

Annual Accountability Report  
FY 2004- 2005



*South Carolina Employment  
Security Commission*

*“...to provide quality, customer-driven workforce services  
that promote financial stability and economic growth”*

*-ESC Mission Statement*

# TABLE OF CONTENTS

<b>Section I – Executive Summary</b>	<b>3</b>
1. Mission and Values	3
2. Major Achievements from the Past Year	3 - 6
3. Key Strategic Goals for the Present and Future Years	6
4. Opportunities and Barriers	6 - 8
(a) Opportunities	
(b) Barriers	
5. Use of Accountability Report to Improve Organizational Performance	8
<b>Section II – Business Overview</b>	<b>8</b>
1. Number of Employees	8
2. Operation Locations	8 - 9
3. Organizational Structure	9
4. Expenditures/Appropriations Chart	10
5. Major Program Areas Chart	11
6. Description of Services	12 - 14
<b>Section III – Elements of Malcolm Baldrige Award Criteria</b>	<b>14</b>
Category 1. Leadership	14 - 17
Category 2. Strategic Planning	17 - 20
Category 3. Customer Focus	20 - 22
Category 4. Measurement, Analysis, and Knowledge Management	23 - 25
Category 5. Human Resource Focus	25 - 28
Category 6. Process Management	28 - 31
Category 7. Business Results	31 - 46

## **Section I – Executive Summary**

### **1. Mission and Values**

*The mission of the South Carolina Employment Security Commission is to provide quality, customer-driven workforce services that promote financial stability and economic growth.*

The Employment Security Commission (ESC) is responsible for paying unemployment insurance benefits, collecting unemployment taxes, finding jobs for people, finding employees for companies, and collecting and disseminating state/federal employment statistics. While these functions have not changed significantly over the past decade, customer needs and service delivery methods have. As the leading workforce development and labor exchange agency in the state, ESC continually adapts to the demands of new technology and the global economy. Our main goal is to match job seekers with employers quickly, efficiently, and effectively, and we offer a variety of services to assist both groups.

The thrust of our new focus can be summarized in two words: customer satisfaction. We believe in customer service and effective results.

The Employment Security Commission values are:

1. The customer comes first! ESC is the acronym, not only for Employment Security Commission, but also for “Effectively Serving Customers.”
2. All employees will be partners in change, providing meaningful input into the improvement of the Agency’s operations.
3. Key results and performance will be linked to long-term planning. Open communication, both internal and external, will be promoted continually.
4. The latest technology and resources will be used to continuously enhance customer service.
5. New opportunities to build public and private partnerships will be sought continually.
6. ESC will maintain a diverse, professional, well-trained, motivated, and dedicated workforce.
7. As a steward of public funds, ESC will ensure the fiscal integrity and accountability of our Agency and the systems we administer.

### **2. Major Achievements Over the Past Year**

1. Over 106,000 South Carolinians became employed within 90 days of receiving a reported service from our offices.
2. Over 220,000 applicants were referred to listed job openings.
3. Over 320,000 individuals were registered for services aided by the use of Internet registration.
4. To serve the growing Spanish-speaking population, bilingual staff are now present in over two-thirds of our Agency workforce centers. In addition, the Labor Market Information Department translated its Wage Conversion Chart pamphlet to Spanish.

5. The Navigator program increased staff knowledge and awareness of customers with disabilities and special needs. Designated staffing increased from five to eight individuals.
6. Assistive technology devices such as Zoom Text, JAWS, and Intellikeys have been placed in four additional workforce centers, providing a “welcome mat” for all who entered.
7. More business-related services were offered in selected workforce centers such as Business Solution Centers, Voice of the Employer Forums, Business Summits, Work Keys proctoring and Key Train, and Spanish classes for industry.
8. A Youth Focus Forum was held with state and local Youth Council Members, state Workforce Investment Board (WIB) members, local WIB Chairs and local Workforce Investment Act (WIA) Administrators to share the new national vision for serving the most at-risk youth in our state (i.e., youth in the juvenile justice system, youth exiting the foster care system due to age, and youth dropouts).
9. The State Workforce Investment Board allotted another \$2 million for Incumbent Worker Training. This funding allows existing businesses in South Carolina to train current workers in an effort to upgrade skills and maintain competitiveness.
10. Over \$3 million in National Emergency Grants was received to assist with re-employment and training of dislocated workers impacted by the downturn in the state’s economy.
11. The State Employer Council is a statewide partnership of business and industry with organizations in the private and public sector that share the goal of enhancing South Carolina’s workforce, economy, and the citizens’ quality of life. In cooperation with the Employment Security Commission and its partners, participation by businesses in the State Employer Council has increased from about twenty-five to an average of 110 for the last two meetings, with representatives from each of the forty-six counties participating. A number of the thirty-five areas where the Employment Security Commission has local workforce centers now have or are creating local area councils. The Employer Council also played a key role in the Agency’s first Palmetto Workforce Awards presentation in April 2005, where the small, medium, and large market employers of the year were recognized at a banquet in Columbia. Members of the State Employer Council acted as judges for the competition using criteria determined by a special planning committee made up of SC Workforce System partners of ESC.
12. The effort and collaboration between the Employment Security Commission and various partners has impacted South Carolina’s business community and job seekers with the continuation of a number of major job fairs across the state during the past year. Ten job fairs were sponsored or co-sponsored by the Agency, drawing more than 30,000 participating businesses and job seekers, which resulted in reaching many who may not normally come into or fully utilize the services available at our workforce centers. In addition, many of our thirty-five local workforce centers participated in job fairs or business expos in their areas, drawing approximately 5,000 more business persons and job seekers.
13. The Agency, for the eighth year in a row, was a key sponsor of Groundhog Job Shadow Day. ESC joined with the State Department of Education, Junior Achievement of South Carolina and several other organizations to promote this event. This job-shadowing project for young people from grades K-14 covered the full month of February and

- allowed students to shadow a business professional on the job for a day. Last year, over 10,000 South Carolina businesses provided shadows for more than 33,000 young people.
14. The Agency, along with several other partnering state agencies, began monthly production of a 30-minute television program devoted to workforce development in the state for SCETV and its digital companion, the South Carolina Channel. The program was awarded a grant from the U.S. Department of Labor to help defray expenses incurred in the production of the show. Contributions toward the show's production are also anticipated from private businesses, in addition to SCETV's Endowment.
  15. For the third year in a row, ESC collaborated with WIS-TV in Columbia and the local Midlands Workforce Investment Area to help produce "Job Market Monday", a segment devoted to helping Midlands area businesses and job seekers find each other.
  16. The thirty-five local Interactive Voice Response (IVR) units were consolidated into one unit with a toll-free number for the customers to use. This was an improvement for the claimants, and the workforce centers were relieved of the duty of monitoring the local IVR units.
  17. The Agency remains a national leader in the promptness of decisions on lower authority appeals, with a quality rating of 100%. Approximately 99% of lower authority appeals decisions were issued within 30 days.
  18. Despite budgetary constraints and the loss of significant numbers of experienced workers due to retirement, the Agency continued to reach its goals for a diverse workforce due to Human Resource Management's achievements in the area of workforce planning. Some reasons for this success can be attributed to management's: fundamental understanding of the importance of having a diverse workforce; continuous analysis of employment actions; implementation of appropriate strategies and actions; and to management placing a major emphasis on communicating and ensuring HR policies and procedures are readily available to employees through a variety of sources (*i.e., training, group discussions, one-on-one counseling, electronic media, etc.*).
  19. Comprehensive career and educational information was provided statewide through the Agency's SCOIS (SC Occupational Information System) at 544 sites in schools, libraries, and one-stop workforce centers.
  20. During PY04, over 1,300 individuals were trained in the use of SCOIS.NET in sixty-six training sessions. Additionally, 111 individuals were trained in the use of career clusters and fifty-nine educators received Career Development Facilitator (CDF) training.
  21. Improvements were made to SCOIS information files and the content of SCOIS files was updated. The SCOIS Career Cluster Assessment was improved by linking it directly to occupational titles. It was made available in Spanish. Also, more occupational videos were added to the system.
  22. Development of a UI tax system was continued with implementation expected in FY 2005-2006.
  23. ESC participated in the development of the South Carolina Business One Stop (SCBOS). This is a system that will allow employers to register with multiple agencies at one site.
  24. The Agency worked to develop new ways to detect identity theft and ensure proper payment of benefits to only those legally allowed to work.
  25. ESC assisted in the passage of legislation that affected State Unemployment Tax Act (SUTA) dumping, victims of domestic abuse, and violators of workplace drug policies.

26. The Agency produced a benefit rights interview module for Hispanic-speaking customers.
27. Management Leadership Classes for developing future leaders of the Agency were reinstated.
28. The Agency certified 5,921 requests for Worker Opportunity Tax Credits (WOTC) or Welfare-to-Work (W-t-W) credits.
29. The Agency increased transportation allowance payments for individuals in Trade Adjustment Assistance (TAA) training.
30. ESC opened transition centers in Spartanburg, Sumter, Clemson, Hemingway, and Fort Lawn to help unemployed workers find jobs.
31. The Agency conducted a very successful Homeless Veterans Program. We placed thirty-six more veterans than our goal of sixty, and enrolled 201 veterans, which exceeded the Agency's goal of 100.
32. ESC built new facilities in Orangeburg and Newberry. These larger offices will enable us to better serve a wider customer base and provide enhanced services to our customers.

### **3. Key Strategic Goals for Present and Future Years**

1. Increase employee awareness of Agency's policies, programs, and services
2. Improve customer service
3. Quality workplaces for all employees
4. A better-prepared workforce
5. Collaborative partnerships
6. Improve communications
7. Fiscal integrity
8. Maintain or improve program performance

### **4. Opportunities and Barriers**

#### Opportunities

1. Ongoing efforts to enhance customer service, particularly for businesses
2. Increased emphasis on business development and employer relations
3. Increased emphasis on activities to address Agency workforce planning needs
4. Continued focus on fiscal accountability and the reengineering of processes to increase the efficiency and effectiveness of administration and operations
5. Continued development of employee training programs
6. Alternative funding possibilities through grants to supplement federal funds
7. Enhanced linkage between the ESC-based S.C. Occupational Information System (SCOIS) and one-stop workforce centers. SCOIS software provides detailed information on career and training opportunities
8. With the passage of the South Carolina Education and Economic Development Act, SCOIS has an even greater role to play in promoting career awareness and career counseling in South Carolina. SCOIS is named in the Act as the system to provide these services. The goal of SCOIS in PY05 is to maintain a minimum 530 sites and to bring up-to-date career, educational, and occupational information to South Carolinians.

- Emphasis will be placed on utilization of career clusters, development of career plans, training career specialists, and involving parents in the career development process.
9. Continued improvement of internal communications through e-mail, the Agency's Intranet and Internet websites
  10. Continued employer-focused outreach efforts, similar to the "Job Market Monday" feature with WIS-TV in Columbia and a similar arrangement with WSPA-TV in Spartanburg
  11. Continued marketing outreach through Carolina Works TV show, "Job Market Monday" segments on WIS-TV in Columbia and similar media projects on other TV and radio stations across the state
  12. Implementation of a new Unemployment Insurance (UI) tax system in 2006
  13. Gaining access to the National Directory of New Hires
  14. Providing program training to various areas of the UI program
  15. Obtaining information technology funding for projects such as centralizing fact finding, upgrading infrastructure and electronic funds transfer for benefit payments
  16. Development of an automated Trade Readjustment Assistance (TRA) payment system, if funding is secured
  17. Upgrading equipment for staff and systems
  18. Conducting an independent verification and validation of Data Validation results
  19. Increase by two, the number of Navigator staff
  20. Increase "placement" and "obtained employment" activity in all workforce centers
  21. Continuous improvement efforts to enhance customer service to employers and job seekers
  22. Efforts to increase emphasis on employer relations development statewide and in the local workforce centers via an increased number of Employer Councils, business development activities, and employer-related programs
  23. Opportunities to respond to grants and obtain funding for programs related to workforce development
  24. Continuing/expanding coordination and communication with WIA state and local boards, and other WIA partners and associates
  25. Building closer relationships with local customers through the local projections review process
  26. Identifying employer needs through the development of skills-based projections
  27. Major revamping of the LMI web presence should add value for current customers, and also assist in gaining new customers
  28. Enhancing the development and dissemination of data through Local Employment Dynamics (LED), Quarterly Census of Employment and Wages (QCEW) projects, and expansion of the use of America's Labor Market Information System (ALMIS) databases
  29. Put together a series of articles devoted to Employment Service and UI issues. These articles will be made available to local newspapers for their use in writing about local workforce centers and their Area Directors.
  30. The Communications Department will prepare a statewide campaign utilizing radio, TV, newspapers, billboards, brochures, posters, etc., to better publicize the Agency's various workforce-related services for returning veterans.

## Barriers

1. Major cuts in state and federal funding
2. Lower salaries than the private sector, making it difficult to retain qualified employees
3. Heavy workloads and staff reductions
4. Lack of a formalized needs assessment process

## **5. Organizational Performance and Continuous Improvement**

The Accountability Report serves as the foundation of the Agency's strategic planning process. This process involves the assessment of our customer's needs, the design of Agency programs and the implementation of services as set forth in the plan. An ongoing evaluation of performance measured against established benchmarks and standards will be performed. A primary function of the Accountability Report is to inform. Through clearly communicating organizational mission, goals and objectives to employees, other state agencies, partnering organizations and customers, the Accountability Report serves to promote continuous improvement within the Agency and its programs.

## **Section II -- Business Overview**

The Employment Security Commission (ESC) is the leading workforce development and labor exchange agency in the state. ESC is responsible for the payment of Unemployment Insurance (UI) benefits, the collection of unemployment taxes, job placement, and federal employment statistics. Our main goal is to match job seekers with employers quickly and effectively, and we offer a variety of services to assist both groups.

ESC works in concert with the federal government to preserve national economic stability. Funds come from payroll taxes paid by employers. These funds underwrite the UI program and public employment service. (Administrative funds are federal dollars that come from a portion of the tax paid by state employers.) ESC is also an active partner with business and industry, working with employers to hold down tax rates, and working hard to reduce the time that any worker is out of a job. At the state and local levels, special employer advisory committees actively work with ESC to ensure that all employment security programs are designed to meet the needs of business, and to ensure that the private sector has a strong voice in issues affecting employment and training of South Carolinians.

## **Number of Employees**

At the end of FY 04-05, ESC had 939 full-time employees and 194 temporary employees.

## **Operation Locations**

ESC operates a network of offices serving all forty-six counties of the state. This includes thirty-five workforce centers, twelve itinerant points, two administrative offices, and a warehouse. In addition, a limited number of staff are assigned to provide services at six other locations.

