



WORKFORCE PLAN
Fiscal Years 2017 to 2021

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WORKFORCE PLANNING

I. Overview

The State Office of Risk Management serves as the State's full service risk manager and insurance manager and administers the workers' compensation insurance program for state employees. The Office balances consideration for the rights and needs of the state worker with the protection of the legitimate interests of the citizens of the State of Texas.

The Office is administratively attached to the Office of the Attorney General. The Supply and Demand Analysis in this report does not reflect the significant contribution in administrative support (payroll and benefits administration, budgeting IT services, etc.) made by the OAG.

II. Strategic Goals and Objectives

Strategy - Risk Management Program

The Office establishes statewide risk management guidelines; works with state entities to develop programs that meet the guidelines; conducts on-site risk management program reviews; sponsors various lines of insurance coverage to assist clients in financing their identified risks and provides additional assistance when requested. In that capacity, the Office serves as a full service insurance manager for participating entities.

Strategy - Pay Workers' Compensation

The Office manages all claims for workers' compensation in accordance with state law and administrative regulations, determines eligibility for medical and indemnity benefits, and determines the injured employee's weekly wage and indemnity payment rate.

III. Anticipated Changes in Strategies

The Office does not anticipate changes in its mission, strategies, or goals in the next five years. The Office intends to focus on its ability to assist client state entities in all areas of risk management, risk retention, risk transfer, and continuity of operations planning.

IV. Workforce Profile

The Office is authorized 121.6 full-time equivalent (FTE) positions.

Workforce Skills

The professional workforce skills that are critical to the mission and goals of the Office include the ability to successfully:

- Review and provide assistance with risk management programs
- Identify risk exposures and make mitigation recommendations

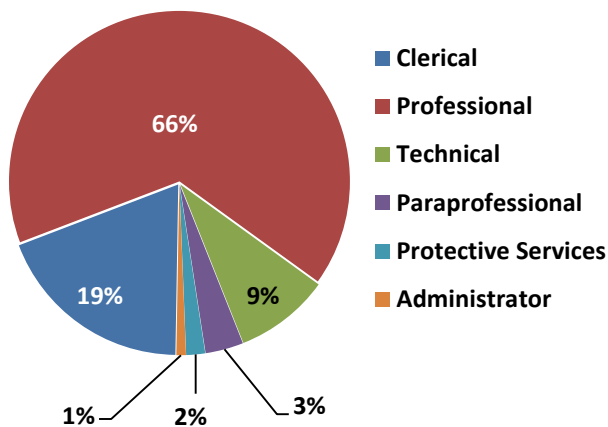
- Consult with and train state entities on how to address issues related to property, liability, or workers' compensation exposures or losses
- Administer workers' compensation claims and related medical, disability, and indemnity
- Maintain and review records of property, casualty, or liability insurance coverage purchased by or for a state entity
- Administer the program for the purchase of surety bonds for state officers and employees
- Manage property, casualty, and liability insurance contracts, losses and claims
- Develop and maintain Continuity of Operations Plan
- Review continuity plans and provide guideline, models, and assistance

Agency staff must also have knowledge and skill in the following areas:

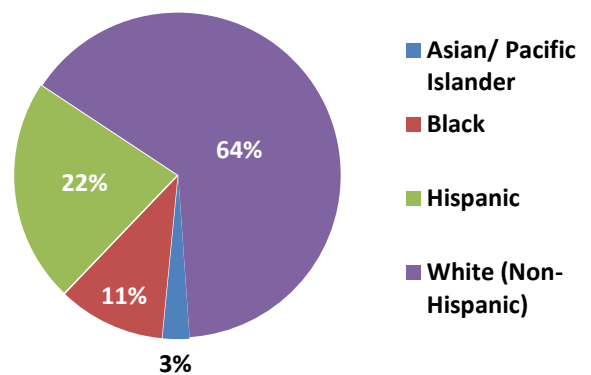
- Communication
- Customer service
- Problem solving
- Time management
- Research and analysis
- Application of relevant laws and regulations
- Negotiation and dispute resolution
- Proficient in using current technologies, including computer hardware and software

