

1. Clarify The Problem

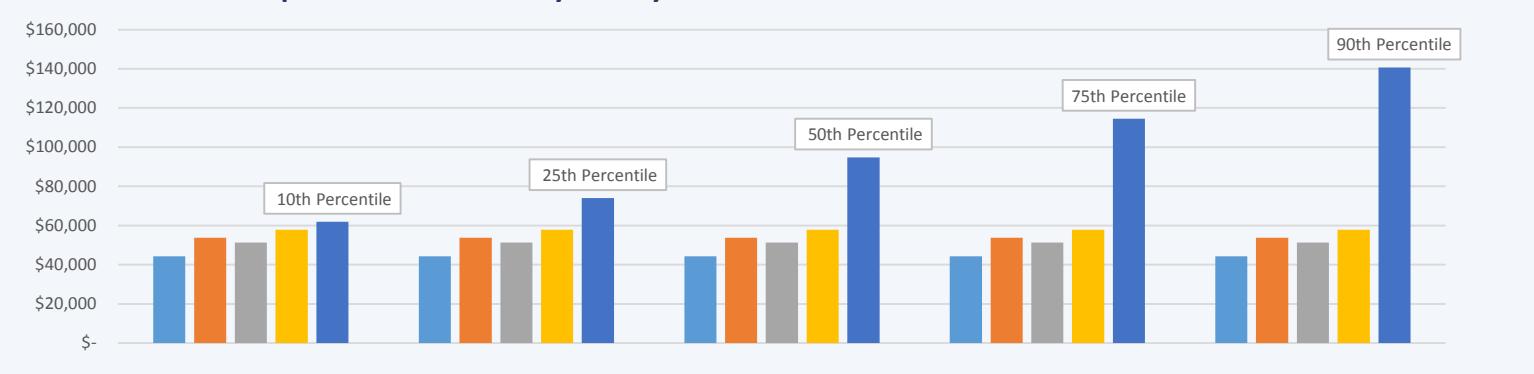
The Division of Occupational Safety and Health (OSHNC) is having significant difficulty attracting and retaining trained, experienced safety and health professionals. **The average length of service for all new hires over the past several years is under 36 months. When combined with the number of experienced staff who leave for higher salaries outside State government, and the number of staff retiring, 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. **Several recent job postings with the top occupational health association resulted in over 11,000 on-line views and only 4 potential applicants. 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 are often filled with less experienced staff who may lack fully developed skills for the position.**

2. Break Down The Problem

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 and Health Compliance Officer I in OSHNC is **\$42,667** and **\$48,195**, respectively. This is primarily limited due to lack of sufficient program operational funding and equity among existing staff. **OSHNC experienced a net loss of \$1,062,086 of State Funds from SFY2001-SFY2015. The average salary for tenured Safety Compliance Officer I, Safety Compliance Officer II, Health Compliance Officer I, and Health Compliance Officer II is \$44,240, \$53,746, \$51,325 and \$57,945, respectively.** The Board of Certified Safety Professionals in collaboration with the American Society of Safety Engineers, American Board of Industrial Hygiene, Alliance of Hazardous Materials Professionals, American Industrial Hygiene Association and the Institute of Hazardous Materials Management conducted an extensive salary survey (01/01/2015) and found that **less than 10% of the 63,423 safety and health professionals participating in the survey earned less than \$62,600.**

OSHNC Salaries Compared To SH&E Salary Survey*



Decline In The # Of Trained Compliance Officers To Conduct Safety And Health Inspections