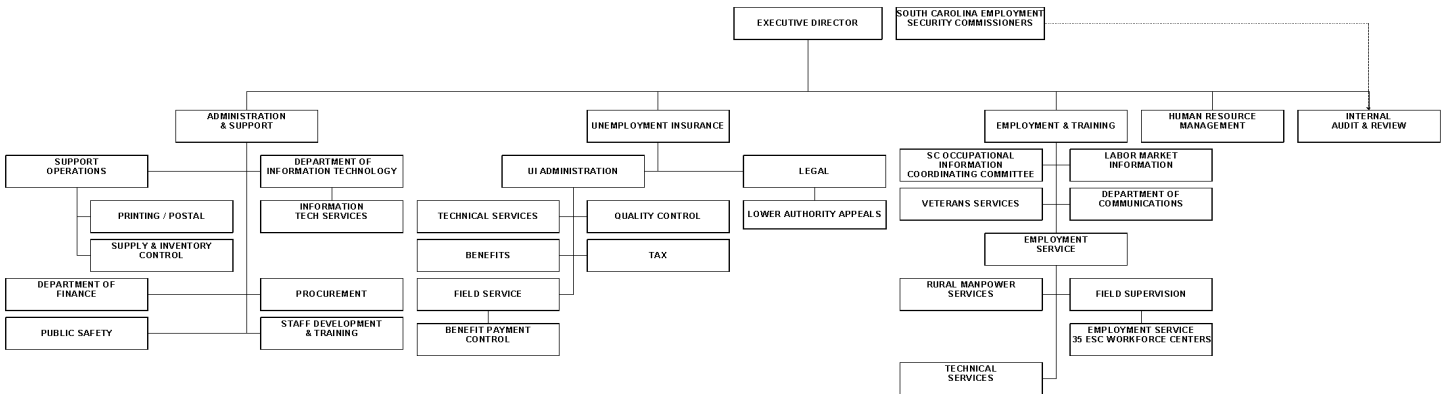


The locations of the workforce centers are: Abbeville (Branch Office), Aiken, Anderson, Barnwell, Beaufort, Bennettsville, Camden, Charleston, Chester, Clinton, Columbia, Florence, Gaffney, Georgetown, Greenville, Greenwood, Hampton, Hartsville, Kingstree, Lancaster, Lexington, Liberty, Marion, Moncks Corner, Myrtle Beach/Conway, Newberry, Orangeburg, Rock Hill, Seneca, Spartanburg, Summerville, Sumter, Union, Walterboro, and Winnsboro. The itinerant point locations are: Allendale, Bishopville, Chesterfield, Denmark, Dillon, Edgefield, Greer, Manning, McCormick, Ridgeland, Saluda, and York. Additionally, staff is assigned to provide services at non-agency facilities in Anderson, Charleston, Hartsville, Marion, and Spartanburg.

The Administrative Offices - the Robert E. David Building, the C. Lem Harper, Sr. Building, and the warehouse - are located in Columbia, SC.

## Organizational Structure

SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION  
 ORGANIZATION CHART  
 July 1, 2005



## Base Budget Expenditures and Appropriations

Major Budget Categories	03-04 Actual Expenditures		04-05 Actual Expenditures		05-06 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	\$39,315,853	\$	\$39,429,933	\$	\$49,767,459	\$
Other Operating	\$11,575,612	\$176,049	\$12,159,938	\$130,724	\$12,407,520	\$130,724
Debt Service	\$360,219	\$	\$359,700	\$	\$324,314	\$
Permanent Improvements	\$2,202,711	\$	\$2,593,968	\$	\$	\$
Case Services	\$4,850,998	\$	\$5,269,474	\$	\$8,528,295	\$
Distributions to Subdivisions	\$42,922,410	\$	\$49,684,084	\$	\$78,000	\$
Fringe Benefits	\$10,998,376	\$	\$11,154,729	\$	\$13,865,030	\$
Non-recurring	\$0	\$	\$0	\$	\$0	\$0
<b>Total</b>	<b>\$112,226,179</b>	<b>\$176,049</b>	<b>\$120,651,826</b>	<b>\$130,724</b>	<b>\$84,970,618</b>	<b>\$130,724</b>

### Other Expenditures

Sources of Funds	03-04 Actual Expenditures	04-05 Actual Expenditures
Supplemental Bills	\$0	\$0
Capital Reserve Funds	\$0	\$0
Bonds	\$0	\$0

## Major Program Areas

Program Number and Title	Major Program Area Purpose (Brief)	FY 03-04 Budget Expenditures	FY 04-05 Budget Expenditures	Key Cross References for Financial Results*
I Administration	To provide executive leadership and administrative services for the Agency.	<b>State:</b> 0 <b>Federal:</b> 8,170,206 <b>Other:</b> 1,129,898 <b>Total:</b> 9,300,104 <b>% of Total Budget:</b> 8.0%	<b>State:</b> 0 <b>Federal:</b> 8,327,762 <b>Other:</b> 1,044,529 <b>Total:</b> 9,372,291 <b>% of Total Budget:</b> 8.0%	7.3, pg 46
II. Employment Services	To provide for the matching of job seekers with employers who need workers.	<b>State:</b> 0 <b>Federal:</b> 13,365,966 <b>Other:</b> 3,538,484 <b>Total:</b> 16,904,450 <b>% of Total Budget:</b> 15.0%	<b>State:</b> 0 <b>Federal:</b> 12,719,213 <b>Other:</b> 3,564,460 <b>Total:</b> 16,283,673 <b>% of Total Budget:</b> 13.0%	7.3, pg 46
III. Unemployment Insurance	To provide for assessing and collecting Unemployment Insurance taxes. Oversees the filing of unemployment claims and benefit payments.	<b>State:</b> 0 <b>Federal:</b> 30,446,955 <b>Other:</b> 1,787,811 <b>Total:</b> 32,234,766 <b>% of Total Budget:</b> 29.0%	<b>State:</b> 0 <b>Federal:</b> 32,175,296 <b>Other:</b> 1,842,807 <b>Total:</b> 34,015,103 <b>% of Total Budget:</b> 28.0%	7.2, pg 31; 7.2-1 thru 7.2-4, pg 32-33; 7.2, pg 34; 7.2-5 thru 7.2-8, pgs 34-36; 7.3, pg 37; 7.3-1 thru 7.3-11, pgs 37-45
IV. Occupational Information	To provide information to improve the way young people and adults plan careers, make educational training decisions and find jobs.	<b>State:</b> 176,049 <b>Federal:</b> 222,947 <b>Other:</b> 236,052 <b>Total:</b> 635,048 <b>% of Total Budget:</b> 1.0%	<b>State:</b> 130,724 % <b>Federal:</b> 227,185 <b>Other:</b> 289,566 <b>Total:</b> 647,475 <b>% of Total Budget:</b> 1.0%	
VI. Workforce Investment Act	To provide for local one-stop workforce centers statewide designed to meet the employment training and Labor Market Information needs of businesses, jobseekers and at-risk youth.	<b>State:</b> 0 <b>Federal:</b> 53,151,810 <b>Other:</b> 0 <b>Total:</b> 53,151,810 <b>% of Total Budget:</b> 47.0%	<b>State:</b> 0 <b>Federal:</b> 60,326,835 <b>Other:</b> 0 <b>Total:</b> 60,326,835 <b>% of Total Budget:</b> 51.0%	

**Below: List any programs not included above and show the remainder of expenditures by source of funds.**

Capital Projects	<b>Remainder of Expenditures:</b> \$3,450	<b>State:</b> <b>Federal:</b> <b>Other:</b> <b>Total:</b> <b>% of Total</b>	<b>State:</b> <b>Federal:</b> 3,450 <b>Other:</b> <b>Total:</b> 3,450 <b>% of Total</b>
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	<b>Budget:</b>	<b>Budget:</b>
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\* Key Cross-References are a link to the Category 7 - Business Results. These References provide a Chart number that is included in the 7th section of this document.

## **Description of Services**

The South Carolina Employment Security Commission is widely known as a labor exchange and unemployment insurance entity. Services are available at no cost for both the job seeker and the employer. Job seekers may file for unemployment insurance and register to use a variety of employment services at their nearest ESC workforce center. They have the option of using the self-directed services of the center or working with a workforce specialist to assist them in becoming employed and self-sufficient. Employers desiring assistance with their workforce needs may contact the nearest ESC workforce center for help with recruiting, screening, interviewing, and hiring potential workers.

### ***Job Seeker Services***

Individuals seeking employment have full use of all services available to them in their job search. Job seekers who register with a workforce center are included in a database of available job seekers and matched with current job openings in the area. The system also refers qualified individuals to the employer for interviewing. Each workforce center is equipped with a resource area designed to give applicants self-service access to the latest technology for Internet job searches, the best resources for producing professional resumes, tools to evaluate their work skills and needs, and access to employer information. Information is also available to all applicants regarding training services, as well as referrals to other agencies and services designed to help individuals re-enter the workforce.

### ***Employer Services***

Employers have access to a full array of services to assist them with their workforce needs. Employers are encouraged to post job openings with ESC, which builds a database of job openings in the state. A job matching system is in place to match applicants with employers based on the requirements of the job. Specialized services such as recruiting, screening, and scheduling interviews of potential applicants are provided to employers. Employers experiencing or anticipating layoffs may receive additional services to help prepare their workforce for the separation. These services may include group orientations, on-site registrations, or on-site filing for Unemployment Insurance (UI) benefits.

### ***Administering the State Unemployment Insurance (UI) System***

The UI system is funded through an unemployment insurance tax levied against employers, to assist workers who may become unemployed. Workers who are unemployed or partially unemployed may apply for UI benefits. Application for benefits can be accomplished several ways – by visiting the nearest workforce center, electronically via the Internet, by telephone, or by the worker's employer (if he or she is still job-attached). After the initial application is taken, the employer is notified of the claim being filed. Statements are taken from the applicant and the employer as to the reason for separation and then a determination is issued. Should either party disagree with the final decision, they may initiate an appeal process. Once the benefit year begins, claimants file weekly by phone or by mail. Each claimant's status will be reviewed periodically as he or she continues to receive benefits.

### ***Administering the Workforce Investment Act Within South Carolina***

ESC serves as the administrative entity for the Workforce Investment Act (WIA) in South Carolina and works in conjunction with the State Workforce Investment Board to provide planning and policy development for WIA and the Welfare to Work (W-t-W) program. WIA made provisions for the “one-stop” delivery system within twelve local areas that were established in the state. Each area has developed a system to provide core, intensive, and training services to customers seeking employment, designed to make them self-sufficient. Access to core services is available to all customers. Intensive services and training may be available to those customers that need extra help in finding a job or re-entering the workforce.

### ***One-Stop Workforce Center Operator***

WIA legislation provided that at least one comprehensive one-stop workforce center be designated in each of the twelve areas. The workforce center coordinates with various other agencies (partners) to provide the full array of services required under the Workforce Investment Act. Additional sites (satellite locations) can be established, if the need is determined by the Workforce Investment Board (WIB) in that area. The entity that operates a comprehensive workforce center or satellite location is determined by a competitive bidding process. Each area WIB seeks bids from those entities that can operate a one-stop workforce center, complying with WIA legislation. There is a total of fifty-six one-stop workforce centers in the state, seventeen of which are comprehensive sites and thirty-nine of which are satellite sites. Of the seventeen comprehensive one-stops in the state, ESC currently operates ten. In addition, of the thirty-nine satellite sites, ESC operates fifteen. In the satellite offices, all basic services are provided. Additional services may be available on a limited basis.

### ***Labor Market Information Services***

ESC, in conjunction with the Bureau of Labor Statistics, provides a broad array of statistical data in various formats. The data provided are for use by job seekers, employers, educators, planners, economists, students, and others. Data are presented in publications, articles, news releases, pamphlets, and the Internet. Special data requests are often received. Types of data available include unemployment statistics, recent industrial employment numbers, occupational data, and wage survey results.

### ***South Carolina Occupational Information Coordinating Committee***

The South Carolina Occupational Information Coordinating Committee (SCOICC) is also housed in the Agency. SCOICC operates the South Carolina Occupational Information System (SCOIS). This system was designed to address the need for career information in the state. It is available in all workforce centers, many school districts, and various other sites. Users may access computer software that offers resources to assess their skills and interests. This assessment is matched with potential occupations. Additionally, the user may review all available information pertaining to that occupation and locate facilities that offer the specific training required.

### ***Other Specialized Services***

Certain segments of the workforce also receive specialized services in the workforce centers. Veterans are given preference with registration, referrals to job openings, and have designated program specialists to assist them. The Agency also monitors the employment and living arrangements of migrant and seasonal farm workers very closely. In addition, the Department of Labor has designated ESC as the coordinator for the Alien Labor Certification (ALC) and Work Opportunity/Welfare-to-Work Federal Tax Credit programs.

### ***Economic Development Services***

ESC is one of the main providers of data to economic development agencies around the state. The Agency distributes data on the general economic status of the state to various colleges and universities, as well as the general public, on a monthly basis. Companies considering relocation to South Carolina can find the data needed to make an informed decision.

## **Section III - Elements of Malcolm Baldrige Award Criteria**

### **1.0 Leadership**

The senior leadership of the Employment Security Commission consists of three levels: the executive staff, the senior leadership team, and the senior management team. The executive staff is comprised of the executive director and the three deputy executive directors. The senior leadership team is comprised of the executive staff and the seven department heads. The senior management team is comprised of the senior leadership team and the twenty-six management staff.

***1. How do senior leaders set, deploy and communicate: a) short and long term direction, b) performance expectations, c) organizational values, d) empowerment and innovation, e) organizational and employee learning, and g) ethical behavior?***

**1.1a-g** – Senior leadership continues to work toward effectively communicating, throughout the Agency, the vision and goals set forth for the Agency. This is accomplished primarily through division, department and unit meetings. Weekly division meetings provide opportunities for overall direction to be set and monitored. Subsequent meetings on the division, department, and unit level allow this information to be shared with front-line employees, thus ensuring consistent communication on the short and long term direction of the Agency.

Performance expectations are clearly defined and communicated to individual employees and departments. The use of the Employee Performance Management System (EPMS) allows employees to know what is expected of them and how they will be evaluated on their job performance. Reviews of departments and divisions are also in place. Division, departmental, and unit meetings continue to communicate short-term performance expectations and also serve as frequent progress reviews.

The Agency's organizational values are based on the following: promoting total employee involvement, producing superior products, seeking additional public and private partnerships, promoting greater use of technology, accepting daily change, encouraging teamwork, and striving for increased community involvement. Senior leadership communicates a focus on these values by stressing their importance to employees throughout the fiscal year. The overall Agency plan, including organizational values, remains available on the Agency's Intranet for review by all employees.

Where possible, employees are encouraged and empowered to strategize, suggest, and improve work processes. Employee feedback has been vital in improving many work processes, programs, and initiatives sponsored by the Agency. As a result, employee feedback and assessment remains a vital part of determining future direction for the Agency.