Workforce Demographics

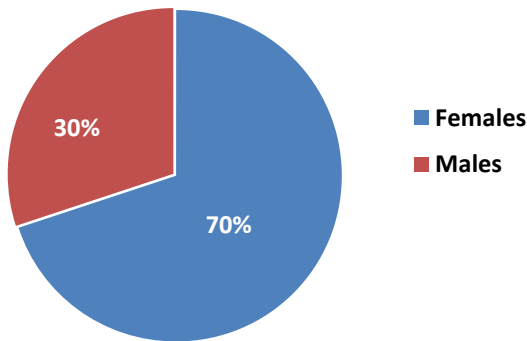
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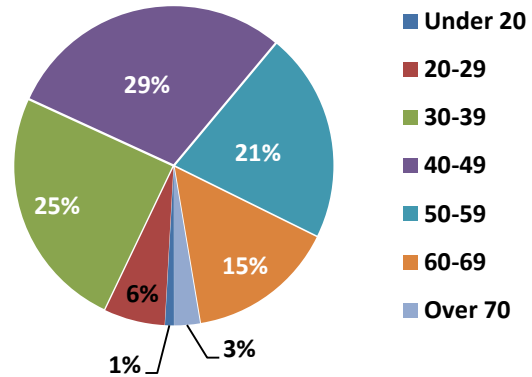
Ethnicity



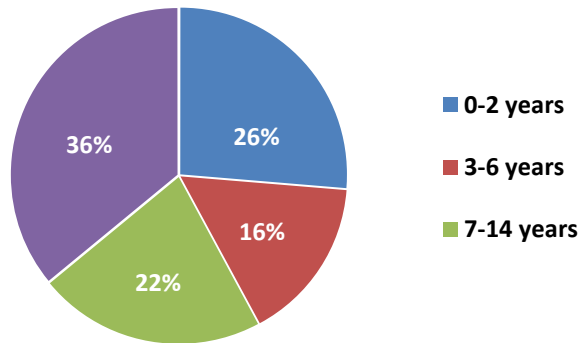
Gender



Age



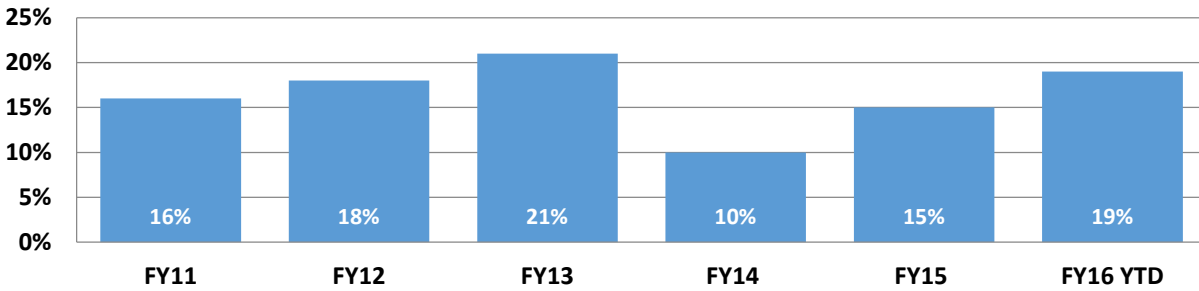
Tenure



Employment Trends

The Office's turnover rate has remained relatively steady. The Office anticipates turnovers will continue due to economic factors beyond its control. Employee salaries are not competitive with the private market and employees overwhelmingly see pay and benefits as the biggest obstacle to continued employment with the Office. In addition, the Office has several categories of employees with specialized training and skills that are prized in the private and public market. Adequate funds are needed to maintain salary parity with other positions performing similar work.

ANNUAL TURNOVER RATES



Classification	FTE	FY14 Turnover	Percentage	FY15 Turnover	Percentage
Claim Adjuster	27	6	22%	8	30%
Insurance Manager	4	2	50%	1	25%

Although retirements do not account for the majority of separations, the Office must consider the future impact of retirements. 32% of the Office’s workforce, including seven key personnel, are currently eligible to retire and/or can retire in the next 2 to 5 years. With retirements, the Office will lose substantial institutional knowledge and expertise.

V. Demand Analysis – Future Workforce Profile

Workforce Skills – Projected

As the risk management, risk transfer, and continuity of operations programs grow, the Office will need additional staff with expertise and experience in these areas.

The Office plans to expand its training services for state employees through an online learning management system. Developing course curriculums and producing self-directed training such as podcasts, webinars, and videos, will require staff with advanced knowledge and skills.

