



North Carolina's HR Human Capital Management (HCM) Digital Transformation Project

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Agencies: N.C. Department of Information Technology
N.C. Office of State Human Resources

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EXECUTIVE SUMMARY

The State of North Carolina has taken a decisive step toward modernizing and streamlining human resources operations through North Carolina's HR Human Capital Management Digital Transformation Project (HCM project). Sponsored by the Office of State Human Resources, the Office of the State Controller, and the N.C. Department of Information Technology Secretary and State Chief Information Officer, this collaborative initiative began with a dual focus. First was the desire to solve the complex architecture acquired as the result of multiple disparate systems implemented between 2008 and 2014. This resulted in a disjointed HR "system of record" with interfaces between multiple enterprise-wide applications, numerous manual processes, and agency-adopted IT shadow systems. The first phase of the HCM project replaced three outdated, inconsistent, and labor-intensive HR systems with a unified, cloud-based platform that supports more efficient recruitment, onboarding, offboarding, position description management, and organizational structure visibility for the 41 participating agencies statewide.

Secondly, challenges had grown: the labor market remained tight, and it was clear that current technology must be upgraded to competitively recruit. Rather than allowing agencies to purchase independent solutions to meet their business needs, OSHR recommended that the state needed a modern, complete human capital management system, and based on agency challenges around recruitment, retention, and employee onboarding, it was decided the project should begin with applicant tracking, onboarding/offboarding, and electronic forms. Without this endeavor, the state would continue to struggle to fill vacancies and retain its workforce.

The Workday Human Capital Management system was selected to meet these needs, and the first phase of the HCM project aligned well with the state's most pressing talent acquisition demands and with the initial funding provided to kick off this initiative. North Carolina is the first state to begin its Workday HCM implementation with recruitment and onboarding, and other states have reached out to inquire about this approach for their consideration.

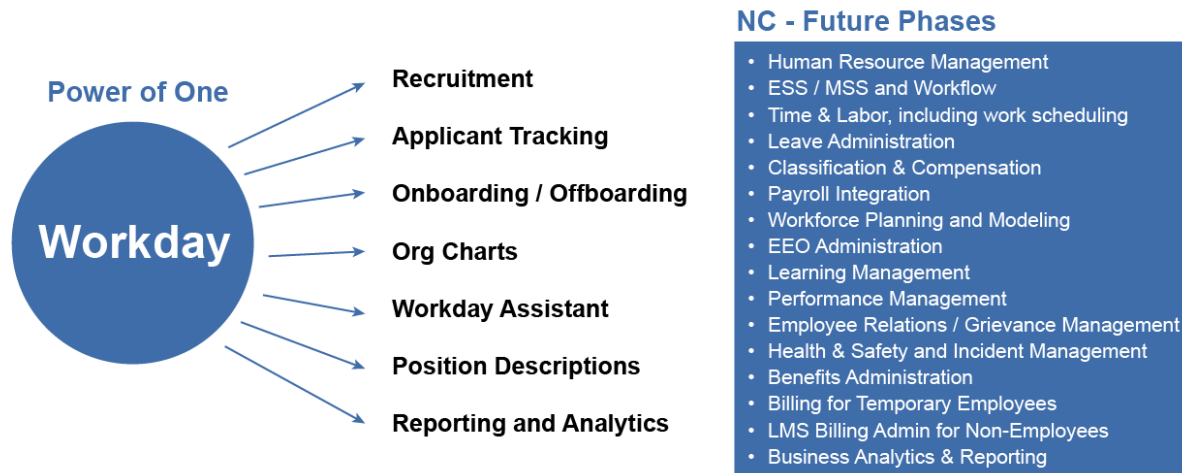
OSHR began phase I of the HCM project in the first quarter of the 2025 calendar year. Steady progress continued through the second and third quarters, culminating with an on-time and on-budget implementation of Workday production go-live on October 8, 2025.