In order to help employees better serve the Agency and its customers, the senior leadership team promotes both internal and external training opportunities for all employees. These training opportunities have served to improve the level of service provided to Agency customers. Senior leadership continues to encourage, where possible, training opportunities to further develop the knowledge, skills, and abilities of all employees.

Standards for ethical behavior are communicated to each employee upon hiring. Employees are given a written copy of the Guide for State Employees developed by the State Ethics Commission. Employees then sign an acknowledgement form certifying that they understand the issues involved. An employee handbook further details ethical behavior.

## ***2. How do senior leaders establish and promote a focus on customers and other stakeholders?***

**1.2** – Senior leadership continues to actively promote a focus on customers by reinforcing improved customer service as one of the Agency's overall goals. Senior leadership continues to evaluate Agency programs, services, organizational structure, and financial resources in order to ensure that services are meeting the needs of customers and are continually being improved. Enhancements to customer service continue to be implemented.

## ***3. How do senior leaders maintain fiscal, legal, and regulatory accountability?***

**1.3** – Senior leaders maintain fiscal, legal, and regulatory accountability by consistently reviewing the current state of the Agency. This review includes: frequent updates on the overall budget status of the divisions, departments and reviews within the Agency; consistent consultation with the Agency's legal department on adherence to state and federal legislation; and frequent communication with state and federal officials to report on the Agency's adherence to guidelines established to operate the programs entrusted to the Employment Security Commission. In addition, the Agency's Internal Audit Department and external auditors assist with monitoring performance and reporting findings to the senior leadership.



**4. *What key performance measures are regularly reviewed by your senior leaders?***

**1.4** – Organizational measures reviewed by senior leadership include the following: customer satisfaction; mission accomplishment; human resource effectiveness; procurement effectiveness; process management; asset management effectiveness; administrative support effectiveness; employee satisfaction and involvement; staff development; and local and federal grant effectiveness. These measures are reviewed through written reports, and through weekly and quarterly department and division meetings. Actual results are reported in Category 7 (Business Results).

**5. *How do senior leaders use organizational performance review findings and employee feedback to improve their own leadership effectiveness and the effectiveness of management throughout the organization?***

**1.5** – By receiving regular updates on the state of Agency and employee concerns, senior leaders are able to adjust and modify their leadership strategies to maximize overall effectiveness. Over the past year, senior leadership continued to take action on a wide range of issues identified through regular meetings and through employee feedback. As a result, senior leadership has addressed specific issues and made improvements in day-to-day operations and services where appropriate. Weekly division meetings have provided an avenue for these modifications to be assessed for practicality and overall effectiveness. This strategy continues to facilitate a more integrated approach for delivering services by breaking down barriers between departments.

**6. *How does the organization address the current and potential impact on the public of its products, programs, services, facilities and operations, including associated risks?***

**1.6** – Senior leadership continues to examine and address the current and potential impact of Agency services on the economy and the population of South Carolina. During FY 2004-2005, we continued extended local office hours in some areas to better serve the public during the economic recovery. More local decision-making authority for public service improvement is also encouraged. Senior leadership traveled to the various satellite offices around the state to talk with employees and customers served by the Agency. This direct feedback allows senior leaders to have direct interaction with those needing Agency services. Senior leadership continues to actively monitor legislation at the state and federal level, which would affect services to the public. Senior leadership also continually reviews current trends and labor market data to stay abreast of issues impacting the Agency's service to the public.

**7. *How does senior leadership set and communicate key organizational priorities for improvement?***

**1.7** – Key organizational goals and priorities are set and communicated through weekly division and department meetings and through the development of specific action plans. Continued communication on key priorities occurs in weekly meetings and through consistent communication between senior leadership and staff. Divisions, departments, units, and employees are required to evaluate their individual roles and progress toward accomplishing Agency goals.

## ***8. What is the extent of participation in improving the community?***

**1.8** – The Agency and its senior leadership actively support and strengthen communities by strongly encouraging employee involvement in civic clubs, chambers of commerce, Workforce Investment Boards, economic development groups, and various other community oriented groups or committees. The Agency also is represented on the board of Koban Columbia, Inc., a non-profit organization designed to provide opportunities to “at-promise” youth and their families. For local area directors, the Agency provides assistance with organizational membership fees. Staff is encouraged to be involved in programs that will provide exposure for ESC and the services provided to job seekers, businesses, and the community at large. In addition, the Agency participates in and sponsors local and regional job fairs to provide assistance within various communities around the state.

## **2.0 Strategic Planning**

***1. What is your strategic planning process, including participants, and how does it account for: a) customer needs and expectations; b) financial, societal and other risks; c) human resource capabilities and needs; d) operations capabilities and needs; e) supplier/contractor/partner capabilities and needs.***

**2.1** – During the 2004-2005 fiscal year, the Employment Security Commission shifted emphasis from its’ systemic strategic planning model to focus on tactical planning. This shift was due to the increasing need to reengineer operational processes to adapt to significant reductions in resources and to make better use of available technology. To complicate matters, the State’s economic downturn had an enormous impact on Agency workload as the number of layoffs and long-term unemployed continued to grow throughout the fiscal year. In response to this need, a tactical planning model was used to assist leadership in identifying and evaluating issues related to operational alternatives. This model, piloted in the spring of 2004, was used throughout the 2004-2005 fiscal year. The model incorporates the use of 360° feedback, nominal group technique and a variety of evaluative matrices to include the SWOT (Strength Weaknesses Opportunities Threats) analysis.

As operational challenges were met, the Agency returned to a systemic strategic planning process. To aid in this effort, the Agency placed increasing priority on energizing the State Employer Council. This customer-driven council provides guidance on establishing strategic goals for the Agency. In addition, collaboration with the local Workforce Investment Boards improved resource alignment and clarified goals, roles and desired outcomes. The growing emphasis on collaboration helped us move closer to a seamless workforce delivery system in South Carolina. By collecting input from a variety of sources, the Agency strove to achieve balance in all aspects of performance. Since its inception, the strategic planning process has aided senior leadership in determining a specific mission with clearly defined goals.

Internally, the process began with each department creating a one-year and a five-year plan. Departments were challenged to identify services provided, customers, performance goals and objectives, strategies to be used, and key external factors affecting operations. Each front-line supervisor was asked to meet with his/her staff to determine the unit’s role, and to develop an

action plan. Then, departments compiled individual unit plans to develop the overall department's one-year and five-year plans. This included identifying organizational structure, a mission statement and departmental goals and objectives. Departments were also asked to identify the business they were in, including services, customers, competitors, and growth. The departments identified external influences, including economic and budgetary factors. Departments examined their available capabilities, and evaluated their outside image, strengths, and future assumptions. The allocation of resources -- including people, equipment, space, and information -- was also examined in this initial phase. A critical factor in resource planning for the Agency is succession planning. The loss of key personnel over the next three to five years will have a significant impact on the organization. The Agency is continuing to further develop strategies for knowledge transfer, human resources, finance, and information technology, along with other resource plans to be included in the future. Finally, departments identified programs and projects necessary to achieve their goals and objectives.

## **2. *What are your key strategic objectives?***

- To increase the number of employer job openings
- To increase the number of applicants employed
- To increase the percentage of claimants entering employment
- To improve the accuracy and timeliness of employer tax information
- To reduce the percentage of time the IVR (Interactive Voice Response) system is unavailable for customer use
- To meet and exceed all federally mandated performance goals related to the unemployment insurance program

These are addressed in greater detail in the Strategic Planning Chart.

## **3. *How do you develop and track action plans that address your key strategic objectives?***

**Note:** *Include how you allocate resources to ensure accomplishment of your action plans.*

**2.3** – The Agency's strategic goals can be identified by division. It is at the division level that tactical plans are developed to address strategic goals and objectives. Through the use of input from customers, front-line staff, program staff, partnering agencies, and management, operational action plans are developed. These tactical plans are established using SMART (Specific Measurable Action-Oriented Relevant Time Bound) goals and are executed through a project management approach.

The vast majority of Agency resources come from federal dollars. Program specific funds are used to support related strategic and operational goals and objectives. These goals and objectives are incorporated into plans required by the funding source.

## **4. *What are your key action plans/initiatives?***

See Strategic Planning Chart.

**5. How do you communicate and deploy your strategic objectives, action plans and performance measures?**

2.5 – The Agency’s overall strategic plan, including objectives, action plans and performance measures, are communicated and disseminated to the various divisions and departments. Divisional and departmental objectives and plans to include performance measures become the foundation for the planning stage of the Employee Performance Management System (EPMS). In addition, a monthly electronic newsletter called *On the Job* has been used to provide employees with pertinent information on Agency initiatives and performance.

**6. If the Agency’s strategic plan is available to the public through the Agency’s Internet homepage, please provide an address on the website for that plan.**

The strategic plan is currently not available through the Agency’s Internet homepage.

**2.6-1**

**STRATEGIC PLANNING**

<b>Program Number and Title</b>	<b>Supported Agency Strategic Planning Goal/Objective</b>	<b>Related FY 03-04 Key Agency Action Plan/Initiatives</b>	<b>Key Cross References Performance Measures</b>
II ES	To increase employer job openings		7.2, pg 31; 7.2-1, pg 32
	To increase the number of applicants employed		7.2-2, pg 32; 7.2-4, pg 33
	Increase the percentage of claimants returning to employment		7.2-3, pg 33
III UI	To improve the accuracy and timeliness of employer information by implementing a new tax system	Complete development of conversion programs and begin Unit Acceptance Testing (UAT) for all functional areas of the UI Tax Department	7.2, pg 34
	To reduce the percentage of time the IVR system is unavailable for customer use	Complete development of new IVR scripts and installation of new IVR equipment to allow for consolidation of existing IVR equipment in each workforce center	7.2, pg 34

<b>Program Number and Title</b>	<b>Supported Agency Strategic Planning Goal/Objective</b>	<b>Related FY 03-04 Key Agency Action Plan/Initiatives</b>	<b>Key Cross References Performance Measures</b>
	To meet and exceed all federally mandated performance goals related to the unemployment insurance program	Continue to monitor, assess performance, and take corrective actions when necessary, in all areas which are included in the UI Performance Measurements established by the US Department of Labor	7.2-5 thru 7.2-8, pgs 34-36 7.3-1 thru 7.3-11, pgs 37-45
IV WIA	To further integrate workforce development and economic development in SC	Successfully transferred the State Workforce Investment Act Administration to the Department of Commerce on June 30, 2005.	

### **3.0 Customer Focus**

#### ***1. How do you determine who your customers are and what their key requirements are?***

**3.1** – Our customers and their key requirements are determined by federal and state legislation that defines the services the Agency provides as well as customer eligibility guidelines. The US Department of Labor (USDOL) provides program funding and determines many of our service areas. Many of our performance measures and deliverables are specified through contracts and grants with the USDOL. Other customers are determined based on their individual needs for employment-related information and services. These customers include: businesses; state government agencies; federal government agencies; local government agencies; universities; colleges; technical schools; other educational entities; economic development officials; chambers of commerce; Workforce Investment Boards (WIBs); one-stop partners organizations, both private and public; the legislature; and the general public. Although concentration is on South Carolina citizens, information and services are available through web-based applications that provide access to employment and labor market information to any individual or company. Our customer’s key requirements include job referral and placement assistance, access to unemployment insurance benefits, access to training and supportive services, as well as services involving labor market information.

#### ***2. How do you keep your listening and learning methods current with changing customer/business needs?***

**3.2** – ESC’s listening and learning methods are kept current with changing customer/business needs through continuous communication and feedback. The State and Local Employer Councils continue to provide valuable input from the end-users of our state’s public employment service. Collaboration and input from our partnering organizations in our one-stop workforce centers allow us to tailor our programs to meet the specific requirements of each local area and its

customers needs. Summits are held with the twelve (12) Workforce Investment Board (WIB) chairpersons to identify needs around the state. Youth Council and Faith Based Council meetings are also held to get specialized input for services. Other methods used to keep listening and learning methods current with customers' needs are as follows: focus groups of employers and job-seekers, advisory groups, required surveys of program participants under WIA and other program tracking methods, self-appraisal surveys, required surveys of businesses, customer service sections within the Agency, participation of staff in local chambers of commerce, and attendance at state and national conferences to stay attuned to the best practices in customer service. Customer comments are solicited through a variety of efforts such as in-person solicitation, telephone and written surveys, and through other technology. One example is the survey of both program participants and businesses under the Workforce Investment Act (WIA). The survey is phone-driven, operated by the Employment & Training Institute (ETI), which uses the methodology of the American Customer Satisfaction Index (ACSI). ETI is currently surveying employers and WIA participants and has a subcontract to review Employment Services. By using ACSI, results can be compared with other governmental agencies and private organizations to improve methods with changing customer/business needs. The Agency also has a complaint management process that includes Equal Employment Opportunity (EEO) complaints as well as Employment Service (ES) and Unemployment Insurance (UI) complaints. Offices are staffed with specialists to assist with complaint intake. The Agency strongly encourages open lines of communication so that our listening and learning methods stay current in order to serve our customers to our full potential.

***3. How do you use information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement?***

**3.3** – The Agency uses information from customers/stakeholders to keep services or programs relevant and provide for continuous improvement by surveying customers and evaluating their feedback. The level and delivery of services are guided by customer/stakeholder feedback. Workforce Investment Boards (WIBs) meet and evaluate customer needs and determine the best possible services and operation design to meet the needs of the business community and provide a skilled workforce. Program and performance data are reviewed by management to aid in service or program modifications, which helps us better serve our customers.

***4. How do you measure customer/stakeholder satisfaction?***

**3.4** – The Agency continually evaluates customer requirements and satisfaction results that guide the level and delivery of services. The USDOL has established seventeen (17) core performance measures, which must be satisfied under the Workforce Investment Act (WIA). These measures are part of the USDOL WIA regulations and are incorporated in each Local Workforce Investment Area's (LWIA's) five-year plan. Additionally, local Workforce Investment Boards (WIBs) set general policy guidelines for the operation of one-stop workforce centers in their specific areas. Agency staff serves on these boards along with business leaders, educational representatives, and local elected officials. Under WIA, questionnaires and the ACSI are used to solicit feedback from businesses and program participants. Program and performance data are provided to these oversight groups based on the actual services provided to customers during a

fiscal year. ESC regularly monitors each area to ensure understanding of and compliance with governing federal regulations and local area policies.

ESC places priority on customer service, making structural changes to better serve customers and increase emphasis on marketing services. Staff is dedicated specifically to marketing and customer support. The Agency has a secret shopper contract to objectively evaluate services in workforce centers. Toll free numbers and fax-on-demand features have been added to provide easy access to information. Agency products and brochures, developed by the Labor Market Information Department, are evaluated by the customers who receive these services. The Agency continues to train employees on how to deal effectively with customers. Employees are cross-trained in various program areas to handle customer requests more efficiently. All customer complaints receive individual attention and follow-up.

