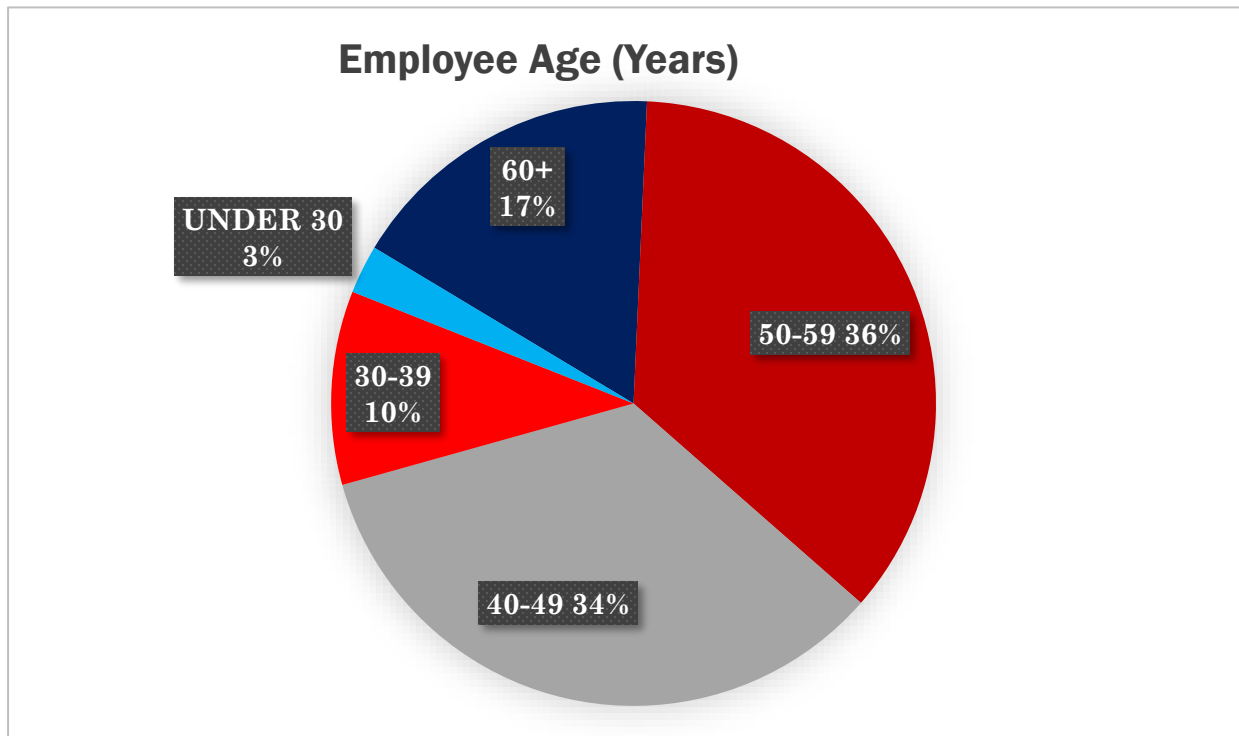


APPENDIX F: WORKFORCE PLAN

CURRENT WORKFORCE PROFILE

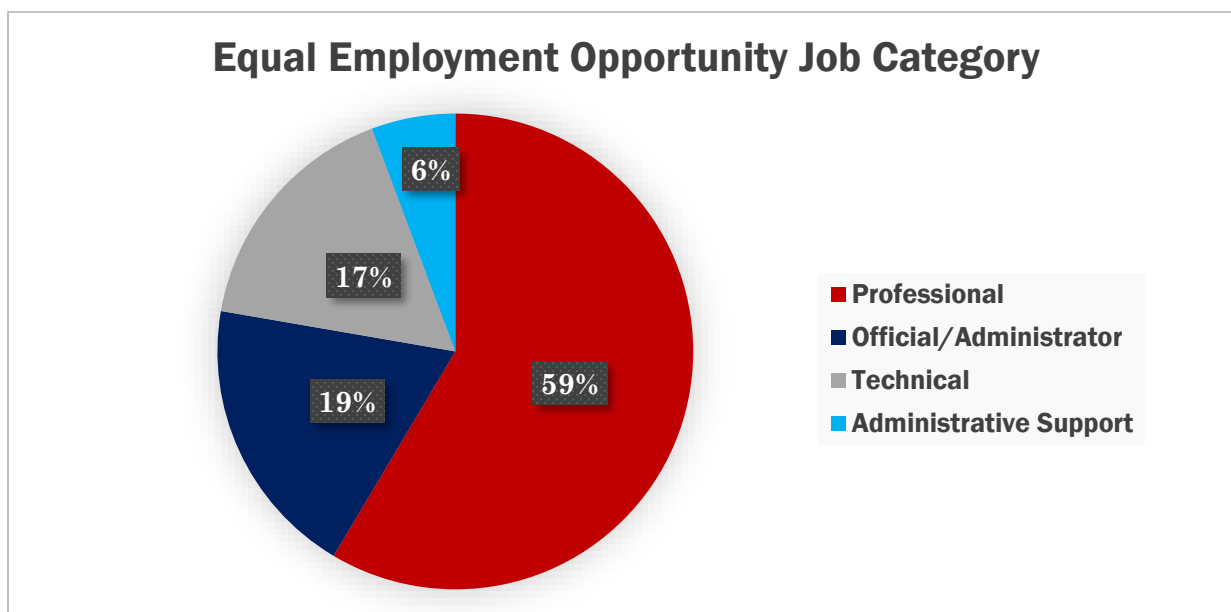
GENDER AND AGE

DIR currently has a legislative appropriations cap of 198 full time equivalent (FTE) positions for FY 2018 and FY 2019. As of May 8, 2018, DIR's headcount stood at 193 employees. The workforce consists of 52% females and 48% males. Approximately 87% of the agency's employees are age 40 or over, while 3% are under 30 years of age. The average age of Department employees is 50. With only 13% of DIR's workforce under the age of 40, the agency must aggressively implement succession planning, effective recruitment, and a retention strategy to ensure the fulfilment of DIR's mission.



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. Fifty-nine percent (59%) of DIR's employees are in the Professional category. The next highest category is Officials and Administration at 19%. The technical staff make up 17% and the Administrative Support Staff make up 6% of DIR's staff.