HR Human Capital Management Digital Transformation Scope

Before the HCM project, agencies relied on aging and fragmented technologies for recruitment and applicant tracking, position description management, and organization charting capabilities, along with extensive manual processes that added time, complexity, and administrative burden. This also created inconsistencies and a poor user experience. Additionally, an enterprise solution for onboarding and offboarding did not exist. These processes varied by agencies and were mostly manual and paper based. Since the state's legacy systems were not always integrated, data was not always in sync. Even when the systems interfaced, there were often lags in processing, creating variances in the data based on timing. These inefficiencies slowed hiring, complicated onboarding, and limited the ability of HR professionals and agency leaders to make timely, data-informed decisions. As the enterprise approached the sunset of three legacy solutions, along with growing concerns around data accuracy and workflow redundancy, OSHR seized the opportunity to fundamentally redesign HR operations at scale.

Workday launched on October 8, and state job postings were the first feature launched in the new system. This first phase replaced legacy systems for recruitment, applicant tracking, employee onboarding and offboarding, position description management, and organizational charts.

Figure 1. Human resources functions currently consolidated in Workday (left) and future phases of functions planned to be consolidated (right).



IDEA

The vision behind the state's HR digital transformation was to eliminate systemic inefficiencies by moving from a myriad of legacy systems, tools, and manual processes to a streamlined, automated enterprise platform. Processes varied significantly from agency to agency, resulting in inconsistency, duplication of work, challenges in maintaining accurate data in multiple solutions, and limited visibility into organizational structures.

The aging of legacy solutions, coupled with some solutions facing impending retirement, underscored the urgency to adopt a modern, intuitive, and integrated solution. OSHR recognized that replacing one aging system with another point solution for a single problem would further inhibit continuous improvements to aid in attracting, recruiting, and retaining employees. The state needed a single, integrated platform capable of supporting faster, more consistent, and more efficient work across the enterprise. OSHR leveraged the foundational premises of "Operate from a 'One State' mindset" and "As common as possible and as different as necessary" to drive enterprise consistency in the execution of business processes. Recognizing that some agencies might have unique business needs, OSHR indicated to agencies that any agency-specific or localized business process, report, etc. must be supported by federal law, state law, statute, regulation, or contractual requirement.

The HCM project and implementation of Workday provided OSHR, along with the agencies, the opportunity to design and implement consistent enterprise business processes, automate manual tasks, eliminate redundant system maintenance, and provide reporting and analytics leveraging real-time organizational data that previously required significant manual effort to compile. This modernization was not simply a system replacement – it was an intentional redesign of statewide HR operating practices to elevate efficiency, reliability, and service quality.

Strategic Objectives

- Eliminate shadow systems in multiple agencies, reducing technical debt across the state
- Provide data analytics and insights for more informed decision-making
- Deliver a common, consistent, intuitive user interface across all integrated HR functional modules
- Provide ability to configure new business requirements with more agility and less complexity
- Reduce business process cycle times, which could be achieved in a wide variety of cases through built-in automated workflow technology, robotic process automation, and artificial intelligence

- Replace at least five current systems with the Workday HCM solution
- Secure built-in integrations providing opportunity for a single source of truth

IMPLEMENTATION

OSHR facilitated the HCM project through a statewide collaborative structure. This change coalition, comprised of agency human resources directors and subject-matter experts, ensured agencies were well represented in all aspects of the project to best prepare for the transition to the Workday platform. Change management was incorporated from the project's start. Additionally, a governance structure was implemented, including the Workday Executive Governance Council and an HCM Steering Committee. These were comprised of OSHR executives and legal, agency executives, the State CIO, and the State Controller, as well as other key stakeholders and Agency HR Directors.

The successful go-live followed a coordinated effort that included discovery and design sessions with more than 120 agency representatives and subject-matter experts. Agency HR teams took part in customer confirmation sessions to validate and refine business processes, confirming that workflows in the various stages (screening, offer, hire, onboarding, and more) would operate appropriately at launch. These sessions helped eliminate unnecessary steps and harmonize practices across agencies. Following these reviews, agency subject-matter experts participated in testing to validate the Workday business processes and ensure they were accurate.