***5. How do you build positive relationships with customers and stakeholders? Indicate any key distinctions between customer groups.***

**3.5** – The Agency has numerous services and accommodations available to build and bridge relationships with customers and stakeholders. ESC continues to operate programs specifically dealing with specialized groups such as: veterans, disabled veterans, youth, Native Americans, those needing adult education and literacy activities, senior adults, and the Spanish-speaking communities. Outreach efforts are in place to provide Agency services to migrant and seasonal farm workers. Services have also been established for customers with barriers, including Limited English Proficient (LEP) individuals and those covered by the Americans with Disabilities Act (ADA). Assistive technology equipment has been purchased to assist those with barriers. Accommodations have been provided for the technologically savvy and for those customers preferring paper documents. The Agency has a statewide employer representative who coordinates the South Carolina Employer Committee (a business-minded focus group) to identify employer/business needs to aid in improving relationships between the Agency and businesses. The Statewide Partners Group meets quarterly to address improvement of relationships, and includes the senior management of the partners in the one-stop system. The Agency tracks new applicants and renewals, as well as applicants placed and applicants employed. Increased emphasis on supportive services has resulted in increased referrals of applicants to supportive service partners prior to job referral and placement. These services improve the likelihood of a positive outcome for the customer. Efforts to build positive relationships include recognition of those providing outstanding service and for those with outstanding achievements by the International Association of Workforce Professionals (formerly International Association of Personnel in Employment Security- IAPES) through nominations and awards. This professional organization expanded its membership to include partner organizations and other interested parties. WIA awards also recognize exemplary performance and achievement of Local Workforce Investment Areas (LWIAs), partners, and participants. These awards encourage all levels to work together to achieve objectives.

## **4.0 Measurement, Analysis, and Knowledge Management**

### ***1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance?***

**4.1** – The USDOL establishes measurement systems for all employment security agencies throughout the United States and measures are set for the various funded programs within the Agency. Senior leadership, after ensuring compliance with USDOL mandates, further defines which operations, processes, and systems to measure. In some program areas the Agency participates with other states, consortiums, and private companies in the establishment of common solutions to meet the operations and process system measurements as defined. These measures are part of the Agency's overall strategic plan.

### ***2. What are your key measures?***

**4.2** – The key measure of the Employment Security Commission's management strategy is how effectively the Agency's activities achieve its goals. Since the Agency is undertaking new and expanded roles, our work to develop new outcome measures is critical in demonstrating our effectiveness. As we develop these new measures, the Agency will use internal measures of success for those strategies that affect internal operations such as the strategies to improve communication and improve its workforce. We will survey employees to determine the impact of management policies that support them and make improvements based on the results. Examples of such indicators are:

- The degree to which the Agency meets its strategic goals
- Increased satisfaction among employees and customers
- Program managers agree better financial operational data is provided
- Program managers believe automated solutions are employed effectively
- Program managers agree the Agency has the right people in the right place to achieve results
- Executive Staff's management agenda plans are met
- The various Agency departments efficiently work together, ensuring the needs of Agency employees and customers are met

### ***3. How do you ensure data integrity, timeliness, accuracy, security and availability for decision-making?***

**4.3** – Within ESC, internal operations data are reviewed by management to ensure that accurate indicators of services are provided. Controls are also in place, which provide for security of confidential data and ensure that only designated staff have access to this information. Through established monitoring systems, the quality, reliability, timeliness, and availability of data are reviewed to ensure accuracy in accountability necessary for decision-making.



***4. How do you use data/information analysis to provide effective support for decision-making?***

**4.4** – Operational data are continually utilized in making programmatic decisions for UI, E&T, LMI, and WIA programs. Specialized departments such as UI Technical Services, E&T Technical Services, and State Workforce Investment Administrative Department (SWIAD) are utilized to provide supervision to these programs. Services provided include, but are not limited to:

- Interpretation and dissemination of federal regulations and directives
- Preparation and distribution of procedures, policy manuals, and forms
- Establishment of Plan of Service objectives and goals for each office, with periodic reviews and reports being forwarded to management on accomplished progress
- Evaluations, training, and/or special studies conducted as necessary

Operational data gathered from individual program areas are currently available to senior leadership, managers, and end-users on request. This data is reviewed weekly, monthly, quarterly, and annually, based on various programmatic requirements, and is used for decision-making purposes.

***5. How do you select and use comparative data and information?***

**4.5** – South Carolina is compared to the other 49 states (and to the other employment entities in Washington, D.C., Puerto Rico, and the Virgin Islands) by the USDOL, which "grades" the performance of each agency in various programs. This measurement system defines the data that must be collected to provide performance reporting. The Agency is also compared to the eight other states within our region and has won the USDOL's Regional Office Award for Best Overall Performance in eight of the last thirteen years. Internally, we compare similar offices at local levels to provide an informative overview of performance, with awards given to the best at each level.

***6. How do you manage organizational knowledge to accomplish the collection and transfer and maintenance of accumulated employee knowledge, and identification and sharing of best practices?***

**4.6** – The Agency manages organizational knowledge to accomplish the collection and transfer and maintenance of accumulated employee knowledge, and identification and sharing of best practices through a systematic approach of discovering, understanding and using knowledge to achieve organizational objectives. Specifically:

1. **Identifying & Collecting:** Knowledge Audit/Inventory, Knowledge Mapping, Best Practices, Documenting Processes, and Expert Interviews
2. **Storing:** Document Repositories, Document Management, Systems, and Databases
3. **Transferring:** On-the-Job Training, Job Aids, Debriefings, Cross-Training, Mentoring, Modeling, Communities of Practice (diverse groups), and Knowledge Fairs

The basic concept of Knowledge Transfer Methods is to utilize the most effective strategies (*i.e., utilize personal interaction/sharing of learned knowledge*) as opposed to strategies that are least effective (*i.e., heavy documentation – little personal interaction*). To begin, the Agency's Senior Leadership Team - with the assistance of the Human Resource Management Department - identified key job categories to profile. Next, the Staff Development and Training Director assessed current performance prior to initiating the following: job duties/task analysis, task criticality/essential functions, training prioritization & resources, skills analysis (SCANS Competencies and WorkKeys Skills), and other resources. Finally, assessment and accountability efforts were implemented.

## **5.0 Human Resources**

### ***1. How do you encourage and motivate employees to develop and use their full potential?***

**5.1** – The Agency encourages and motivates all employees to develop and utilize their full potential in alignment with the Agency's goals and objectives. In support of human resource policies, the Agency consistently promotes a balanced workforce and encourages the attainment of affirmative action goals. The Agency makes collaborative efforts to build and maintain a work environment conducive to performance excellence and full participation, along with personal and organizational growth.

### **Work Systems**

*Work and Job Design:* Work and jobs are designed with employees' contributions (*including cost center managers and supervisors*) to ensure:

1. Design, management, and improvement of Agency work processes that support the Agency's action plans and related human resource plans. Work processes are often designed and managed to encourage individual initiative and self-directed responsibility;
2. Flexibility, rapid response, and learning in addressing current and changing customer, mission, and operational requirements; and
3. Effective communications, cooperation, and knowledge/skill sharing across work functions, units, and locations.

*Compensation and Recognition:* The Agency's compensation and recognition approaches for individuals and groups (including managers and supervisors) reinforce overall objectives for customer satisfaction, performance improvement, and employee and organization learning.

### **Employee Education, Training and Development**

Education and training opportunities provided by the Agency support the accomplishment of key organizational action plans and address organization needs. This includes building knowledge, skills, and abilities, and contributing to improved employee performance and development.

1. Education and training support the Agency's key action plans and needs, including longer-term employee development and learning, and leadership development of employees.
2. Education and training are designed to support the Agency's work systems by seeking input from employees and their supervisors/managers in education and training design.
3. Education and training, including orientation of new employees, are delivered.
4. Knowledge and skills are reinforced on the job.
5. Education and training are evaluated and improved, taking into account organization and employee performance, employee development and learning, leadership development objectives, and other relevant factors.

## ***2. How do you identify and address employee- training needs?***

**5.2** – The Agency frequently identifies and addresses employee training needs by assessing current work needs and projecting future courses of action to meet those needs. Development of core curriculum is influenced by this process. Training needs are also developed through communication between employees and their supervisors. Individual employee goals are matched with the Agency's overall mission and goals. Employee self-motivation is a key factor in developing successful training programs. The ultimate goal is to develop a workforce that is knowledgeable, skilled, and motivated. Specifically, the Agency prioritizes training needs that revolve around programmatic skills and knowledge, management/leadership development, human resource management practices, anti-harassment training, diversity training, and office safety procedures.

## ***3. How is high performance supported by the EPMS?***

**5.3** – High performance is supported by the Employee Performance Management System. Through use of the EPMS, the Agency strives to improve supervisor-employee communication. The EPMS also serves as the primary tool for management to document employee performance and increase productivity. The main goal is to increase the overall effectiveness and productivity of the Agency by improving the work performance of its individual employees. Generally, an evaluation session is a time for accountability, for assigning consequences with actions, for detecting flaws and making improvements, and for planning future goals.

To achieve high levels of performance, employees must first understand the mission of the Agency. In the planning stage, employees and their supervisors review the employee's position description for accuracy and understanding. At this time, the position description can be updated or modified to ensure these two factors. During the planning stage, an employee may ask for the supervisor's expectations and express his or her own expectations. Also, during the planning stage, the supervisor or the employee may recommend a performance objective that can be accomplished over the course of the rating period. The employee and the supervisor should meet to discuss the employee's progress sometime during the rating period.

## ***4. How do you determine employee satisfaction, well-being, and motivation?***

**5.4** – The Agency maintains a work environment that supports the satisfaction, well-being, and motivation of its employees by addressing the following areas:

Work Environment: The Agency maintains a safe and healthful work environment. Employee well-being factors such as health, safety, diversity and ergonomics are addressed in improvement activities. Key measures and targets for each of these environmental factors are developed and employees take part in establishing these measures and targets.

Specific factors that have positively affected employee well-being, satisfaction, and motivation include: effective employee problem or grievance resolution; safety factors; opportunities for employees to express their views of management; employee training, development, and career opportunities; employee preparation for changes in technology or the work organization; work environment and other work conditions; workload; cooperation and teamwork; recognition; benefits; communications; job security; compensation; and equal opportunity.

Employee Support Services: The Agency builds and enhances its work climate for the well-being, satisfaction, and motivation of all employees through the following: counseling; career development and employability services; recreational or cultural activities; non work-related education; leave for family responsibilities; work safety training; flexible work hours; and retiree benefits (*including extended health care*).

Employee Satisfaction: Measures and/or indicators of well-being, satisfaction, and motivation include: safety; absenteeism; turnover; grievances; other job actions; insurance costs; workers' compensation claims; and results of surveys.

## ***5. How do you maintain a safe and healthy work environment?***

**5.5** – The Agency maintains a safe and healthy work environment through written safety policies and procedures for the workplace. In addition, a safety manual is provided and ongoing training is held for employees. All buildings have “Right to Know Centers”. Safety inspections of the facilities and operations are scheduled regularly. Agency personnel with special expertise are involved with inspections when appropriate. Information contained in safety policies and procedures includes such items as general office safety and security, and specific staff actions that are necessary in the event of an emergency, such as evacuation routes and communication plans.

Each floor of the Robert E. David Building has a safety officer and an assistant safety officer. Agency personnel are highly trained in safety policies and procedures. New employees are introduced to the safety policies and procedures during their initial orientation session. ESC facilities must comply with OSHA standards and facilities are periodically inspected for compliance. All Agency buildings are in compliance with the Americans with Disabilities Act. In addition, the buildings have been tested for air quality, water quality, and asbestos.

## ***6. What is your involvement in the community?***

**5.6** – The Agency supports employee participation in a variety of local, regional, and national organizations such as the International Association of Workforce Professionals (IAWP), Society for Human Resources (SHRM), the United Way, local churches and schools, the United Negro College Fund, Rotary Club, KOBAN Columbia, chambers of commerce, Habitat for Humanity,

the American Red Cross, and others. After normal business hours, a large number of employees volunteer in their communities and participate in local events and organizations. The Agency sponsors blood drives, collects needed items for disabled and disadvantaged children, and participates in fundraisers for organizations such as March of Dimes, United Way, and the Annual Community Health Charities. For the fifth year in a row, over \$20,000 was raised for non-profit organizations through payroll deductions alone.

## **6.0 Process Management**

### ***1. What are your key processes that produce, create or add value for your customers and your organization, and how do they contribute to success?***

**6.1** – ESC is responsible for the effective management and operation of the Unemployment Insurance, Employment and Training, WIA, and LMI programs for the State of South Carolina. The Agency has thirty-five workforce centers and twelve itinerant points that serve the forty-six counties of the state. These offices are charged with the delivery of quality service to our customers - claimants, job seekers, employers, and the community in general. Having the local offices gives a more personalized service to the customer, thereby contributing to the Agency's primary goal of "Effectively Serving Customers". ESC also has a central administrative office that provides the necessary support for the local offices, as well as the management of all programs.

The Agency continuously strives to improve the processes and performance levels, as measured by USDOL, in the areas of Unemployment Insurance (UI) and Employment & Training (E & T). The speed, accuracy, and quality with which these services are provided make the difference between a successful and an unsuccessful Agency.

### ***2. How do you incorporate organizational knowledge, new technology, changing customer and mission-related requirements, cost controls, and other efficiency and effectiveness factors into process design and delivery?***

**6.2** – With major cutbacks in state and federal funding, and increased workloads throughout the state, the Agency was challenged to provide the same high level of service. Incorporating new technology into the Agency's design and delivery processes was vital to the continued success of the Agency.

Further expansion of the Agency's web site has proven both time efficient and cost effective for interactive registrations for various groups in such areas as:

- Employers with dual registrations of their businesses with ESC and the SC Department of Revenue (DOR) via the Business One-Stop System
- Employers with completion of Agency reports such as statistical employment data and quarterly wage reports
- Employers with information regarding job openings and registrations
- Job seekers with access to various employment information and statistical data
- Job seekers with on-line registration with the Agency and state/national job banks

- Unemployed workers with information on the UI program
- Unemployed workers with on-line benefit claim registration

Additional areas in which the Agency continues to incorporate new technology and customer expectations/requirements are:

- Electronic mail responses for employers regarding employment separation information
- Increased participation of Electronic Funds Transfer (EFT) application for employers' quarterly taxes
- Increased participation of employer magnetic media wage reporting (SCWages) and claims filing (Benclaim) systems
- Technical modifications to the Agency's software, hardware, and workstations for ADA (Americans with Disabilities Act) customers
- Increased bilingual staff to local offices
- Continued extended operational hours to accommodate customer access and services
- Partnerships with major employers for statewide job fairs and business expositions
- Expanded statewide utilization of media projects via radio, television, and newsprint as service delivery tools

ESC's commitment to technological advances promotes the Agency's goals of facilitating financial stability and economic growth in an ever-changing economy. The advances in services continue to meet and even exceed customer expectations and satisfactions.

