

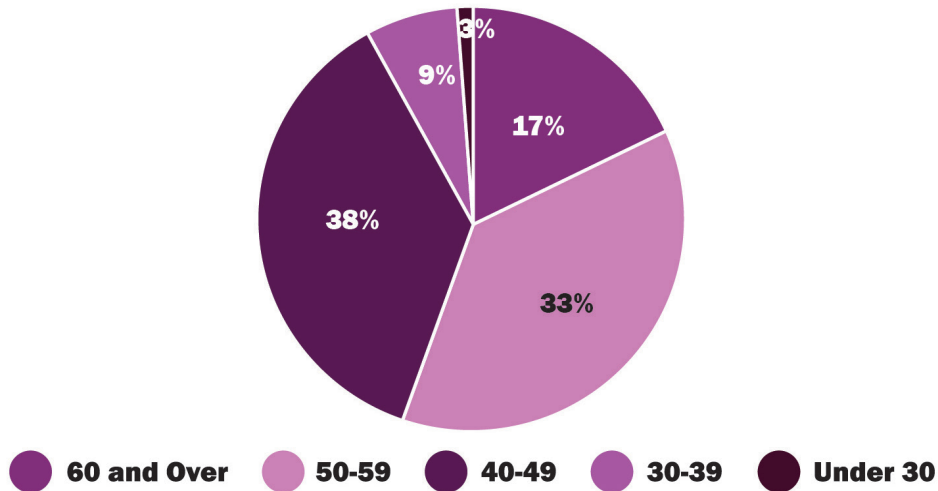
## FISCAL YEAR 2017 THROUGH FISCAL YEAR 2021

### CURRENT WORKFORCE PROFILE

#### GENDER AND AGE

DIR currently has a legislative appropriations cap of 198.0 full time equivalent (FTE) positions for Fiscal Years 2016 and 2017. As of May 1, 2016, the headcount stood at 191 employees. DIR's workforce consists of 50 percent females and 50 percent males. Approximately 88 percent of the agency's employees are 40 or older, while three percent are under 30 years old. The average age of DIR employees is 50. With only 12 percent of DIR's workforce under the age of 40, the agency must aggressively implement succession planning, an effective recruitment and a retention strategy to ensure the fulfilment of DIR's mission.

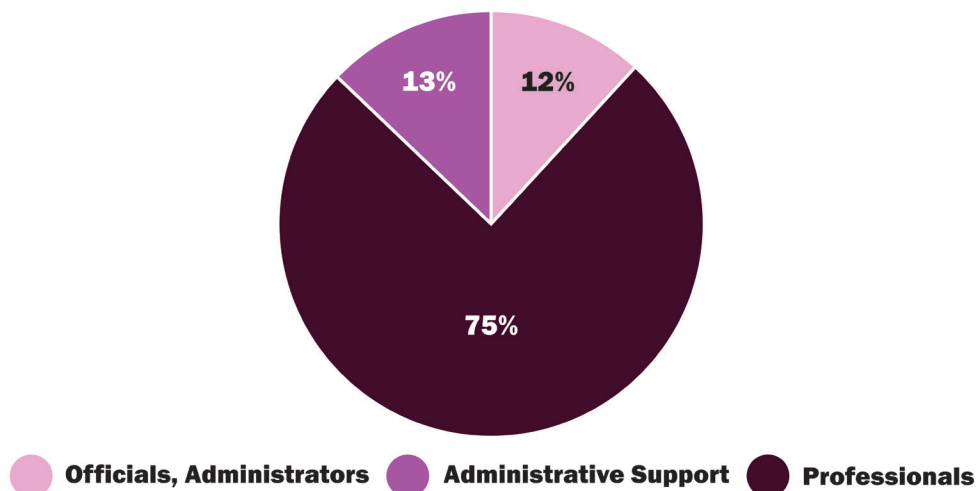
#### Employee Age (Years)



#### EQUAL EMPLOYMENT OPPORTUNITY JOB CATEGORIES

DIR has a highly educated workforce with many professional employees holding advanced degrees and credentials. Many technical employees hold various degrees and certifications. Seventy-five percent of the employees are in the Professional category. The next highest category is Officials, Administration at 18 percent. The Technical Staff make up 15 percent and the Administrative Support Staff make up seven percent of DIR staff.

#### EEO Job Categories



## WORKFORCE DIVERSITY

The agency is committed to providing equal employment opportunities for all staff. Employment decisions are not influenced by race, color, religion, sex, national origin, age, disability, genetic information or any other extraneous factor. The department makes every effort to recruit, select, and retain a qualified workforce that is representative of the state's civilian labor force and will continue to work diligently to meet the equal opportunity employment goals of the State of Texas.

As of May 1, 2016, African-Americans and Hispanics comprised 30 percent of the DIR workforce. The following table provides a comparison of the department's labor force with the state's labor force.