Anticipated Workload Changes

Long-term demand for the Office’s services is expected to increase. The Office’s workload and staffing needs will intensify as participation in the Office’s programs expands.

Programming and technology staff will be required to implement and maintain the new cloud-based solutions the Office will put into operation to improve the effectiveness and efficiency of critical business functions.

Technology

The Office plans to expand its use of a cloud-based risk management information system to include solutions for enterprise risk management, pre-loss environmental, health, safety and loss prevention initiatives, corrective action plans; full claim life-cycle; comprehensive functionality for claim administration, claim management, and return to work guidelines; and policy and premium management, certificate of insurance management, modeling programs during renewal, and integration with claims to evaluate various retention options.

VI. Gap Analysis

Transferring the majority of the Office's business functions to a new system will improve work quality, efficiency, and customer service. To ensure the continuity and quality of services, staff will have to quickly master each component of the new system.

As business functions are transferred to a new system, changes must be made to processes and procedures. Evolving technology will continue to automate processes, requiring fewer employees with filing, data entry, and general clerical skills and more staff with the skills to fully make use of the system enhancements.

VII. Strategy Development

Recruiting

The competition to hire and retain employees with training and experience in enterprise risk management, business continuity, advanced commercial insurance, and workers' compensation claim administration is an on-going challenge. The Office utilizes a variety of initiatives to attract candidates.

The Office's internet site lets candidates learn about the organization, its mission, and its programs. Showcasing actual employees in videos emphasizes the importance of the Office's employees. When employment opportunities are posted, the Office highlights intangible benefits such as the culture and values of the organization. The Office also provides insight into the characteristics of the ideal candidate because it recognizes the importance of hiring people with the right traits and identifying cultural fits.

The Office has simplified the application process. Candidates can easily find and apply for open positions on its internet site. During the process, the Office keeps in touch with candidates. Interviews are friendly and relaxed. Candidates are interviewed by a mixture of future managers and peers. The Office contacts each individual who is interviewed to inform them of the outcome of the hiring process.

To broaden the potential pool of applicants, the Office advertises in trade journals, general

online job sites and industry specific online job sites. The Office evaluates applicants on their ability to perform in the future. Candidates with a variety of work experience are considered because experience in other fields can translate to the open position.

Succession Planning

The Office relies on its staff to carry out its missions and provide services necessary to achieve organizational goals. Knowing the difficulty it faces with recruitment, the Office must prepare for eventual vacancies through an inward focus. Succession planning includes a review of critical leadership roles and essential skills the Office requires to fulfill its mission. Pinpointing gaps in knowledge or skill creates an opportunity to develop competency and skills through training and experience. The Office carefully evaluates individual job performance to identify high-performers with leadership potential who can move into progressively higher roles.

The Office has monthly leadership roundtables

The Office is creating a new department where entry-level employees will be responsible for customer service needs and become familiar with the tasks and responsibilities associated with workers' compensation claim adjustment. As entry-level employees gain experience, they will assume greater responsibilities. The goal is to progressively train individuals in-house who can be promoted to adjusters positions.

Employee Development and Training

Curbing turnover at lower and mid-level positions is critical to the future of the Office. Therefore, the Office is re-evaluating and revising its career path. Training opportunities for staff are a high priority in this initiative. To further career development, the Office provides in-house training and opportunities for staff to attend workshops and seminars to develop expertise and skills. The Office continues to concentrate on leadership development.

The Office uses the ISO 31000 risk management process enterprise-wide. The process provides a collaborative framework to discuss thoughts and ideas about risk and risk mitigation in a shared way. The process captures risk and opportunity data from diverse stakeholders. ISO 31000 facilitates continuous improvement processes within an organization and helps identify resources and establish accountability.

A project is underway to determine whether the Office will incorporate 360 Feedback as an evaluation method to give accurate and timely feedback to employees on their current work performance and how the employee functions in the work environment with co-workers.

Talent management.....

Work/Organization Change

The Office will continue to seek ways to improve processes and maximize resources. However, the inability to attract and retain qualified staff is an enormous impediment to performing the core operational functions of the Office. The time the Office must spend on posting jobs, selecting candidates, conducting interviews, and training new staff is time the Office cannot spend on its essential business functions.