***3. How does your day-to-day operation of these processes ensure meeting key performance requirements?***

**6.3** – The Agency continues to lead the region and nation in many areas, such as processing claims and registrations promptly and accurately. With the increased workload in various areas throughout the state, meeting these key performance requirements proved a challenge. The Agency utilized the "Rapid Response Team" and "Emergency Response Team" (comprised of statewide staff) to ensure quality customer services were provided in a timely manner during times of significantly increased workloads.

Initiatives have been taken to improve the quality and accuracy of the UI program. ESC has partnered with the Social Security Administration to prevent the establishment of claims using improper or counterfeit social security numbers. This partnership has assisted the Agency with "Identity Theft" investigations. The Agency has also worked with the Office of the Inspector General (OIG) for prosecution of fraudulent claims. During this report period ESC proposed legislation (that recently passed) to prevent "SUTA Dumping". (*SUTA is the acronym for State Unemployment Tax Act.*) This practice is "creative" accounting utilized by employers in their efforts to reduce quarterly taxes. These steps are just a few of the preventative measures utilized by the Agency to ensure the integrity of the UI Program.

***4. What are your key support processes, and how do you improve and update these processes to achieve better performance?***

**6.4** – The administrative office personnel serve as the Agency's key support and management staff. This staff is responsible for ensuring all work processed and submitted by the statewide offices meets the federal guidelines established by USDOL. This staff is also responsible for any process revision and/or training deemed necessary.

The Labor Market Information (LMI) Department has continued to emphasize and improve customer service and marketing. Changes were made to facilitate better customer performance, such as: more emphasis on providing information, support and marketing efforts to local offices and Workforce Investment Boards (WIBs); prompt response to data and information requests; and the enhancement of the website to provide user-friendly labor market information. Customer surveys are conducted to gather feedback on services provided and this information is utilized in making future program improvements.

The UI Division's Quality Control Department continuously monitors the UI program and performs various audits on the practices of the Agency's administrative and local offices. Weekly and annual reviews are conducted to ensure USDOL compliance. Reports, statistics, and graphs are generated to notify management of problem areas. Recommendations for training, changes, and improvements are forwarded, with follow-ups by the UI Technical Services Department made when necessary. This quality control function is a valuable tool in the Agency's efforts to improve overall performance in the UI program.

***5. How do you manage and support your key supplier/contractor/partner interactions and processes to improve performance?***

**6.5** – Many of the ESC workforce centers serve as the designated comprehensive “one-stop” workforce centers for local Workforce Investment Areas (LWIAs). Under the WIA system, the Agency develops partnerships with other state and local entities to provide a full range of services. Local “one-stop” service delivery is enhanced through partner services, including those of Vocational Rehabilitation, Adult Education, and local technical colleges. Workforce Investment Boards (WIBs) evaluate customer needs and determine the best possible service mix and operations design for their designated area.

Employers are a key supplier to the Agency. The Agency has designated local and administrative office staff to serve as employer representatives who work with local employers to ensure customer service and satisfaction, technological adaptation of filing requirements, and adherence to the Agency's rules and regulations. Surveys are sent to employers, which allow the employer to rate the Agency's performance. This information is used to make improvements. The Agency continues to sponsor annual employer workshops and the Job Creator Awards. These events and awards help improve relationships with the business community. Nominations are made by the six sponsoring agencies and the twelve local WIBs, and the Governor presents the awards.

ESC and SCOIS continue to provide comprehensive career and educational information statewide through the Agency's SC Occupational Information System (SCOIS) at multiple sites in schools, libraries, and “one-stop” workforce centers. The annual Groundhog Job Shadow Day also continues to be a huge success, as the interest and participation grows every year.

The Agency partners with other agencies through interagency data exchange agreements:

- SC Department of Social Services (DSS) provides employers' new hire information, which is used to determine job referral and placement results. This same report is utilized to cross-match the Unemployment Insurance (UI) benefits system. This allows for earlier detection of potential overpayments.
- DSS also provides weekly child support listings that are processed against the Agency's system, which adjusts the benefit checks accordingly.
- Department of Revenue (DOR) partners with ESC to allow annual income tax benefits to be deducted and applied against UI benefits overpayments. DOR also allows deductions for federal and state withholding taxes on benefit checks.
- Social Security Administration (SSA) partners with ESC to process the Agency's weekly tape of all new benefit claims for social security verification.

## **7.0 Business Results**

### ***7.2 - Mission Accomplishment***

#### **Employment Service**

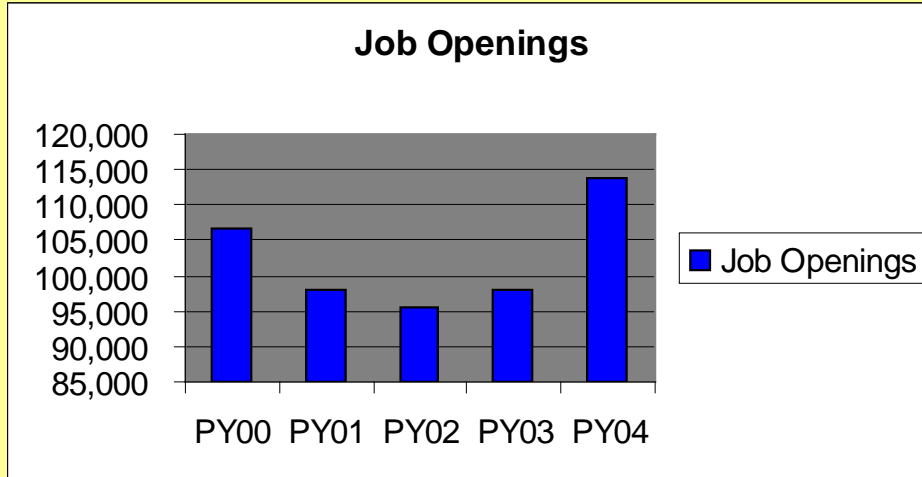
##### *Job Openings and Services Provided to Customers*

The primary objective of the Agency's labor exchange is to assist individuals in obtaining employment. During the last program year, 306,484 individuals were registered for this purpose, a decrease of approximately 20,000 individuals registered from the previous year. Of those registered this year, almost 35%, or 106,341 individuals, were employed after receiving services.

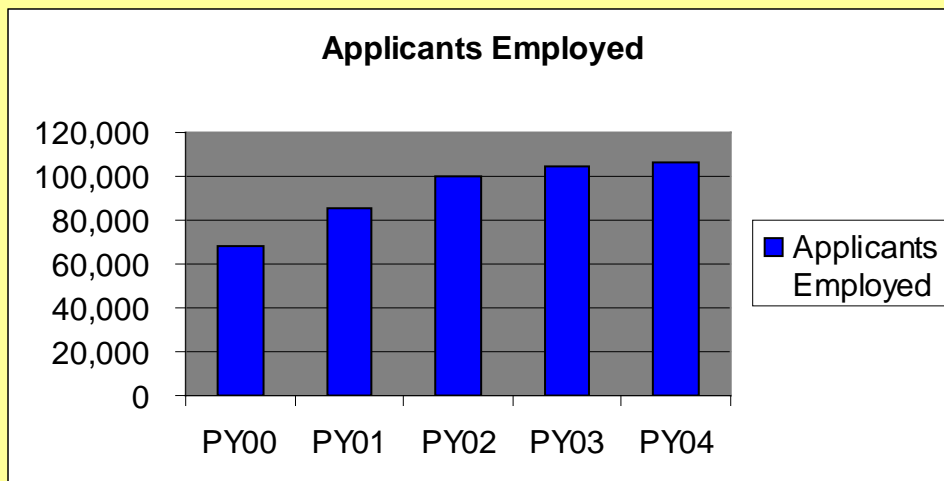
Two groups of customers receive special emphasis for Agency services – customers receiving Unemployment Insurance benefits (claimants) and veterans. For claimants, the Agency goal is to ensure that at least 31.5 % of individuals receiving unemployment insurance checks return to work. For veterans, the Agency goal is to accomplish a 15% higher employment rate than for non-veterans. During the last year the non-veteran applicants were employed at a rate of 33%, establishing the goal for veterans at 37.95%. The actual employment rate for veterans was 47%, well above the established goal.



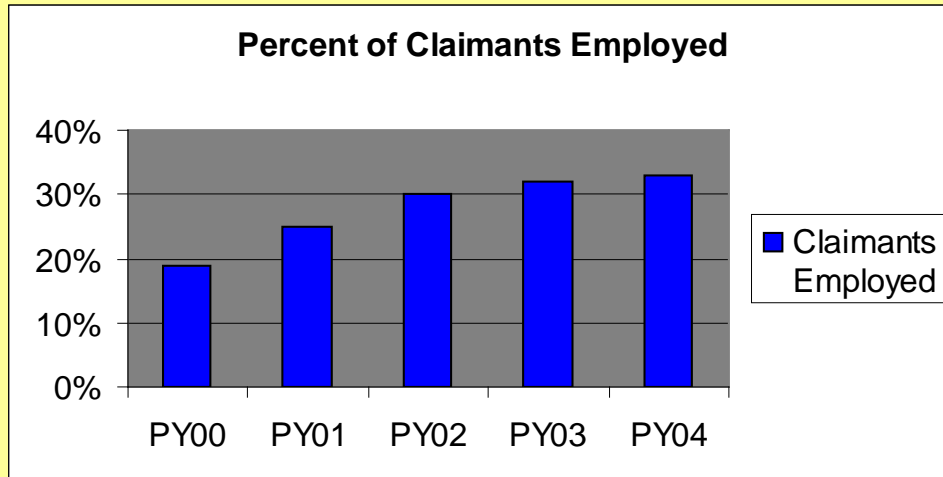
**7.2-1 Job Openings (requests for workers):** This graph depicts South Carolina Job Openings postings with our agency, by program year. South Carolina has obtained an increase the last two program years and is now at a five year high at 113,769 openings. One of our goals is to increase the number of listings yearly.



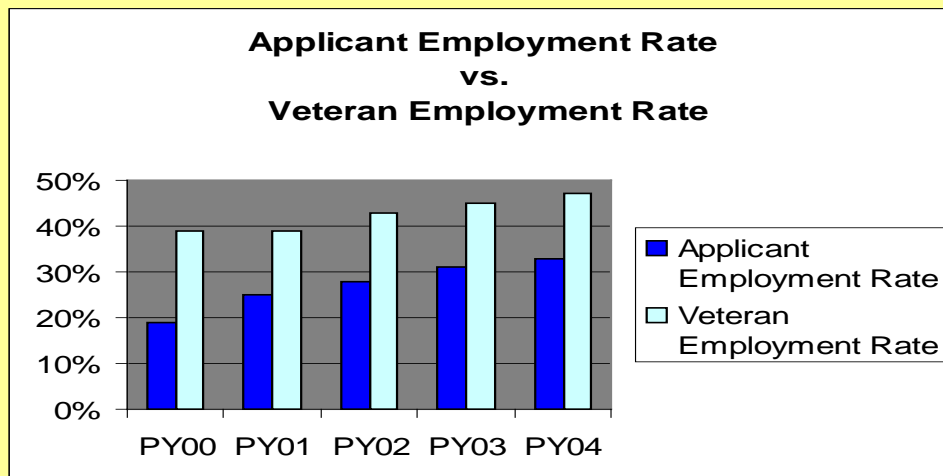
**7.2-2 Applicants Employed:** This graph depicts the number of individuals who have become employed within 90 days after receiving services from our agency, by program year. Our goal is to increase the overall “employment after receiving service” numbers yearly. The current rate of 34.7% is the highest in the last five years.



**7.2-3 Percent of Claimants Employed:** This graph depicts the percentage of eligible claimants who become employed within 90 days after receiving services from our agency, by program year. As a percentage, even as the actual numbers of claimants rises and falls in different years, the comparison of yearly percentages provides a measure of service level. Our goal is to have a minimum of 31.5 percent of claimants registered become employed.



**7.2-4 Applicant Employment Rate vs. Veteran Employment Rate:** This graph depicts the percentage of veterans who become employed within 90 days after receiving services from our agency, by program year, compared with the percentage of non-veterans becoming employed. The comparison of yearly percentages provides evidence of a demonstrated priority of service. Our goal is to have 15 percent higher employment rate percentage for veterans than for non-veterans.



## 7.2 – Mission Accomplishment

### Unemployment Insurance (UI)

During fiscal year 2005, the Agency contracted with a tax system vendor to redesign the rate programs in order to conform with the new rate legislation. The new rate programs were designed and coded during the year.

On May 9, 2005, the Agency began User Acceptance Testing (UAT). As of June 30, 2005, the vendor had begun testing 341 of the 383 scripts that were developed to test the system. Of the 341 scripts, 82 have been approved for a completion rate of 21%. As of June 30, 56% of 902 issues logged have been closed for a completion rate of 63%.

The tax vendor and Agency staff continued to modify the conversion and interface programs during the year. Expected implementation of the new tax system is now scheduled for the first quarter of 2006.

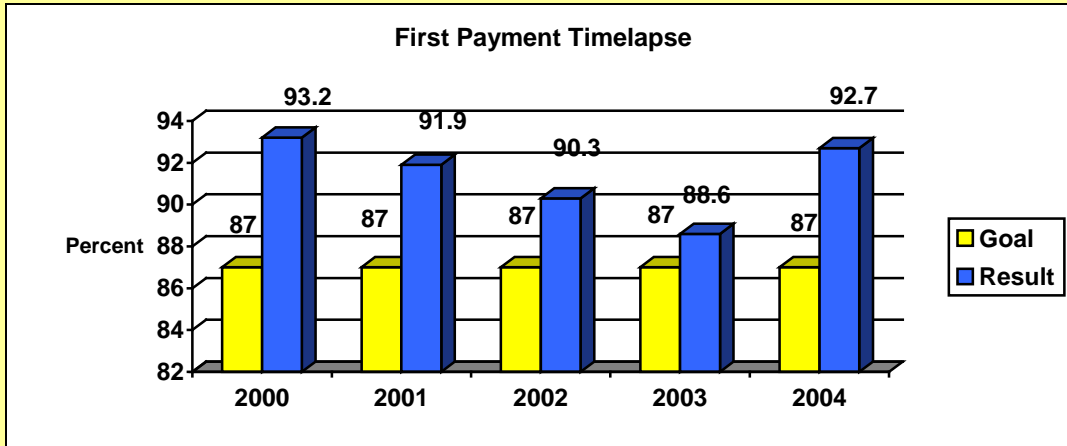
We have eliminated the 35 local IVR systems that claimants have used for many years to claim their weekly benefits. These IVR systems were years beyond their life expectancy with down time and maintenance having become a serious problem. We eliminated these IVR systems with the establishment of one central unit plus a back up that would handle toll free telephone calls from all across the state. On June 15, 2005, we began using a toll free telephone number to one centrally located IVR unit. This has eliminated down time and other problems with the system.

