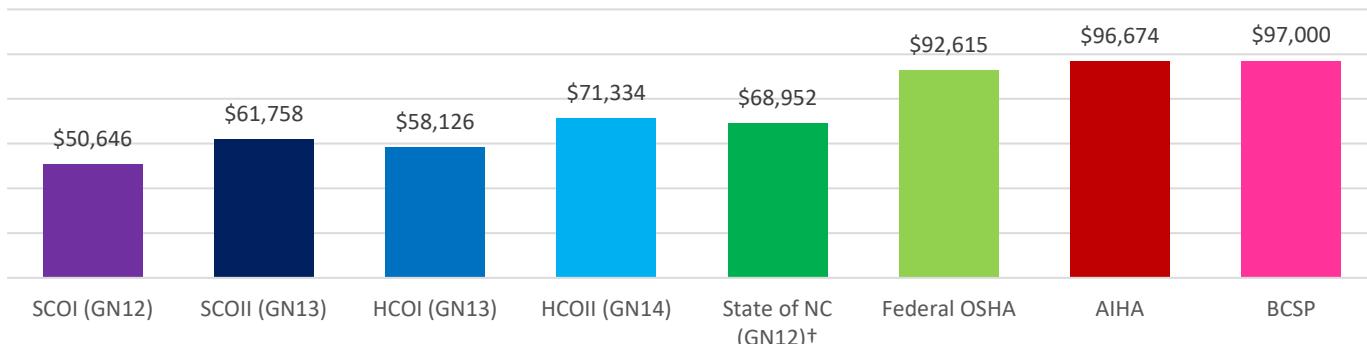


† The SCO II data excludes months of service associated with 2 state employees that retired from state service after serving 20+ years in SCO II positions.

2. OSHNC Salary Comparison

The State of NC pays occupational safety and health professionals significantly less than other private and public sector employers. The **top hiring salary** for a Safety Compliance Officer I (SCOI) and Health Compliance Officer I (HCOI) in OSHNC is **\$48,777** and **\$54,961**, respectively. This is primarily limited due to lack of sufficient program operational funding and equity among existing staff. **Operational funding for OSHNC has remained stagnant over the past five years (±5%) which inhibits the division's ability to provide higher salaries for compliance officers and to retain highly skilled safety and health professionals.** The **average salary for tenured Safety Compliance Officer I, Safety Compliance Officer II (SCOII), Health Compliance Officer I, and Health Compliance Officer II (HCOII)** is **\$50,646, \$61,758, \$58,126 and \$71,334, respectively.** **However, most SCOII and HCOII positions are filled with employees with greater than a decade of tenure.** The Board of Certified Safety Professionals (BCSP) and American Industrial Hygiene Association (AIHA) (the two largest safety and health trade associations) release yearly reports detailing survey respondents' salaries and benefits. **The most current BCSP survey shows that 7% of respondents earned less than \$60,000 annually with the average salary being \$97,000.** **The most current AIHA survey reported that for "Field Investigative" positions, which are comparative to the duties of OSH Compliance Officers, the average salary was \$96,674.** This survey also showed that with a professional certification such as the **Certified Safety Professional or Certified Industrial Hygienist** certifications, salaries rose by an average of 22%. The disparity in salaries are not limited to private sector versus public sector employment. In North Carolina, the average salaries for employees working in different departments within the state (Transportation, Public Safety, Health and Human Services, etc.) with job classification similar to OSHNC's SCOI positions make an average of \$68,952 or a difference of 27%. Additionally, compliance officers who conduct similar duties within Federal OSHA make an average of \$92,615 annually.