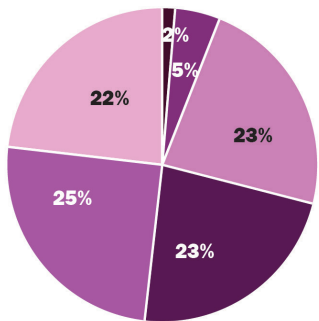
EEO Job Category	African Americans		Hispanic Americans		Female	
as of 5/1/2016	State*	DIR	State*	DIR	State*	DIR
Professional	7%	6%	21%	11%	37%	43%
Officials/Administrators	11%	10%	19%	16%	55%	56%
Administrative Support	14%	36%	33%	36%	73%	71%

\*Equal Employment Opportunity and Minority Hiring Practices Report, Fiscal Years 2013-2014

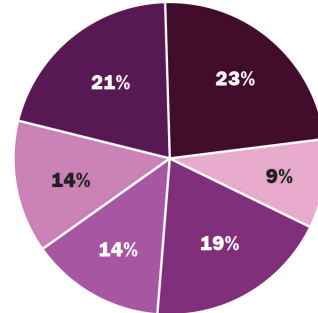
## TENURE

The department has a highly tenured workforce. The average state service for DIR employees is 13 years. Seventy-six percent of staff have five or more years of state service. Approximately 48 percent of employees have less than five years of agency service, with 25% employed with the agency for less than two years. The average agency time for DIR employees is 6.47 years.

**Agency Service (Years)**



**State Service (Years)**

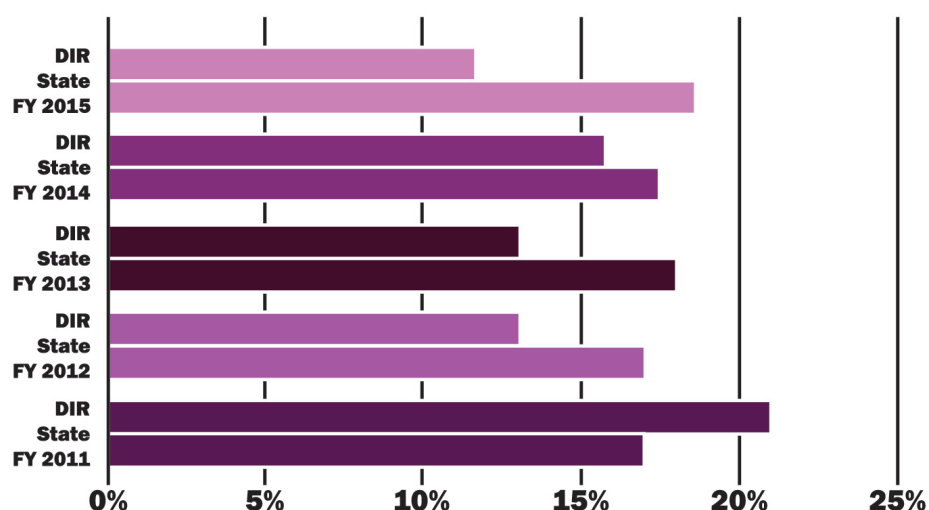


## EMPLOYEE TURNOVER

Employee turnover imposes a direct cost to any organization. The loss of institutional knowledge and experience impacts the agency's ability to fully perform its mission. High staff turnover adversely affects the operational program in which it occurs and adds strain on remaining human resources.

With the exception of Fiscal Year 2011, the employee turnover rate was below the state government turnover rate from Fiscal Year 2008 through Fiscal Year 2015. The Department's Fiscal Year 2011 turnover rate exceeded the state government turnover rate in large part due to an agency reduction in force. DIR's Fiscal Year 2015 turnover rate was almost five points lower than the state government turnover rate – 13.5 to 18.0 percent. Of particular note, 35 percent of employees separating in Fiscal Year 2015 had between six and 10 years of service with the department.

## Statewide and Agency Employee Turnover Rates



### RETIREMENT ELIGIBILITY

Employees older than 40 comprise 82 percent of the Fiscal Year 2015 workforce and approximately 39 percent of the agency's current workforce will be eligible to retire between Fiscal Year 2017 and Fiscal Year 2021.

## CURRENT AND FUTURE WORKFORCE CHALLENGES

### LABOR MARKET AND TRENDS

Over the past year, Texas added jobs in seven of the 11 major industries, including professional and business services, trade, transportation and utilities, leisure and hospitality, education and health services, construction, financial activities and other services according to a Texas Comptroller's Weekly Outlook Report dated April 6, 2016.