**7.2-5 Payment of Claims** – The program mission is to promote economic and employment stability and relieve the hardships of unemployment through the payment of employer financed insurance benefits to eligible unemployed individuals.

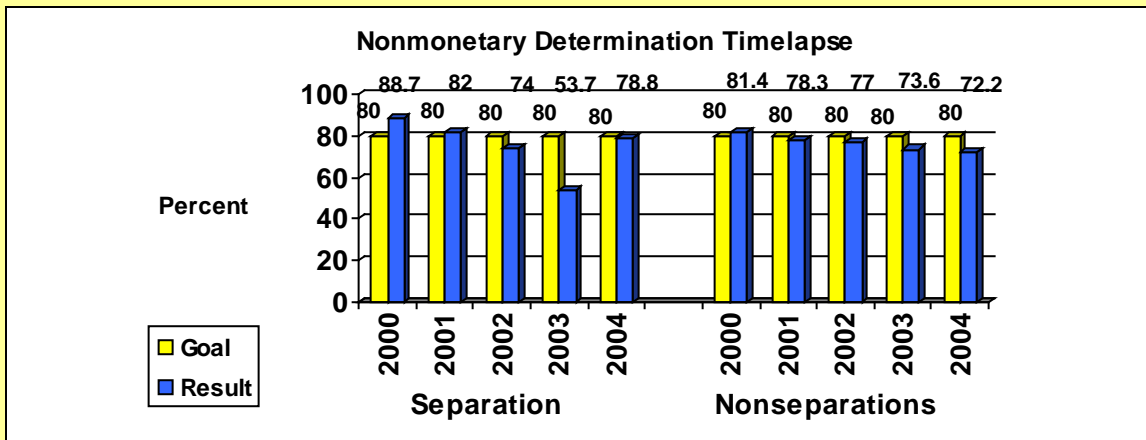
The program objective is the accurate determination of employer liability, customer friendly unemployment insurance claims services, quality determinations of initial and continuing claimant eligibility, timely benefit payments on a continuing basis, and quality control programs to insure efficient and effective program performance.

Total Initial Claims	July 2000 - June 2001	405,861
	July 2001 - June 2002	448,806
	July 2002 - June 2003	466,365
	July 2003 - June 2004	347,884
	July 2004 - June 2005	313,629
Total Weeks Claimed	July 2000 - June 2001	1,772,416
	July 2001 - June 2002	2,806,119
	July 2002 - June 2003	3,069,388
	July 2003 - June 2004	2,437,820
	July 2004 - June 2005	2,129,960

**7.2-6 First Payment Timeliness:** Payment should be made within 14 days of the first claim week-ending date after the waiting week has ended. The criterion for this measure is 87% of first payments being made timely.



**7.2-7 Non-monetary Determination Timeliness:** The eligibility determination should be made within 14 days of detecting an “issue” during a claim series (non-separation) and within 21 days for issues detected when the initial claim is filed (separation). “Issues” are anything that has potential to affect a claimant’s past, present, or future benefits rights. The criterion is 80% of the issues will be handled within the 14 or 21 day time period.

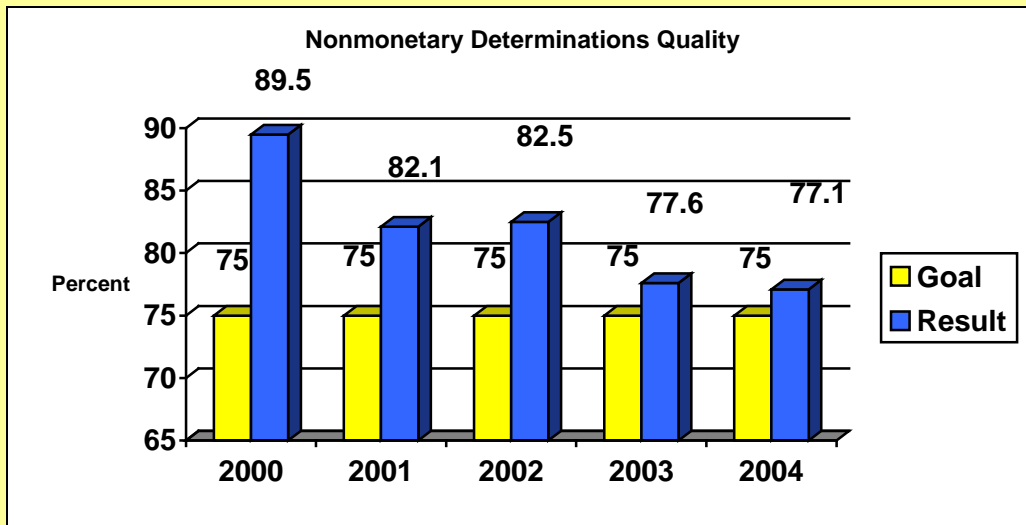


The 2001 S.C. score was the 18<sup>th</sup> highest in the country.  
 The 2002 S.C. score was the 22<sup>nd</sup> highest in the country.  
 The 2003 S.C. score was the 42<sup>nd</sup> highest in the country.  
 The 2004 S.C. score was the 28<sup>th</sup> highest in the country.

**For Non-separation Determinations:**

The 2000 S.C. score was the 10<sup>th</sup> highest in the country.  
 The 2001 S.C. score was the 16<sup>th</sup> highest in the country.  
 The 2002 S.C. score was the 15<sup>th</sup> highest in the country.  
 The 2003 S.C. score was the 22<sup>nd</sup> highest in the country.  
 The 2004 S.C. score was the 29<sup>th</sup> highest in the country.

**7.2-8 Non-Monetary Determinations Quality:** Samples of eligibility determinations are evaluated using federal guidelines to ensure proper decisions are made. The criterion for this is 75% of the evaluated determinations must score at least 80 points.



**For Non-monetary Determinations:**

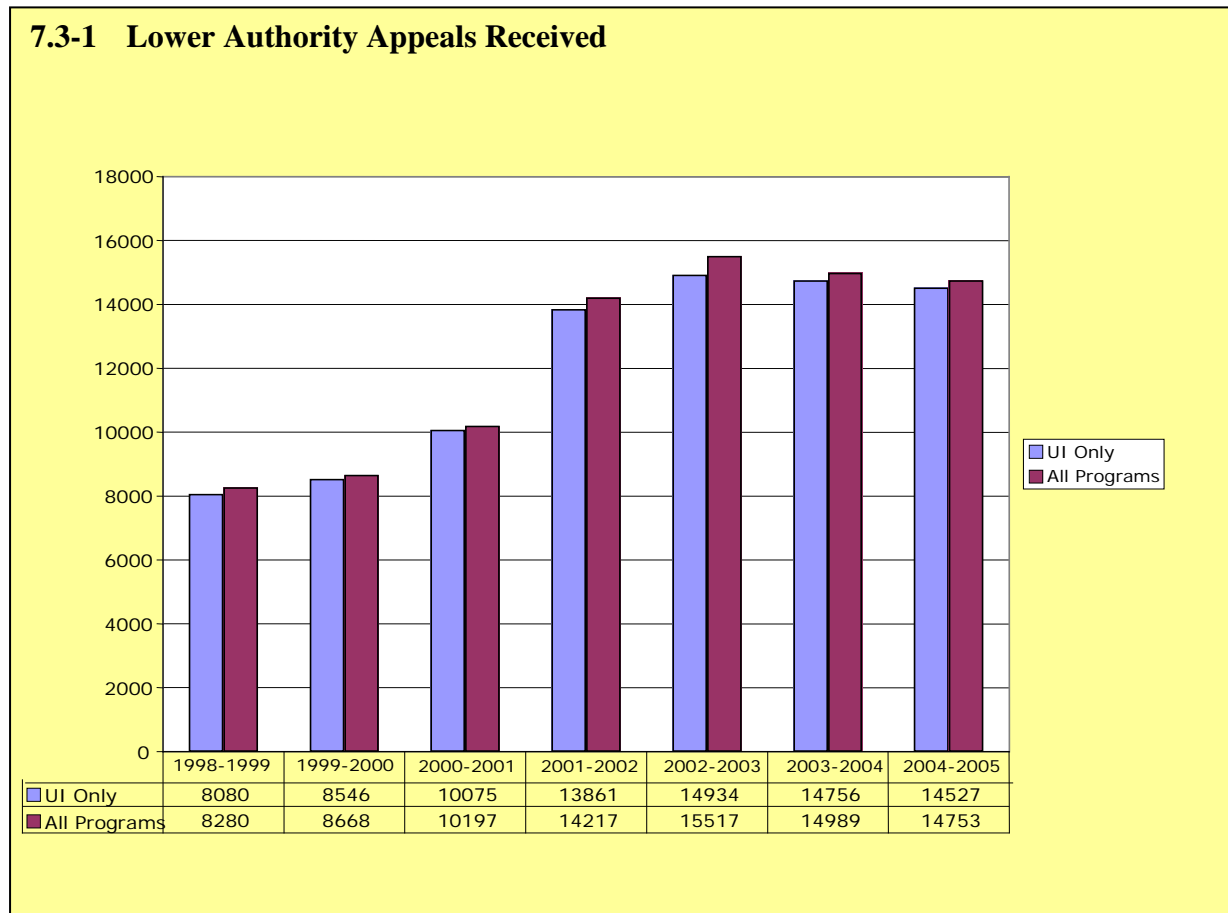
The 2000 S.C. score represented the 2<sup>nd</sup> highest score in the country.  
 The 2001 S.C. score represented the 11<sup>th</sup> highest in the country.  
 The 2002 S.C. score represented the 12<sup>th</sup> highest in the country.  
 The 2003 S.C. score represented the 26<sup>th</sup> highest score in the country.  
 The 2004 S.C. score represented the 23<sup>rd</sup> highest score in the country.

**7.3 – What are your performance levels and trends for the key measures of regulatory/legal compliance and community support?**

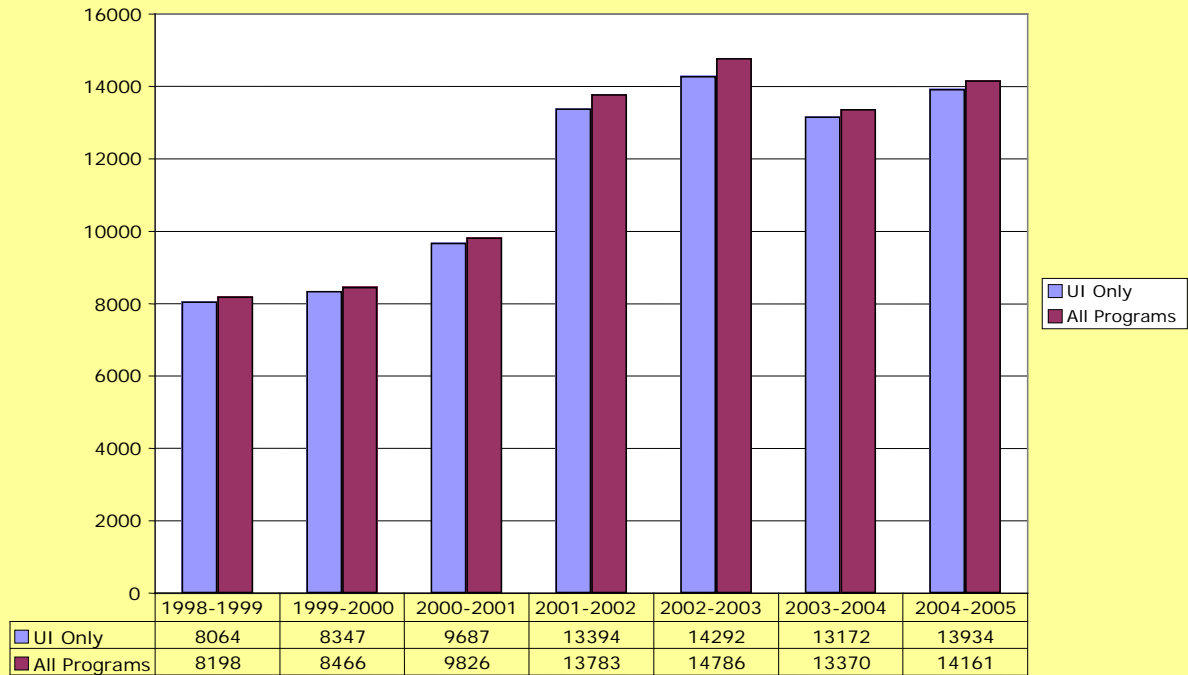
The Legal Department has three staff attorneys who represent the Commission and advise and assist ESC divisions, as needed. The department also manages the Commission Appeals Unit (Higher Authority Appeals) and oversees the Lower Authority Appeals Unit. The Lower Authority Appeals Unit holds hearings and decides appeals from initial determinations.

**Unemployment Compensation Appeals**

As the economic conditions have improved, the Lower Authority Appeals caseload has begun to show slight signs of decline; however, workload remains elevated. The decrease from the high of 2002-2003 has been less than 3% for UI cases and a little over 5% for all cases (See Figure 7.3-1). As shown in Figure 7.3-2, the Lower Authority workload as measured by decisions issued has actually increased after decreasing last year from the peak year of 2002-2003.