COMPARISON OF AVERAGE SALARIES FOR SIMILAR DUTIES 2019

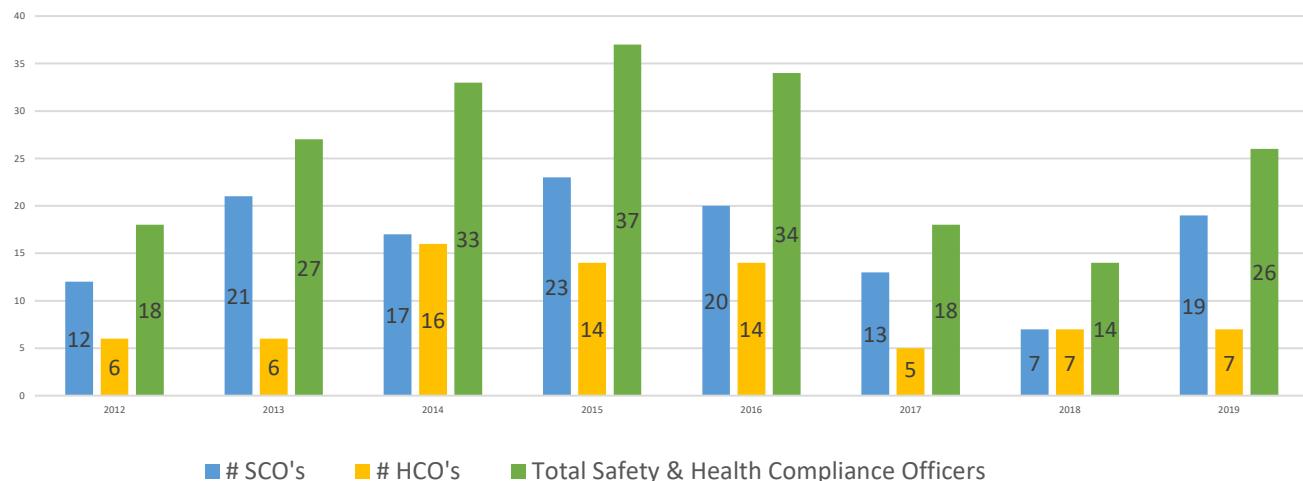


†Average of other State Agency salaries comparable to an SCOI position in OSHNC

3. Turnover

The NC Office of State Human Resources (NCOSHR) released the 2018 “Compensation and Benefits Report” in January 2019. That report indicates that “The cost to an organization for each position turnover has been estimated by experts at anywhere **from 50% to 250%** of the departing employee’s annual salary depending on the type of position being filled and the performance level of the departing employee. The Human Capital Institute places the average value of turnover at **150%**. Turnover of top performers may be valued at an exponentially higher rate. There are many factors included in estimating the cost of turnover. Some obvious costs include advertising the vacancy; salaries of employment screening panels; and managers’ time spent interviewing candidates. Other costs are not so easily quantified such as lost productivity – particularly during the time that a position is left vacant during recruitment -- or lost knowledge from the organization. Other costs include required onboarding, training, and higher rates of mistakes made by new hires. The high cost of turnover presents a clear argument for agencies and universities to engage in rigorous workforce and succession planning. **Conservative estimates of the annual turnover costs associated with an OSHNC employee within the first 3 years of their employment at current salaries would be approximately \$100,000 per employee. The individual cost increases with the loss of more experienced employees.** **From 2016-2019, OSHNC Compliance had 49 separations, 6 retirements and 37 transfers or promotions to fill vacated positions. A conservative estimate of the 3-year training cost, to the State of NC, to replace these employees is \$9.2 million.** The long-term savings that would be realized by the state for compensating safety and health professionals at salaries more in line with the current job market would be substantial, as it would **save millions a year in training costs alone.** **In NCOSHR’s report, it states “Market-based pay for critical business areas is needed to support employee retention.”**