Pre-recession Texas employment peaked at 10 million in August 2008, a level that was surpassed in November 2011. By January 2016, Texas added an additional 1 million jobs. The U.S. recovered all recession-hit jobs by April 2014 and by January 2016 added an additional 4 million jobs. The Texas unemployment rate has been at or below the national rate for 110 consecutive months. This data suggests DIR will have to more effectively compete for the shrinking employment pool of available talent. The professional, business and technical services industry in Texas employed 4.7 percent of the population in 2011, and this proportion is expected to grow to five percent by 2014, making it Texas' fastest growing sector for employment in the outlook. This trend is expected to continue for the next five years.

### Demographic Shift

According to the U.S. Census, Hispanics made up 38.6 percent of the state's 27.4 million residents in 2014. By contrast, in 2000, Hispanics made up 31.9 percent and white non-Hispanics made up 52.4 percent of the state's 20.8 million residents. These numbers indicate the Hispanic population is growing more quickly than the non-Hispanic white population. Since 2000, Hispanics have been 63.5 percent of the Lone Star state's population growth.

Demographic trend experts project that Hispanics will likely become the largest group in Texas within 10 years. This paradigm necessitates that DIR continues to embrace diversity to the fullest extent in all aspects of employment.

## **Aging Workforce**

The Baby Boomers (those born from 1946-1964) make up a large part of the retiring labor market and is taking institutional knowledge with them. The department must facilitate effective working relationships with Baby Boomers who delay retirement and remain in the workforce with the younger generation of workers that enter the workplace.

# **TEXAS WORKFORCE SYSTEM STRATEGIC PLAN**

## **EMPLOYEE RECRUITMENT AND RETENTION**

DIR will continue to implement effective practices and policies to attract a diverse and highly qualified workforce. The department will streamline the employment selection process by incorporating an easily accessible application portal and electronic workflow application in June 2016. The department will continue to offer competitive salaries to attract highly qualified candidates.

Retaining quality employees in today's competitive labor market requires the active engagement of managers to ensure employees are satisfied in their jobs. This requires consideration for salary increases and promotions when warranted. Additionally, supervisors will need to complete timely performance evaluations to provide timely feedback and identify career development opportunities.

Succession planning is an ongoing business process wherein an organization plans for its future workforce competency needs. It is a proactive approach linking the organization's competency needs to its mission and goals through career development. The department strives to maintain a highly qualified and competent workforce that is committed to customer service and is fully capable of carrying out the mission and core functions of the agency. However, retirements and attrition can result in a significant loss of institutional and technical knowledge. Many pending retirements in the next five years are either managers or staff with senior-level technical expertise. In order to address any deficits between current agency workforce and future demands, the department will fully implement a succession planning program that incorporates an intensive career development initiative which includes cross training, mentoring and formal training.

## **MENTORING PROGRAM**

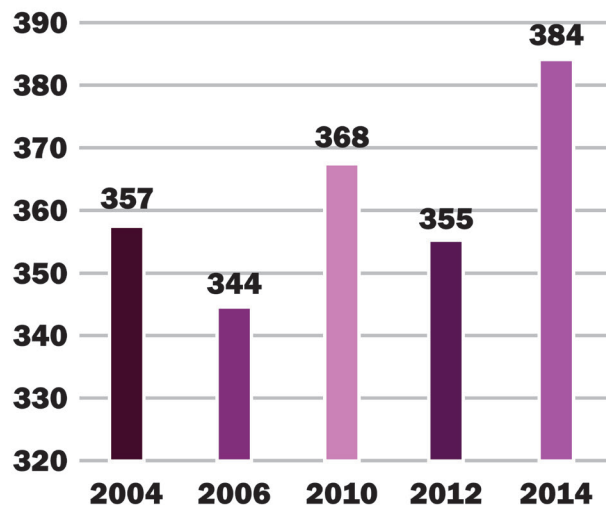
Mentoring is a process for the informal transmission of knowledge, perceived by the recipient as relevant to work, career or professional development. Mentoring entails informal communication, usually face-to-face and during a sustained period of time, between a person who is perceived to have greater relevant knowledge, wisdom or experience (the mentor) and a person who is perceived to have less (mentee). DIR has implemented a mentoring program to enhance career development, knowledge transfer and employee retention.

## SURVEY OF EMPLOYEE ENGAGEMENT RESULTS

In March 2016, the department participated in the Survey of Employee Engagement (SEE) to measure employee engagement and workplace satisfaction. There was a 72 percent response rate, which is considered high, and indicates employees have an investment in the organization, want to see the organization improve and generally have a sense of responsibility to the organization.

The department's overall FY 2016 SEE survey score was 401. Scores above 400 are the product of a highly engaged workforce. The department's overall SEE score in 2014 was 384. DIR scored the highest in the following three areas: strategic (419), supervision (418) and employee engagement (414). The following areas were identified as opportunities for improvement: pay (310), benefits (387) and employee development (390).

### Survey of Employee Engagement Overall Scores



\*The agency did not participate in the survey in 2008.