Additional components of the implementation included integration testing, change readiness activities and assessments, user experience preview sessions (with 841 users), a multi-channel communications plan, and comprehensive training plan. Training was developed and delivered by the Workday Project Team, beginning with the Workday Features & Navigation learning course launched on September 2, 2025, with more than 7,300 individuals participating. This was followed by 29 in-person/virtual sessions engaging more than 2,000 users, along with the development and publishing of quick reference guides and micro-learning resources. All instructor-led learning sessions were recorded and published for additional user viewing. Coordinated communications – including day-one checklists, talking points, and milestone reminders – helped ensure that the Oct. 8 statewide launch occurred with recognition of a learning curve and that all users would not hit the ground running on day one. This approach resulted in a modern, intuitive, and standardized HCM platform that improves service delivery for candidates, employees, and HR teams while reducing operational inefficiencies and establishing a strong foundation for expansion of the Workday platform and further digital transformation.

IMPACT

The first phase of the HCM Digital Transformation Project has produced significant impacts in operational efficiency for North Carolina by transforming how agencies attract and recruit talent, onboard and offboard new employees, and manage essential HR and recruiting-related processes and data. Workday went live with more than 71,000 users. Currently, there are 229,610 applications and 88,421 unique candidates in the state's candidate pool. While this may not sound like many, North Carolina's legacy applicant tracking solution was 12 years old, with many old and outdated resumes. The state elected not to convert any candidate data to ensure all applications were new and up to date. The solution has improved communication and efficiency in the various recruiting, hiring, and onboarding stages, increasing operational efficiencies.

More Efficient Recruitment, Offer, and Hiring Processes

Workday enables organizations to manage the full employee life cycle, from recruitment to career development, using integrated tools, insights, and real-time analytics to optimize talent management. The state has significantly reduced paper-based, manual processes and provided automated alternatives for candidates, HR professionals, and hiring managers. Tasks that once required navigating to different systems and utilization of other tools (Smartsheet, Docusign, etc.) while incurring multiple sources of duplicate data now occur within a single, consistent business process workflow with approvals.

Specifically, the state now has an automated enterprise onboarding solution. Agencies experience fewer delays, and candidates benefit from clearer, more timely communication throughout hiring. Streamlined automation reduces administrative overhead, which improves time to fill, especially for critical roles. Having all the steps and documentation for each stage in a single solution, along with related documentation accessible via the Worker Profile, makes all information about the candidate easily accessible and available in Workday, in contrast to content stored in multiple systems and, in some cases, paper files. Also, the offer process is completely tracked in Workday.

Reduced Manual Coordination and Administrative Burden

Workday automates workflows in various stages that previously required extensive manual coordination – from routing approvals to sending reminders and communicating next steps. HR teams report less procedural “chasing” and more time dedicated to value-added work. Eliminating repetitive processes has simplified day-to-day operations and reduced the error risk inherent in manual data handling.

Built-In Automated Programming Interfaces (APIs) and Reporting

Workday also provides secure, built-in integration capabilities via application programming interfaces (API). This enables enhanced access and capabilities to directly and more seamlessly facilitate the recruitment and onboarding processes. The state has implemented the following integrations:

- E-Verify
- ServiceNow
- Microsoft Outlook for interview scheduling
- Microsoft Teams for conducting interviews
- N.C.’s Identity Access Management (IAM) with single sign-on (SSO) and multifactor authentication (MFA)
- LinkedIn – Recruiter System Connect

Integrations are scheduled and running smoothly. The I-9 process is very easy to use and provides monitoring and audit capabilities for compliance. ServiceNow is facilitating IT equipment orders, and Microsoft Outlook is utilized for interview scheduling, while Microsoft Teams supports interviewing. Integration with the state’s identity access management (IAM) solution supports single sign-on (SSO) and multi-factor authentication (MFA), while LinkedIn’s Recruiter System Connect allows candidates to apply directly from LinkedIn using their profile. The reporting capabilities are easy to use, leveraging real-time data providing insights via Discovery Boards, which are visual interfaces that enable ad-hoc analysis without any coding required, as well as dashboards and embedded analytics.

User Role Authorization

Extensive efforts went into assessing the standard Workday-provided user roles to give users only the relevant access necessary to perform their job duties. Workday security limits who sees what based on their role. Thoughtful consideration and in-depth analysis were given to determine the need for custom roles to ensure the volume of additional roles was manageable for ongoing support. Security partners across agencies validated user-role assignments to ensure designation of appropriate access at go-live. The reduction of legacy systems that occurred from the Workday implementation has reduced the separate security models and maintenance for the various legacy systems and solutions.

