



# **Texas Alcoholic Beverage Commission**



## **Agency Workforce Plan** **(Schedule D of FY2019-2023 Strategic Plan)**

**Submitted June 8, 2018**

## SECTION I

### Overview (Strategic Direction)

The mission of the Texas Alcoholic Beverage Commission (“TABC”) is to serve the people of Texas, and protect the public health and safety, through consistent, fair, and timely administration of the Alcoholic Beverage Code (“Code”).

TABC is the state agency which regulates all phases of the alcoholic beverage industry in Texas. The duties of the commission include regulating sales, taxation, importation, manufacturing, transportation, and advertising of alcoholic beverages.

The TABC collects approximately \$300 million annually in taxes and fees, which aids in the financing of the state’s public schools, local governments, and human services.

The Code authorizes TABC to:

- grant, refuse, suspend, or cancel permits and licenses in all phases of the alcoholic beverage industry;
- supervise, inspect and regulate the manufacturing, importation, exportation, transportation, sale, storage, distribution and possession of alcoholic beverages;
- assess and collect fees and taxes;
- investigate potential violations of the Code and assist in the prosecution of violators;
- seize illicit beverages;
- adopt standards of quality and approve labels and the size of containers for all alcoholic beverages sold in Texas; and
- pass rules to assist TABC in all of the aforementioned actions.

TABC employees review shipments of alcoholic beverages into Texas, as well as the transfer of merchandise between wholesalers. Background investigations are undertaken upon receipt of an application for a permit or license to operate in some phase of the industry. Efforts are made to detect ownership in another level of the industry, which is prohibited, as well as any factors which might disqualify an applicant, such as a criminal history or current indebtedness to the state for taxes.

### **STRATEGIC GOALS AND OBJECTIVES**

**Goal 1: Enforcement.** To protect the peace and safety of the public by taking positive steps to encourage voluntary compliance with the Texas Alcoholic Beverage Code and other state laws and by undertaking enforcement and regulatory actions that are fair and effective.

**Objective: Detect/Prevent Law Violations.** Detect and prevent violations of the Alcoholic Beverage Code and other state laws that can occur on licensed premises, including those pertaining to human trafficking, drug trafficking, and other organized criminal activity.

**Strategy: Enforcement.** Deter and detect TABC code violations by inspecting licensed establishments and investigating complaints.

**Goal 2: Licensing.** To process and issue license and permit applications in compliance with the Alcoholic Beverage Code.

**Objective: Timely Process of Applications.** Process applications for permits and licenses in an efficient and timely manner.

**Strategy: Licensing.** Issue licenses and permits while ensuring compliance with laws regarding ownership, performance, and other regulatory requirements.

**Goal 3: Compliance and Tax Collection.** To ensure compliance with the Alcoholic Beverage Code in the manufacturing, importing, exporting, transporting, storing, selling, serving, and distributing of alcoholic beverages.

**Objective 1: Monitor Compliance with TABC Code.** Monitor all tiers of the alcoholic beverage industry and conduct inspections, audits, analyses, investigations, and other activities to encourage maximum voluntary compliance with the Alcoholic Beverage Code.

**Strategy: Compliance Monitoring.** Inspect, investigate, and analyze all segments of the alcoholic beverage industry, verify the accuracy and timeliness of tax reporting payments, and initiate any necessary compliance and/or administrative actions for failure to comply while providing instruction to promote voluntary compliance.

**Objective 2: Ensure Maximum Compliance at Ports.** Ensure maximum compliance with laws regulating importation of alcoholic beverages and cigarettes at ports of entry.