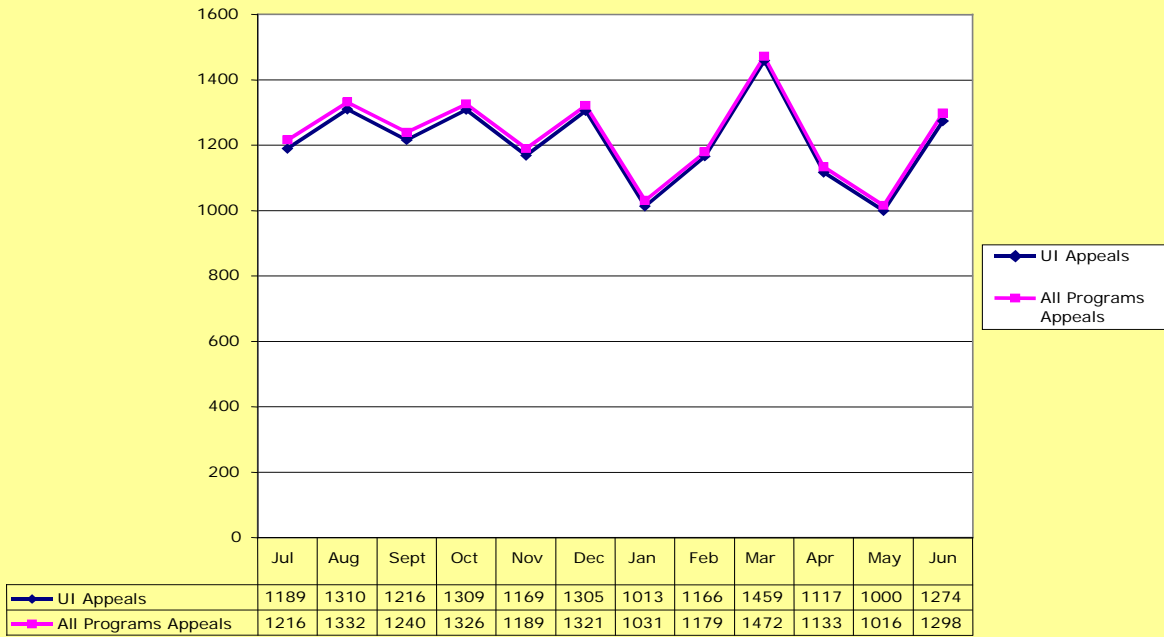
### 7.3-2 Lower Authority Decisions



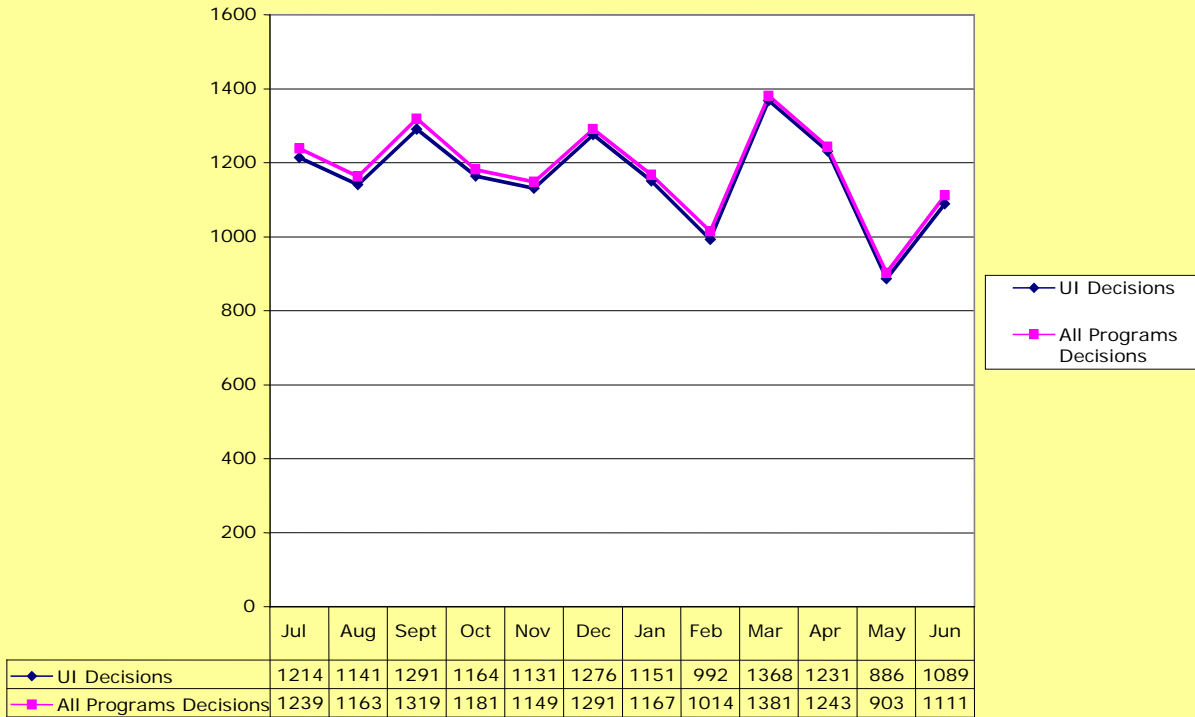
As we look at the workload from 2004-2005 by month (Appeals Received), Figure 7.3-3 shows large swings during the second half of the year (January to June). This reflects uncertainty in the labor market and may foreshadow a continuing period of high caseloads.

When we examine the monthly decision numbers (Figure 7.3-4), the second half of the year shows a slight overall downward trend.

### 7.3-3 2004-05 Lower Authority Appeals Received by Month

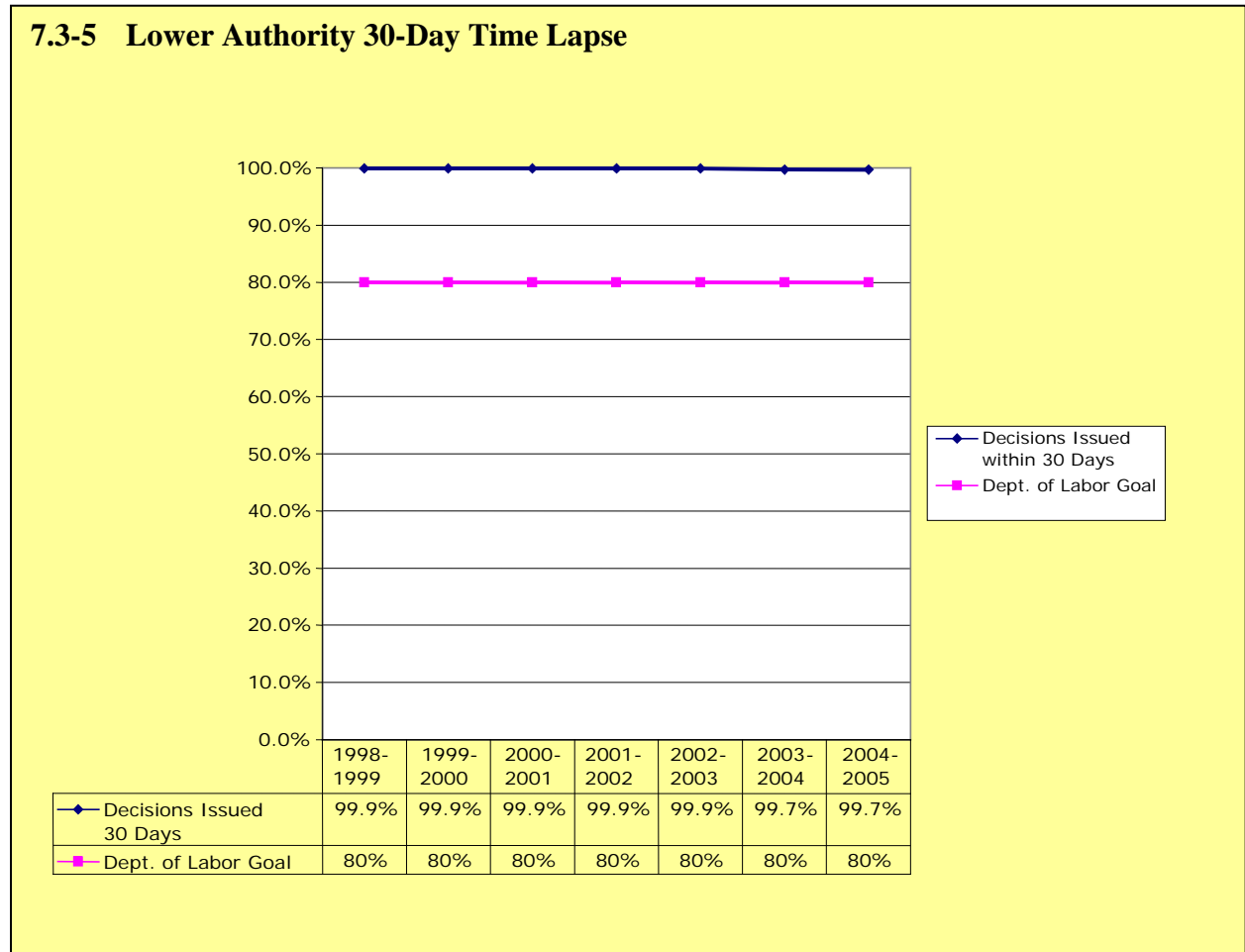


### 7.3-4 2004-05 Lower Authority Decisions by Month





**Lower Authority Appeals Timeliness.** Timeliness is measured by the number of days from the filing of an appeal from an initial determination to the mailing of the Appeal Tribunal decision. The goal set by the Department of Labor is to resolve 60% of appeals within thirty (30) days. As shown by Figure 7.3-5, Lower Authority Appeals issues decisions in almost 100% of all cases within thirty days, and continues to lead the nation in this very difficult measure.

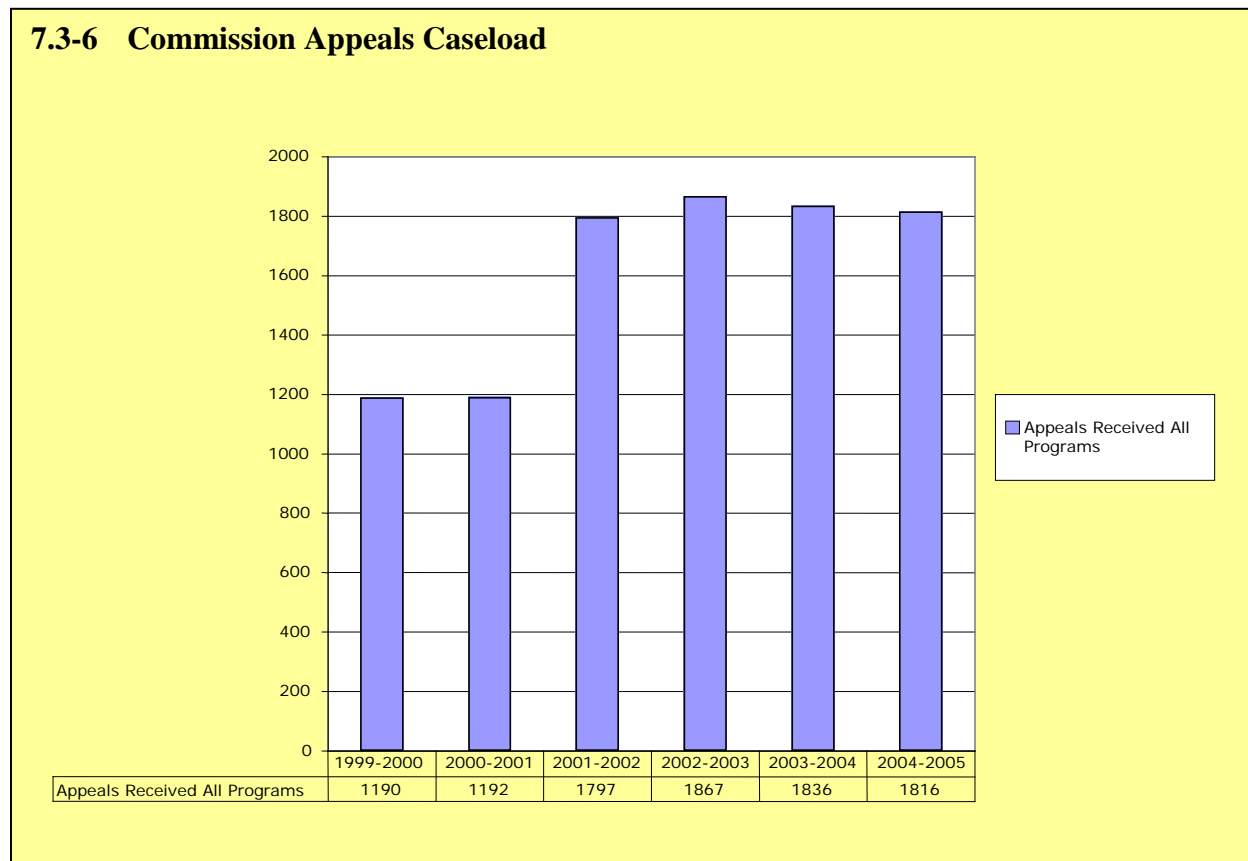


**Lower Authority Appeals Quality.** Quality evaluations are derived from evaluations of quarterly samples drawn from lower authority benefit appeals hearings, evaluated for compliance with federal criteria. Cases must score at 85% or higher. Even with the increase in the workload and changing staff, Lower Authority Appeals has maintained excellent results as measured by federal quality standards. For the year ending March 31, 2005, Lower Authority Appeals’ quality scored 100% and was one of the national leaders. The score on the more demanding “Due Process” standard was 96.7%, again making South Carolina one of the top states in the nation.

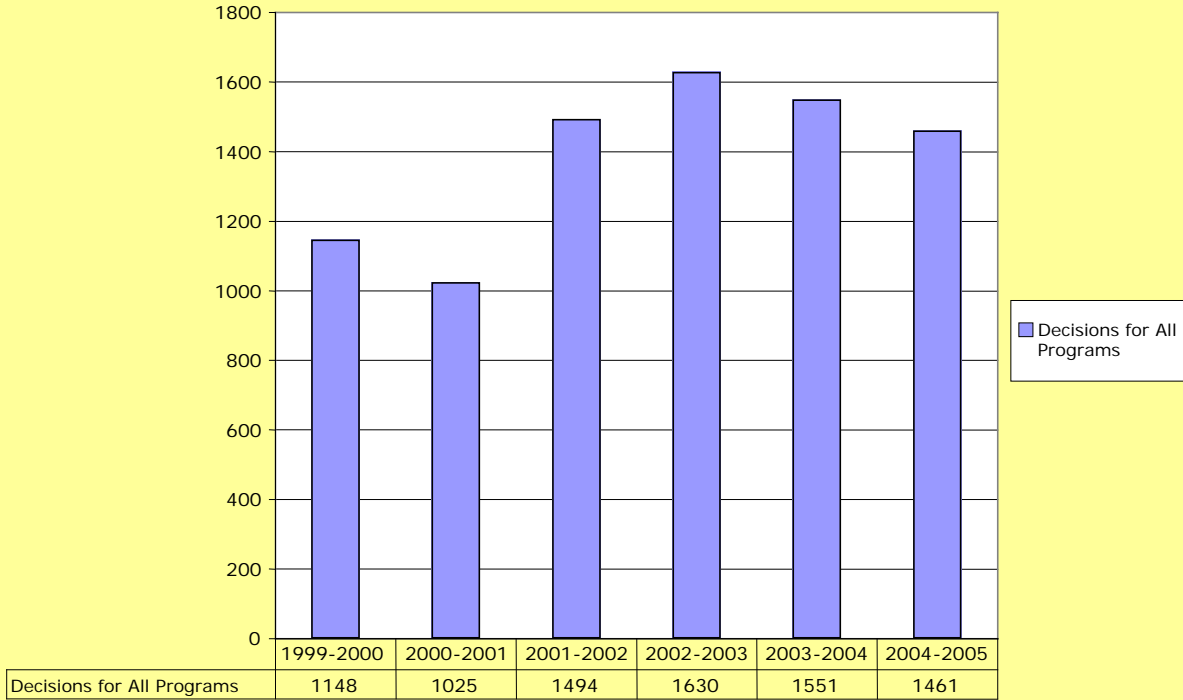
## Higher Authority Appeals

Employers and claimants who are dissatisfied with results of the Appeal Tribunal hearings have the right to appeal to the Commission. The Commission reviews each case on the basis of the record created before the Appeal Tribunal. By law, the Commission is the final finder of fact and can make its own assessment of the testimony and other evidence presented.