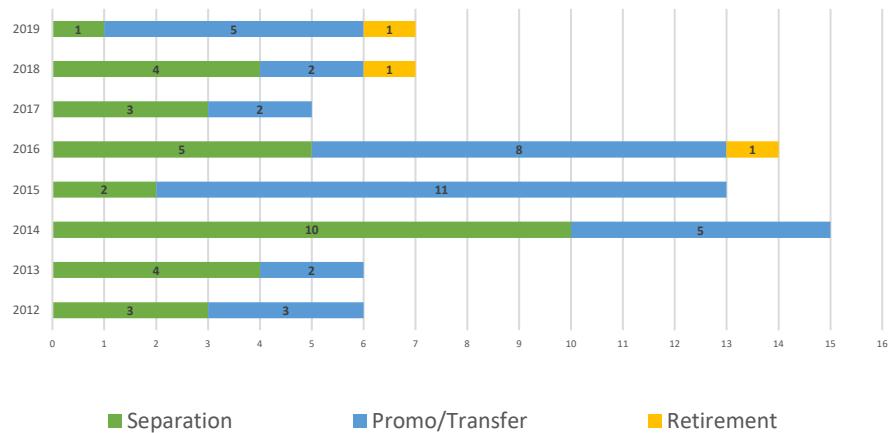
TURNOVER OF SAFETY AND HEALTH COMPLIANCE OFFICERS



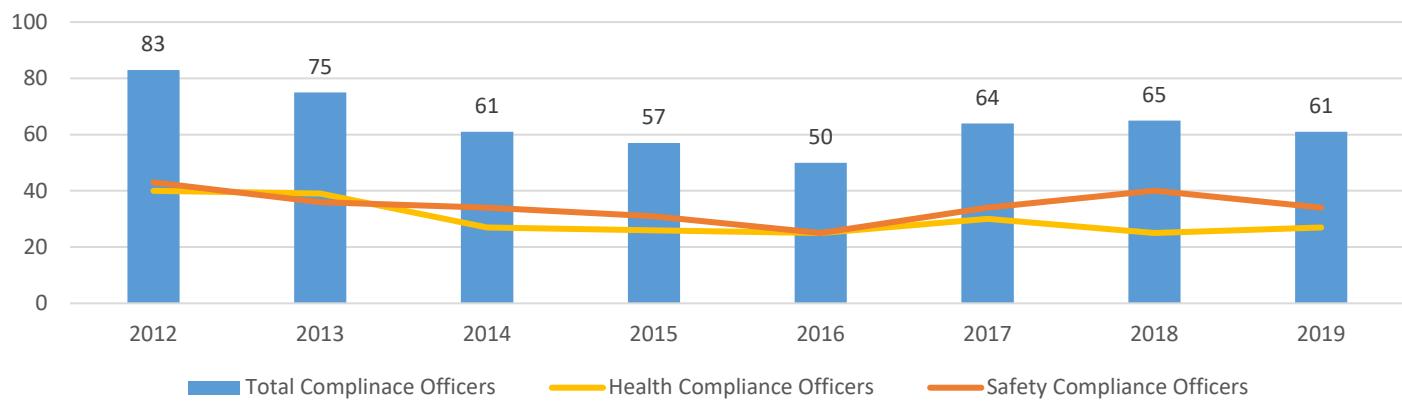
SAFETY COMPLIANCE OFFICER TURNOVER CAUSE



HEALTH COMPLIANCE OFFICER TURNOVER CAUSE



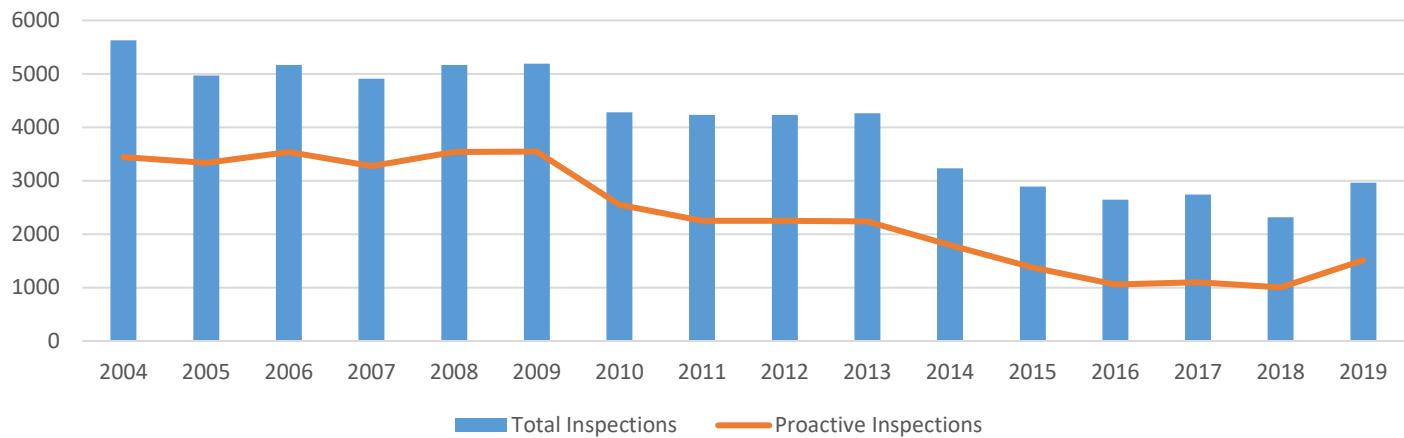
DECLINE IN THE NUMBER OF TRAINED COMPLAINECE OFFICERS TO CONDUCT SAFETY AND HEALTH INSPECTIONS