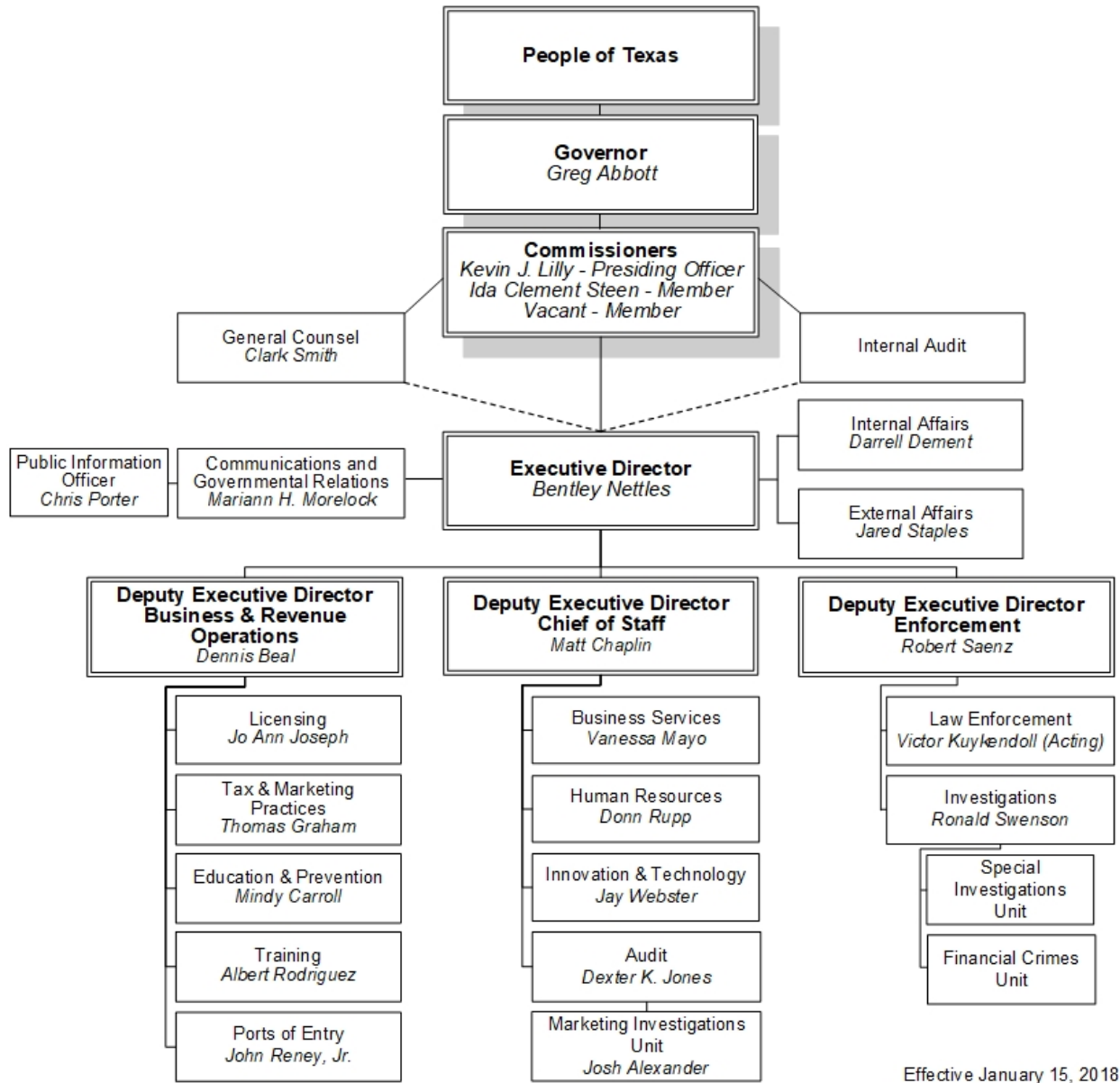
**Strategy: Ports of Entry.** Identify high traffic loads and strategically place personnel or equipment at ports of entry to more effectively regulate the personal importation of alcoholic beverages and cigarettes.

## **ORGANIZATIONAL STRUCTURE**

The policymaking body of TABC is a three-member governing board appointed by the Governor with the advice and consent of the Senate. Commissioners hold office for staggered terms of six years, with the term of one member expiring every two years. Each member must be a Texas resident, and must have resided in the state for at least five years preceding the appointment. Commissioners serve without salary.