WORKFORCE DIVERSITY

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

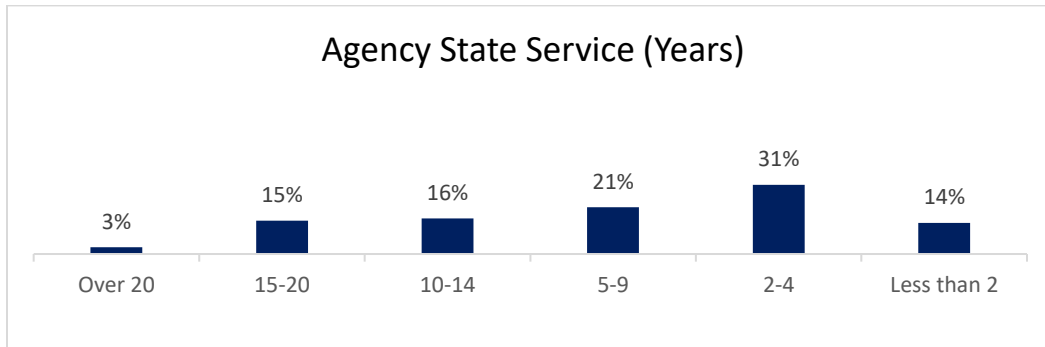
As of May 8, 2018, African Americans and Hispanics comprised 32% of DIR's workforce. The following table provides a comparison of DIR's labor force with the state's labor force.

EEO Job Category	African Americans		Hispanic Americans		Female	
	State*	DIR	State*	DIR	State*	DIR
As of 5/8/2018						
Professional	10%	15%	19%	15%	55%	57%
Official/Administrator	7%	8%	22%	14%	37%	43%
Technical	14%	16%	27%	25%	55%	38%
Administrative Support	15%	36%	35%	27%	72%	82%

**Equal Employment Opportunity and Minority Hiring Practices Report, FY 2015-2016*

TENURE

The average length of service for DIR's employees, at DIR, is seven years. Approximately 55% of DIR's employees have five or more years of service at the agency.