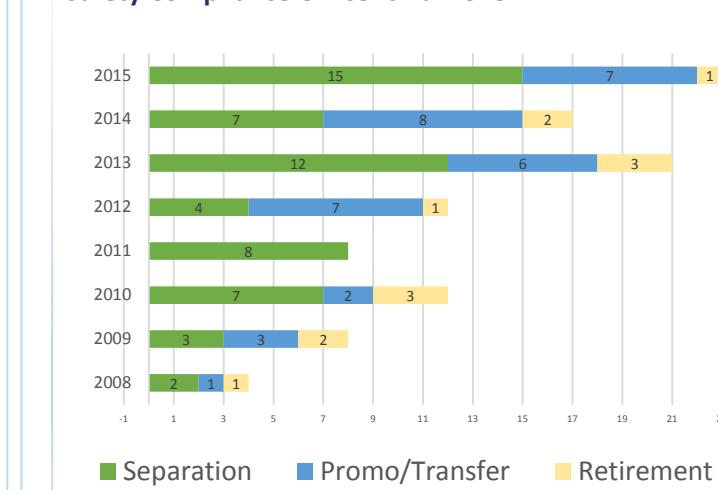


3. Turnover

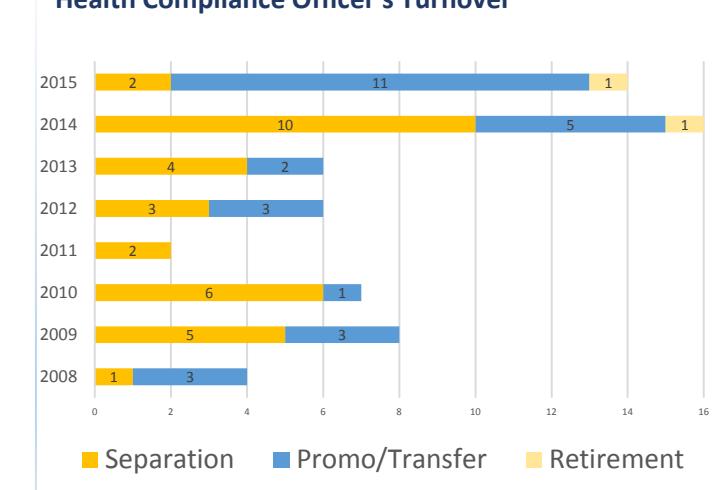
The NC Office of State Human Resources released a “Compensation and Benefits Report” in February, 2015. That report indicates that “The cost to an organization for each position turnover has been estimated by experts at anywhere **from 50% to 250%** of the departing employee’s annual salary depending 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 2013-2015, OSHNC Compliance had 50 separations, 8 retirements and 39 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 \$9.7 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.**