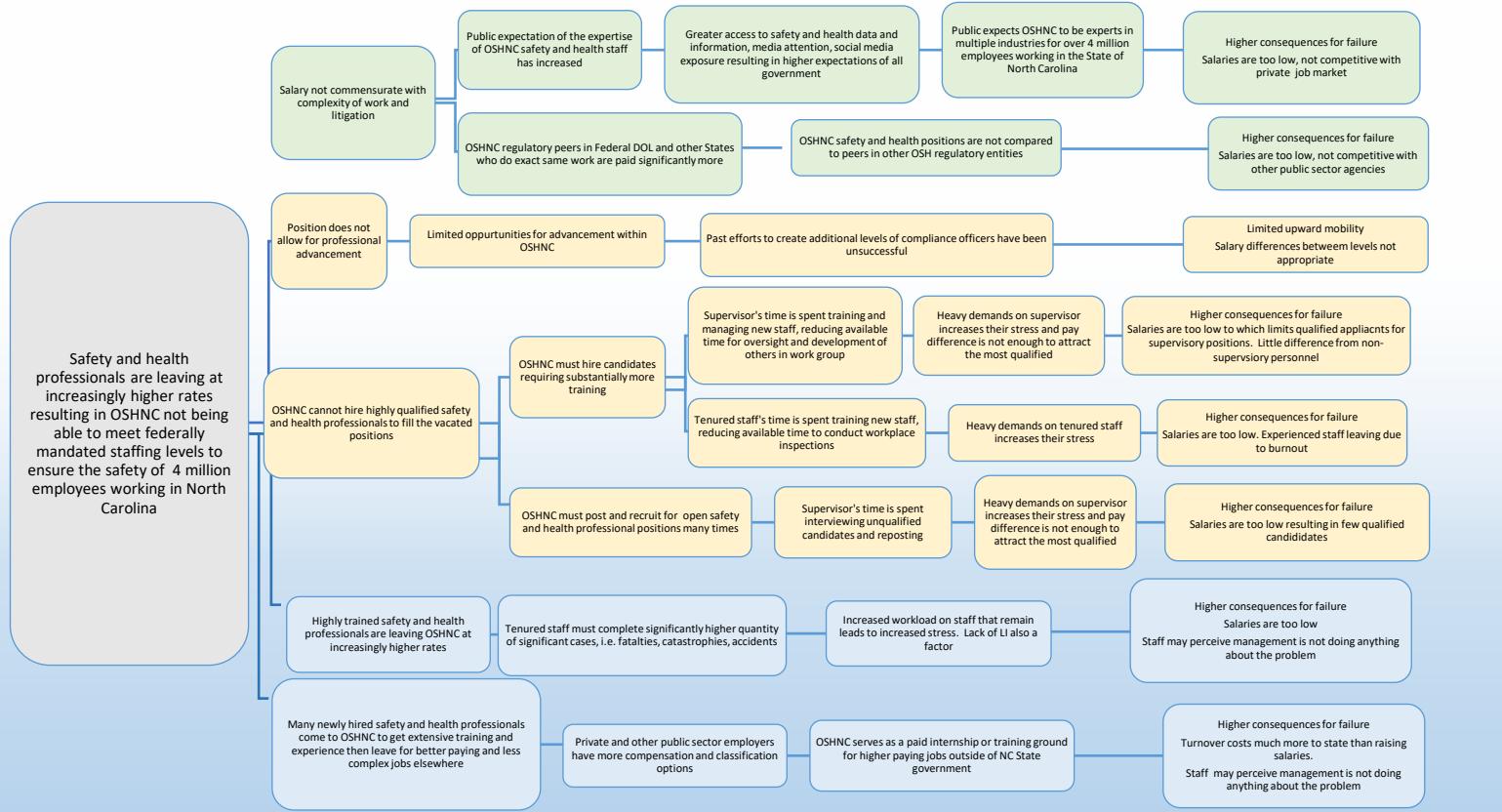
4. Effect Of Turnover

The total number of inspections conducted by compliance officers has declined over the past 6 years. In 2019, the percent of partial scope unprogrammed inspections (fatalities, accidents, complaints and referrals) accounted for 54% of the total inspections conducted. The turnover rate has significantly impacted OSHNC's ability to conduct programmed inspections. As a result, **OSHNC is now spending more time reacting to injuries through unprogrammed inspections rather than taking a proactive approach by conducting targeted programmed inspection activities.**

DECLINING PRODUCTIVITY AND PROACTIVITY



5. Breakdown of the Problem



6. Goals to Achieve

Increase the median tenure of newly hired OSHNC safety and health professionals to an average of 5-6 years.

- Years 1-2 = required training and development. • Year 3 = gain proficiency. • Years 4-6 = full productivity

7. Actions to Achieve Goals

- Work with the NCDOL HR and State Office of Human Resources (OSHR) to correct OSHNC salary issues
- Educate external partners (business, labor, legislators, OSHR, etc.) on pay discrepancies and the effects of not being able to recruit and retain experienced safety and health professionals
- Explore additional funding opportunities to allow significant increases for existing staff and to increase starting salaries
- Inform staff of the actions taken by OSHNC management, NCDOL management, NCDOL HR, OSHR and the Legislature to improve the salary and workplace of OSHNC