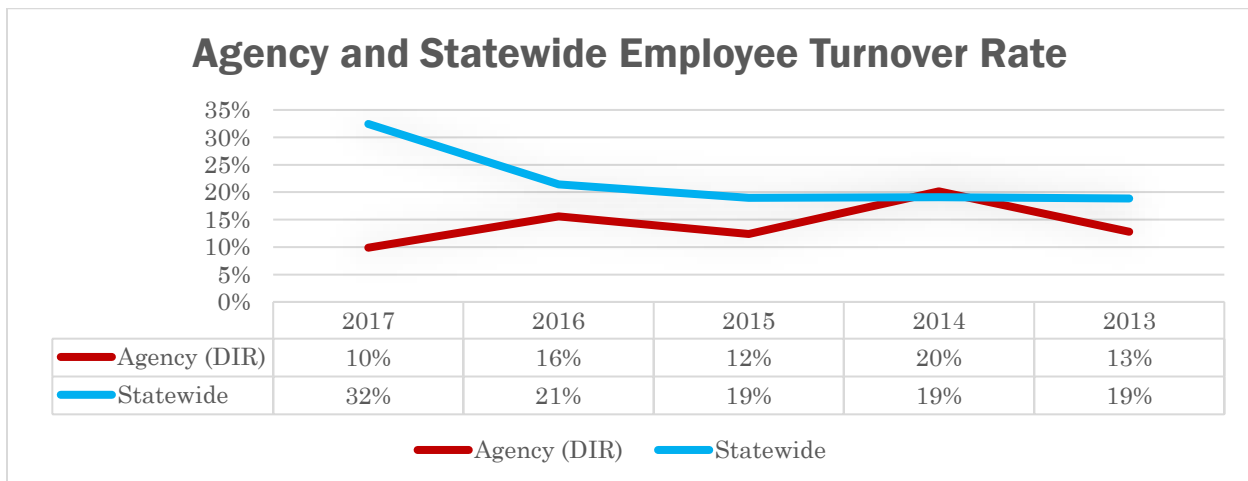


**Percentages may not add up to 100% due to rounding*

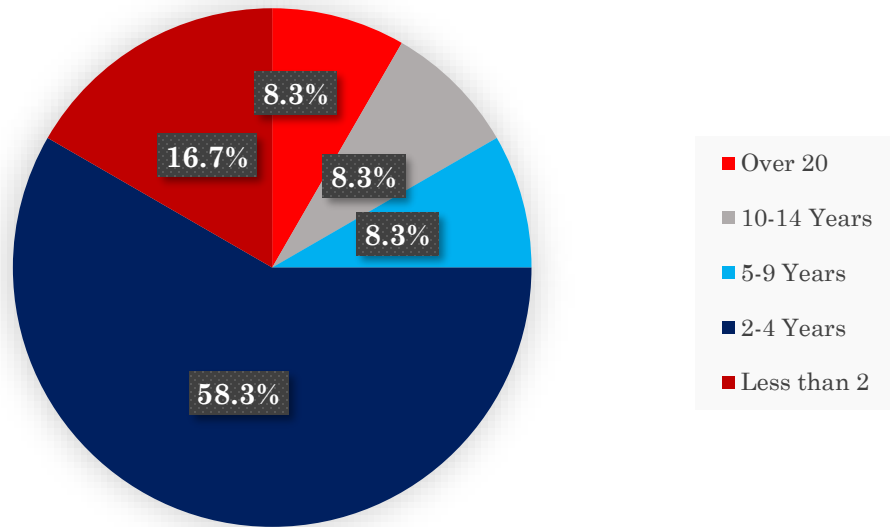
EMPLOYEE TURNOVER

Employee turnover imputes 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 FY 2014, DIR's employee turnover rate was below the state government turnover rate from FY 2008 through FY 2017. DIR's FY 2014 turnover rate exceeded the state government turnover rate by 1%. DIR's FY 2017 turnover rate was 10% versus 32% for state government turnover rate.



FY 2018 Separating Employees Length of Agency Service



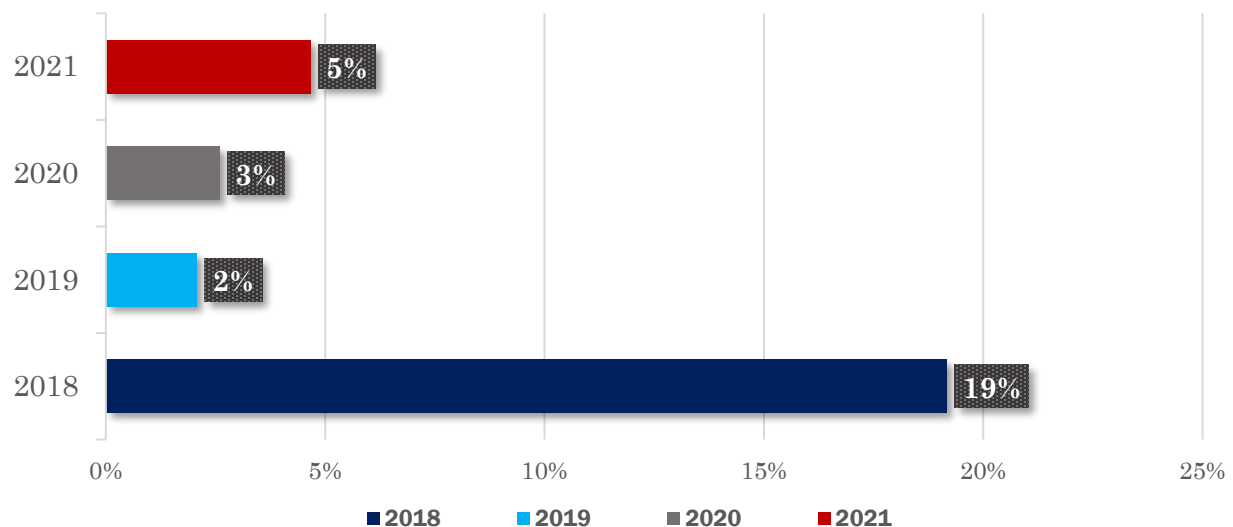
*Percentages may not add up to 100% due to rounding