The commission is comprised of Chairman Kevin J. Lilly of Houston and Commissioner Ida Clement Steen of San Antonio; the third position is currently vacant.

Figure 1. TABC Organizational Chart, FY2018.



Effective January 15, 2018

**CORE BUSINESS FUNCTIONS**

An Executive Director, appointed by the three-member governing board, directs the daily operations of TABC. The board appointed A. Bentley Nettles as Executive Director on August 2, 2017. The Executive Director is responsible for employing staff to ensure that the policies established by the commission and the laws enacted by the legislature are implemented in an efficient and cost-effective manner.

Sharing in that responsibility are three Deputy Executive Directors; a General Counsel; and Directors of the Office of Professional Responsibility (internal affairs), Communications, Governmental Relations, and External Affairs. An independent audit firm performs internal audit functions for TABC, reporting directly to the Commissioners. The agency’s organizational structure (

Figure 1) evenly distributes employees among the three Deputy Directors, empowering them to engage and manage the agency's 600+ employees effectively. The various divisions of the agency are arranged into three lines of effort, representing the three pillars of TABC's daily mission – revenue, law enforcement, and operations – and allowing the agency's leadership to identify ways TABC can serve Texans. More importantly, it helps ensure TABC's employees have all of the equipment, resources, and leadership support required to function effectively.

## **Business and Revenue Operations**

The divisions that comprise Business and Revenue Operations are responsible for assessing and collecting approximately \$300 million annually. These divisions include Licensing, Tax and Marketing Practices, Education and Prevention, Training, and Ports of Entry. These divisions interface directly with the tens of thousands of Texans who are currently or prospectively doing business within the alcoholic beverage industry.

### ***Licensing***

The Licensing Division investigates and processes applications for all phases of the industry including the manufacture, sale, purchase, transportation, storage, and distribution of alcoholic beverages. Staff must ensure that each applicant qualifies to hold such license or permit and adheres to all applicable regulatory requirements. Licenses and permits are issued for a period of two years. Approximately 71,000 licenses and permits are issued each year by the Licensing Division.

### ***Tax and Marketing Practices***

The Tax and Marketing Practices Division is charged with carrying out the taxing authority of the agency. Division personnel receive, process, and audit monthly excise tax reports to ensure appropriate taxes have been paid and that other reporting requirements are met in accordance with the Code. The division is also responsible for monitoring the advertising of alcoholic beverage products as well as the testing and labeling of those products in Texas.

### ***Education and Prevention***

The Education and Prevention Division oversees TABC programs that educate the public, retailers, and their employees about Texas laws associated with selling and consuming alcoholic beverages. The division leads the agency's efforts to prevent underage drinking and making alcohol available to minors, as well as driving while intoxicated. The staff works with multiple statewide and local agencies, community coalitions, and other groups to share information and participate in various programs to prevent underage drinking.

### ***Training***

The Training Division oversees staff development activities for the agency. The division maintains training records and offers required training for commissioned peace officers, state-mandated training for all employees, and additional training to develop and enhance the skills of TABC employees.

### ***Ports of Entry***

The Ports of Entry Division oversees more than 100 taxpayer compliance officers who are responsible for ensuring compliance with personal importation laws and collection of taxes and fees on alcoholic beverages and cigarettes brought into Texas from other countries. Cigarette taxes are collected on behalf of the Texas Comptroller of Public Accounts. Taxpayer compliance officers are stationed at all major bridges along the Texas-Mexico border and at the Galveston seaport.

## **Enforcement**

Serving the agency's law enforcement and investigations mission, Enforcement employs TABC's commissioned peace officers, including those serving in the Law Enforcement Division, the Special Investigations Unit, and the Financial Crimes Unit.

### ***Law Enforcement***

Law Enforcement is the agency's largest division. Staff perform both enforcement and compliance functions involving criminal, regulatory, and administrative enforcement of the state's alcoholic beverage laws.