Safety Compliance Officer's Turnover

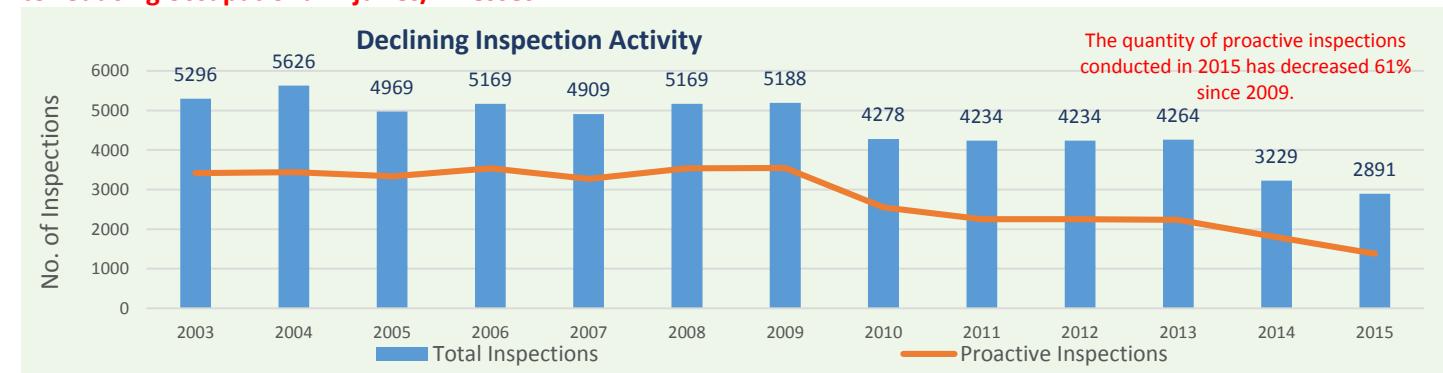


Health Compliance Officer's Turnover

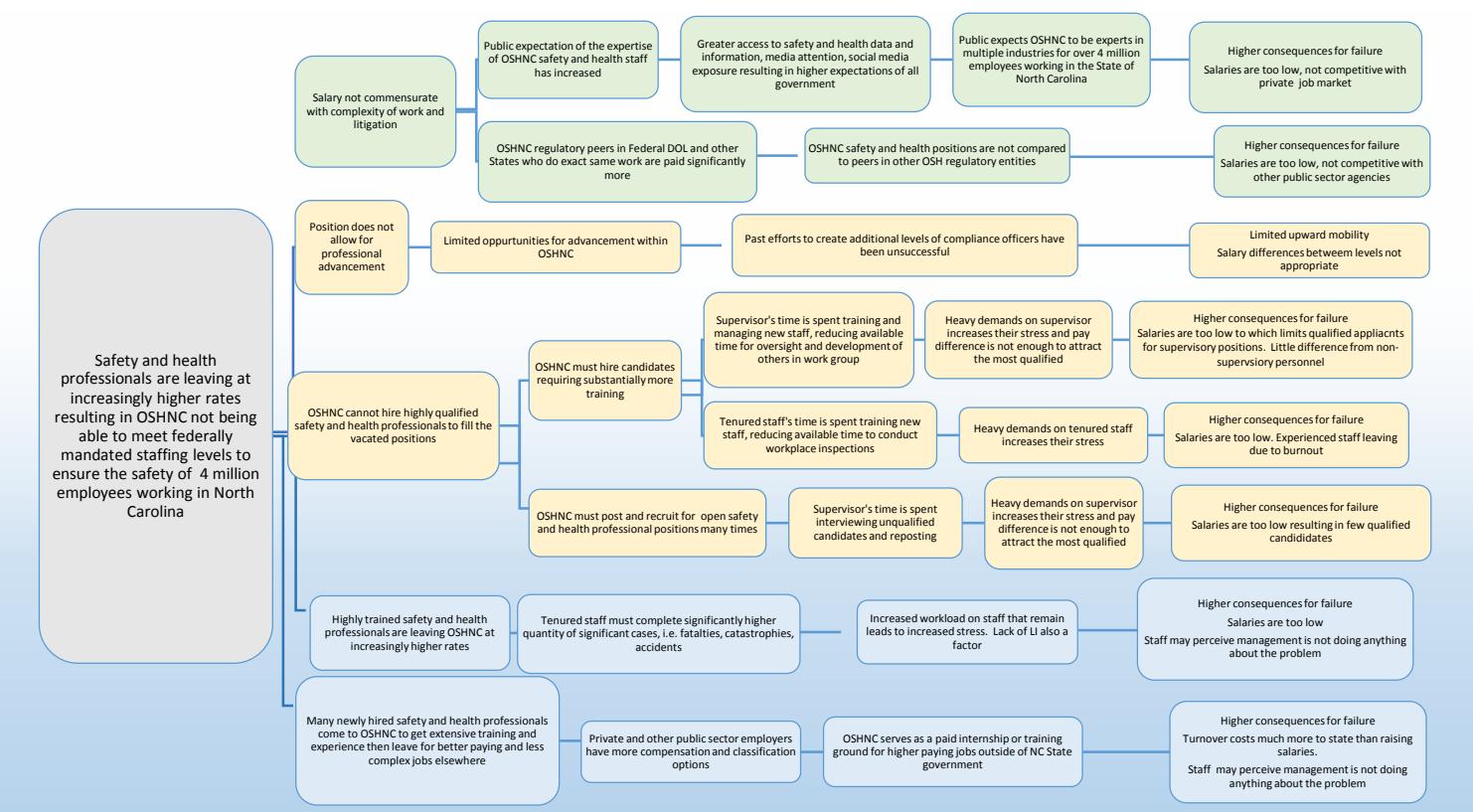


4. Effect Of Turnover

The total number of inspections conducted by compliance officers has declined over the past 6 years. In 2015, the percent of those inspections conducted due to fatalities, accidents, complaints and referrals account for 52% of the total inspections conducted. **OSHNC is now spending more time reacting to injuries rather than taking a proactive approach to reducing occupational injuries/illnesses.**



5. Breakdown Of The Problem



6. Set A Target 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 Resolve The Problem

- Work with the NCDOL HR and State Office of Human Resources (OSHR) to correct OSHNC salary issues
- Work with OSHR to update the safety compliance officer I, II and health compliance officer I, II job specifications and classifications
- 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

NORTH CAROLINA DEPARTMENT OF LABOR OCCUPATIONAL SAFETY AND HEALTH DIVISION



COMPLIANCE OFFICER TURNOVER REPORT

Report Date: January 19, 2016