**0% separated with 15 - 20 years of service

RETIREMENT ELIGIBILITY

Employees over the age of 40 comprise 87% of DIR's FY 2018 workforce and approximately 29% of the agency's current workforce will be eligible to retire between FY 2018 and FY 2021 (Based on our present headcount of 193 employees).

Eligible Retirees



CURRENT AND FUTURE WORKFORCE CHALLENGES

LABOR MARKET AND TRENDS

According to the Bureau of Labor Statistics, total employment is projected to increase by 11.5 million jobs between 2016 and 2026. The Texas Workforce Commission's long-term industry projections estimate about 18% growth in state government employment by 2024. At the end of FY 2017, Texas remained driven by an ongoing economic shift toward high-skilled jobs within business and professional service sectors.

DEMOGRAPHIC SHIFT

According to the July 2016 U.S. Census, Hispanics made up 39% and white non-Hispanics were 43% of the state's 27,862,596 million residents. By contrast, in 2000, Hispanics made up 31.9% and white non-Hispanics made up 52% 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 made up 64% of the Lone Star state's population growth.

Demographic trend experts project that in Texas, Hispanics will likely become the largest group within 10 years. This paradigm necessitates that DIR continue to embrace diversity and leverage recruiting strategies in alignment with this population combined with other underrepresented groups.

AGING WORKFORCE

The Baby Boomers (born between 1946-1964) make up a large part of the labor market that is retiring and taking institutional knowledge with them. Given 29% of the agency's population is eligible for retirement by 2021, it will be essential to facilitate effective working relationships with Baby Boomers that delay retirement and retain their human capital.

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. Targeted recruiting strategies will be implemented by measuring the time it takes to fill a position and intentionally improving candidate experience. To continue attracting top talent, DIR will strive to offer competitive salaries and highlight the State of Texas' valuable benefit options. DIR should consider the implementation of career pathing and dual ladder programs. These programs would position active employees with horizontal and vertical growth opportunities, as the budget allows. The immediate benefits of career-based programs result in valuable recruitment outcomes and employee retention. Managers should complete timely performance evaluations to provide consistent feedback and identify career development opportunities.

SUCCESSION PLANNING

Succession planning is an ongoing business process through which 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. DIR

strives to maintain a highly qualified and competent workforce that is committed to customer service and that 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 of the pending retirements over the next five years are either managers or staff with senior-level expertise. To address any deficits between the current agency workforce and future demand, a succession planning program that incorporates cross-training, mentoring, career pathing, and dual ladder options should be explored.

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 (the protégé)". DIR will implement a mentoring program to enhance career development, knowledge transfer and the retention of employees.

SURVEY OF EMPLOYEE ENGAGEMENT RESULTS

In March 2018, DIR participated in the Survey of Employee Engagement (SEE) to measure employee engagement and workplace satisfaction. DIR had a 63.2% response rate which is considered high and indicates that employees have an investment in the organization, want to see the organization improve, and generally have a sense of responsibility to the organization.

DIR's overall FY2018 SEE survey score was 390. Scores above 350 are desirable and show the product of an engaged workforce. DIR's SEE overall score in 2016 was 401. Nationwide polling data shows 30% of employees are Highly Engaged or Engaged, whereas DIR employees were 55%. DIR scored the highest in the following three areas: strategic (414), information systems (409), and employee engagement (403). The following areas were identified as opportunities for improvement: pay (302), employee development (385), and internal communications (382).