Law enforcement activities are administered across the state in five regions. Commissioned peace officers inspect premises licensed by the agency and investigate alleged violations of the Code.

Enforcement agents provide training to permit holders and their employees upon request as well as in response to violations by the permit holder. In addition, presentations are given to other law enforcement agencies to promote a better understanding of the law and the roles and responsibilities of TABC.

### ***Investigations***

The Special Investigations Unit, through undercover operations, identifies and investigates habitual patterns of at-risk behavior of persons and entities with a TABC-issued license or permit. The unit exercises administrative and criminal powers to suppress and dismantle organized criminal activity on licensed premises.

The Financial Crimes Unit focuses on the detection, investigation, and prevention of finance-related crimes by persons and entities with a TABC-issued license or permit. Investigations include money laundering, prohibited tier relationships, tax fraud, business and corporate fraud, and other organized financial crimes.

## **Chief of Staff**

TABC's operational divisions – Business Services, Human Resources, Audit, and Innovation and Technology – report to the Chief of Staff, who serves as a Deputy Executive Director. These divisions provide the foundational support needed for TABC to conduct its operations. These employees provide the critical service of ensuring TABC-licensed businesses adhere to the regulatory requirements of the Code.

***Audit (Compliance)***

Auditors conduct investigations, financial reviews, and inspections during the initial phases of the licensing process. Auditors also assist the law enforcement agents in various types of investigations as well as play a role in monitoring seller training schools to ensure compliance with agency standards and the Code.

Auditors provide training to permit holders and their employees upon request as well as in response to violations by the permit holder. In addition, presentations are made to students, including those in middle schools, high schools, and universities. Presentations are also given to civic organizations to promote a better understanding of the law and the roles and responsibilities of TABC.

***Business Services***

The Business Services Division is responsible for all fiscal operations of the agency, including revenue processing, accounts payable, payroll, time and leave accounting, research and planning, as well as preparation and oversight of the agency's legislative appropriations request, annual financial report, and performance reports. The general services section of the Business Services Division is responsible for purchasing, records retention, real and personal property management, facilities leasing, fleet management, mail center operations, and warehousing.

***Human Resources***

The Human Resources Division manages employment-related activities, including recruitment, selection, benefits and compensation, employee relations, classification, risk management, and implementation of the agency's equal employment opportunity program.

***Innovation and Technology***

The Innovation and Technology Division is responsible for developing and maintaining the core technology applications for the agency. The division establishes and supports the technology infrastructure that facilitates agency operations and is charged with researching and analyzing new technologies to solve business problems and increase efficiencies across the agency.

***Anticipated Changes to Mission, Strategies and Goals***

TABC's new leadership continues to make changes to the organizational structure and to the agency's policies and procedures. The Sunset Advisory Commission will adopt further recommended changes to agency operations and management practices in January 2018. After the legislative session concludes in June 2019, the agency will fully implement changes from the Sunset review process, including management directives and statutory changes made through the TABC Sunset bill.

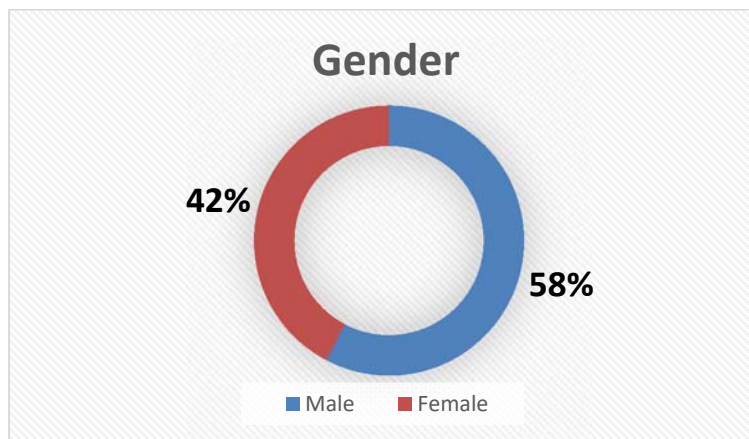
## SECTION II

### Current Workforce Profile (Supply Analysis)

#### WORKFORCE DEMOGRAPHICS

**Gender:** As seen in Figure 2, the TABC workforce is comprised of 58.3% males and 41.7% females. In comparison to data from other state agencies (56.6% female; 43.4% male), TABC percentages are flipped. However, when looking at other Article V agencies and other similar state agencies which have an active force of commissioned peace officers, the ratios are similar to TABC. Additionally, the female workforce percentage has dropped by .6% statewide since FY2016.