**Workload.** Since the number of cases heard and decided by Lower Authority Appeals remains high, it is to be expected that the Commission's caseload also remains high. As shown by Figure 7.3-6, the number of Commission appeals has decreased only slightly from its peak in 2002-2003. Although Figure 7.3-7 shows a larger decrease in the number of decisions issued, that apparent decline is more likely attributable to staff shortages rather than to fewer cases.

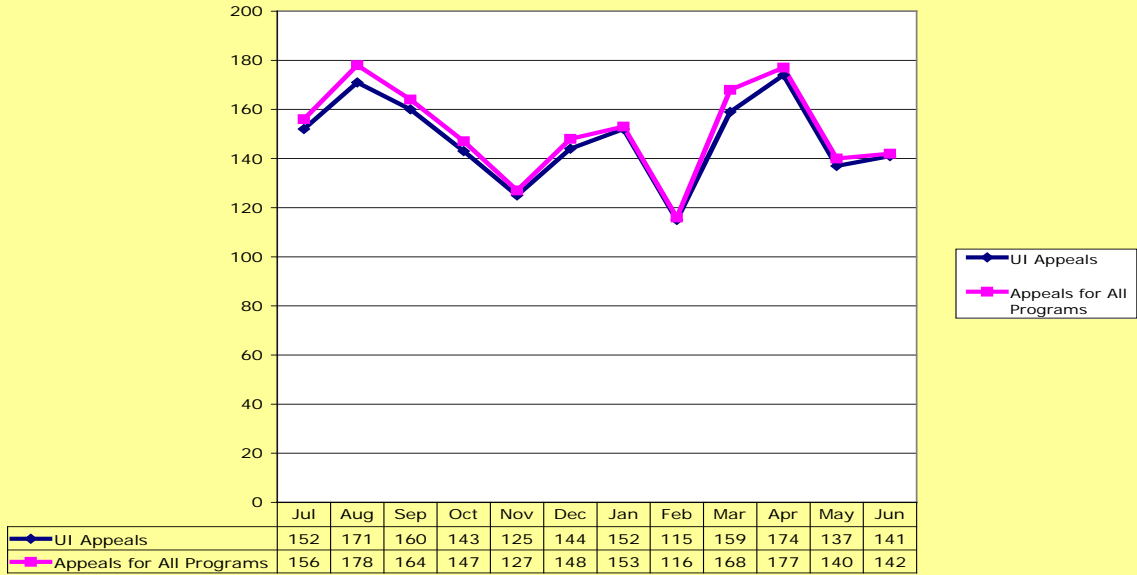


### 7.3-7 Commission Decisions

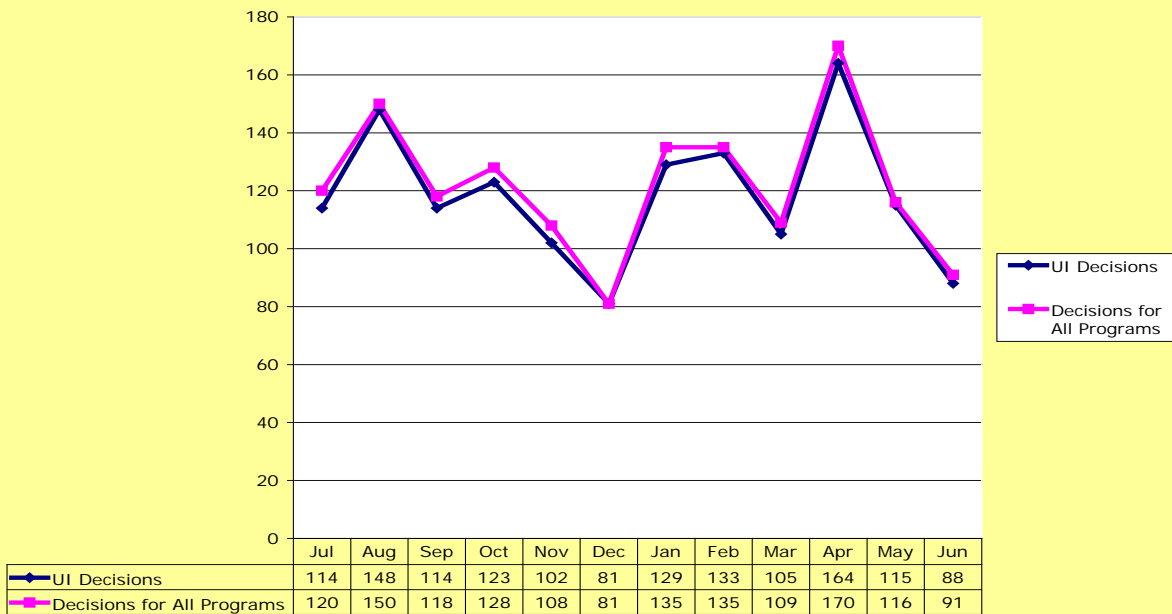


A closer analysis of the appeals received month by month during 2004-2005, Figure 7.3-8, shows a steady decrease until November when the workload begins an unsteady trend upwards. This pattern also suggests the economic uncertainty shown by the Lower Authority monthly workload. The decisions issued reflect a similar trend of an early decrease followed by an unsteady trend upwards as a function of the increase in appeals filed. The number of decisions for June reflects staffing issues rather than a shortage of cases. The expectation is that the workload will continue to increase, though perhaps not back to the 2002-2003 levels.

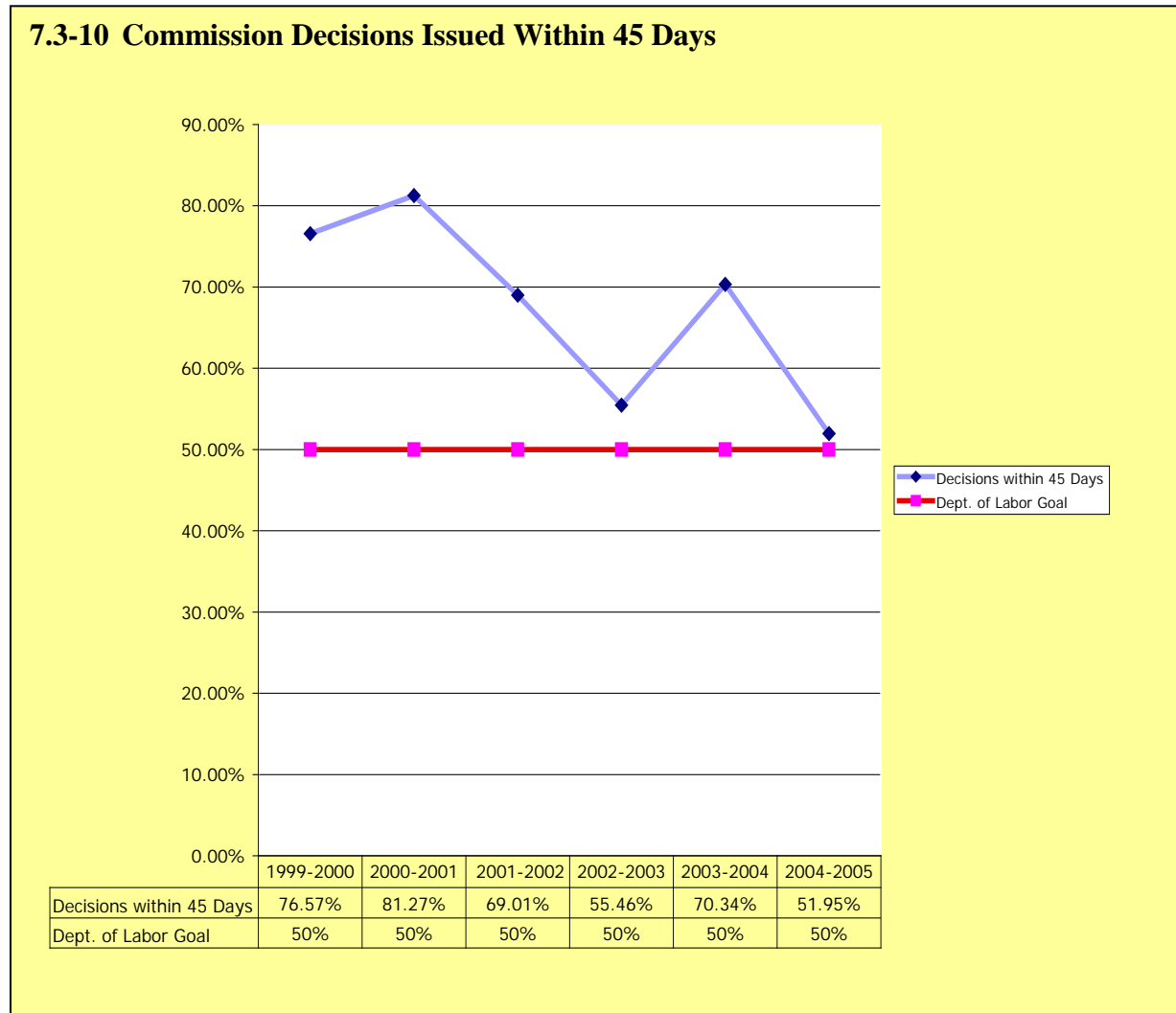
### 7.3-8 Commission Appeals Received by Month



### 7.3-9 Commission Decisions by Month

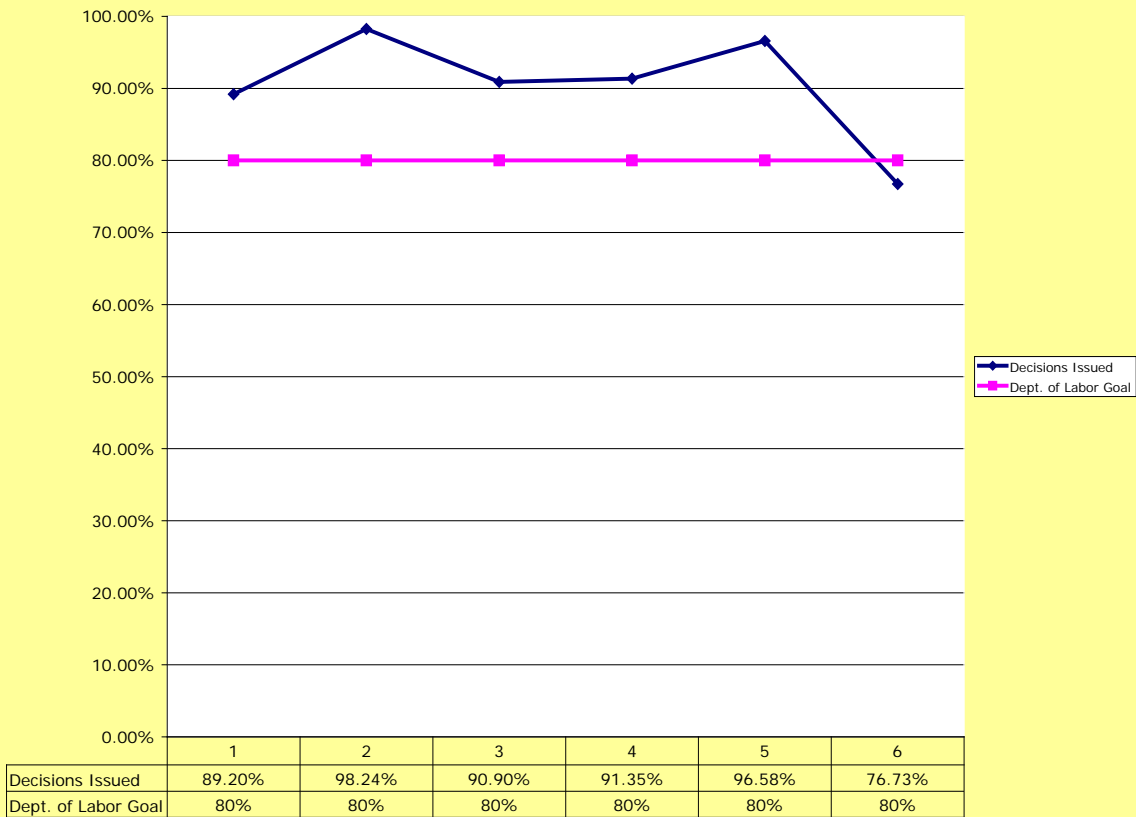


**Commission Timeliness.** To encourage prompt resolution of appeals, the Department of Labor also expects the Commission to issue decisions for 50% of cases within forty-five (45) days and 80% of cases within seventy-five (75) days. Figure 7.3-10 shows that we are meeting the forty-five-day guidelines, but just barely for this year.



However, as Figure 7.3-11 shows, we have slipped below the standard for the seventy-five-day measure during the last few months. We are currently trying to find staff to assist Commission Appeals so that we can process more cases and bring our productivity back to satisfactory levels. Our goal is to get the monthly numbers in line by October.

### 7.3-11 Commission Decisions Issued Within 75 Days



Lower Authority and Commission Appeals continue to do a good job handling a higher than normal workload while dealing with staff changes, turnover among the hearing officers, and staff shortages. Even under these trying circumstances, Lower Authority Appeals continues to lead the nation in time lapse and hearings quality.

We have also implemented a new automated system for tracking and scheduling appeals. It seems to be working well, and we plan to expand it to the Commission Appeals area during the next few months. In addition, during the last month we have begun using a digital audio recording system that will eliminate the use of tape recorders and cassette tapes. With the help of the Information Technology Department, these new systems should improve our ability to manage our workload efficiently.

### *7.3 – Financial Performance*

#### **Agency Revenue 2004-2005**

Other Operating	\$449,118
Contracts	-903,464
Consortium Contracts	74,400
Training Session Fees	122,104
Contingency Assessment Fund	7,331,810
Child Support Intercept	8,014
Parking Fees	53,425
SCOIC Career Resource Network	146,300
Increased Enforcement Collections	13,185
WIA/Adult-Youth-Dislocated Worker	62,932,558
Reed Act Funds	3,228,519
Employment Services	10,720,947
Unemployment Insurance	30,038,453
Special Administration Fund	1,143,862
Disabled Veterans Outreach Program (DVOP)	1,186,564
Bureau of Labor Statistics (BLS)	1,173,156
ES Reimbursement Grant	182,449
Local Veterans Employment Representative (LVER)	1,695,977
North American Free Trade Agreement/Trade Adjustment Assistance (NAFTA/TAA)	3,583,221
Welfare-to-Work	126
State Appropriation	130,724
Federal Disaster Relief	3,131
WIA Section 503 Incentive Grant	930,325
Reintegration of Homeless Veterans into Labor Force	181,670
Disability Program Navigator	419,752
	<hr/>
	<b>\$124,846,326</b>