Faster, More Consistent Onboarding Across Agencies

New employees now begin their state service through a standardized and consistent onboarding process. Workday automatically assigns and tracks tasks, eliminating HR’s reliance on spreadsheets or disparate communication channels. Consistent onboarding reduces variability between agencies, improves compliance with required steps, and accelerates new hire readiness. One of the biggest wins is the solution’s transparency of the processes within the stages. With the candidate dashboard, a designated user can see where a task is in a workflow, who owns the process, and what needs to occur next.

Cost Avoidance and Long-Term Efficiencies

By retiring multiple solutions, with more to follow as the platform expands, the state is consolidating HR system maintenance into a single enterprise platform. Agencies avoid the overhead to support multiple legacy tools and shadow systems, and HR teams no longer duplicate efforts, reconcile conflicting data, or maintain separate processes. This consolidation directly reduces the cost and complexity of maintaining the state's HR technology landscape and provides operational efficiency and effectiveness.

Sustainability

To provide sustainability for the solution, OSHR designed, developed, and implemented a model to monitor, manage, support, and enhance the features and functionality of Workday, including the semi-annual release updates. The Workday Delivery Operations Team utilizes a tiered support model in conjunction with the implementation of a ServiceNow instance that facilitates task and incident submissions and responses, change management for operational and enhancement requests and approvals, and test documentation, as well as dashboards and reporting.

Continuous Engagement

Since the state has been live with Workday in October 2025, the team has met monthly with agency HR directors and agency-designated points of contact who serve as Tier 1 support for Workday in their agencies to provide feature and functionality updates, business process and security changes, quick tips, and what's coming on the Workday Roadmap. Attendees are polled for insights and feedback, increasing responsiveness to their needs. Monthly "Office Hours" sessions address designated topics with questions and answers.

Workday Platform: A Stronger Statewide Foundation for Future Operational Efficiency Gains and Expansion Opportunities

OSHR remains committed to its strategic plan to transform human resources across state government. Grounded in the governor's priorities and shaped through inclusive engagement with OSHR staff, agency leaders, and stakeholders, this plan reflects a shared commitment to modernizing HR systems, enhancing employee and applicant experience, and strengthening public service delivery. At its core, the strategy focuses on improving the full employee lifecycle, from recruitment and onboarding to career development and retention. OSHR will continue to simplify access to state employment services, streamline hiring processes, and enhance the Workday platform to meet the expectations of today's workforce. By expanding recruitment support and optimizing HR systems, OSHR aims to reduce overall time-to-hire while filling critical vacancies more efficiently. The first phase of North Carolina's HR HCM Digital Transformation Project has enhanced and improved the employee and applicant experience throughout the full employee life cycle, from recruitment and onboarding to career development and retention.

The implementation of Workday enables standardization of HR business processes across the enterprise, reducing the long-term operational risk of inconsistent processes and disparate workflows. It improves compliance and reporting visibility and provides flexibility and scale to set the stage for future modules and enhancements. As the state continues to enhance and add Workday functionalities, it will move to a single platform for all HR-related programs, processes, and functionality, bringing consistency, ensuring compliance, and providing extensive business analytics and reporting capabilities to allow for HR resources across the state to operate more strategically and focus on what matters most. As the processes, integrated data, and real-time analytics capability expands, future efficiencies will compound, allowing the state to continue modernizing HR service delivery at an enterprise scale.

Expansion of the Workday platform will include features and functionality for scheduling, time tracking, talent optimization, people analytics, and payroll Integration. The state also plans to include Workday performance and learning management, emphasizing skills-based training and development for employees. Once fully implemented, Workday will serve as the single source of truth for HR data for the

state, ending data inconsistencies and reducing the risk of errors caused by manually entering data to multiple solutions. HR data will be available in real time, enabling faster, smarter decision-making. As a trusted HR partner, OSHR will continue to provide expert guidance, policy leadership, and compliance oversight. The next phases of North Carolina's HR HCM Digital Transformation Project will enable data-driven decision-making, continuous improvement, and collaborative engagement and will empower agencies to meet evolving workforce needs and deliver exceptional public service.