Figure 2. TABC Gender Profile, FY2017.



**Retirees:** According to the Employees Retirement System, as of January 2018, 9% of TABC employees (58 individuals) will be eligible to retire at the end of the 2018 calendar year. Currently, the agency has 16 return-to-work retirees and 43 employees who are eligible or very near retirement. Over the next five years, almost 20% of TABC's workforce will be eligible to retire.

**Age and TABC Service Time:** The average TABC employee is 44.7 years of age (Figure 3) and has 8.6 years of service with the agency (Figure 4). Sixty-three percent of the employee population is over the age of 40, and 37.3% have less than five years of service with the agency. The percentage of TABC's workforce aged 30 to 49 years is higher than the state average; TABC's percentages of employees under age 30 and over age 50 are lower than state averages.



Figure 3. TABC Age Profile, FY2017.

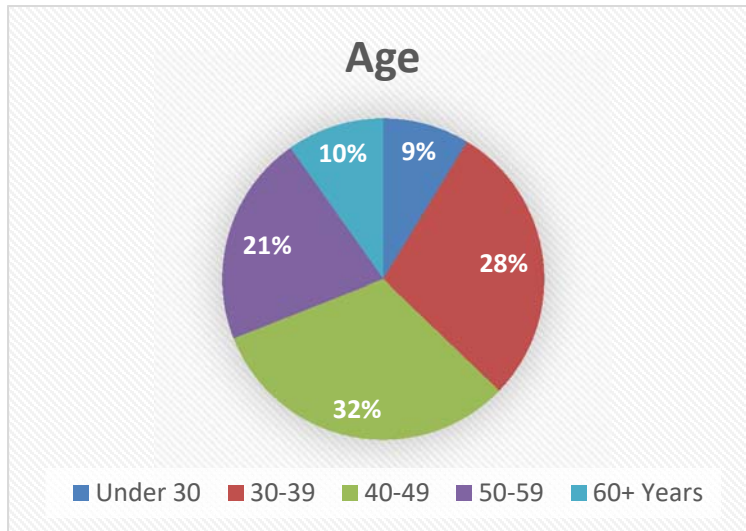
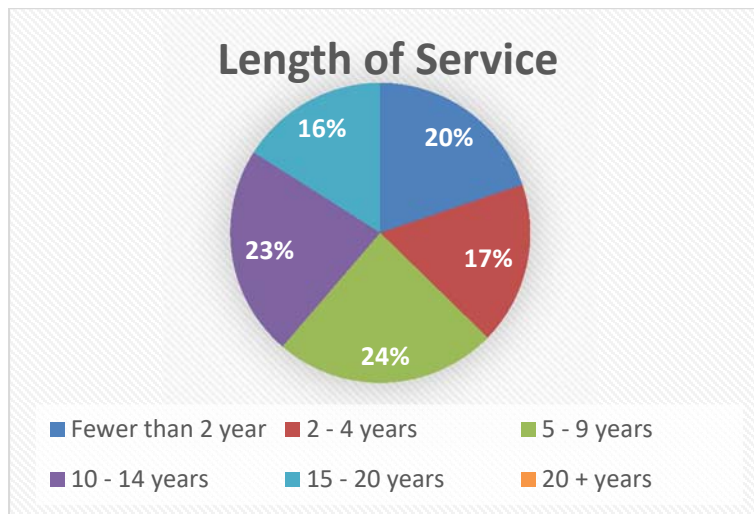
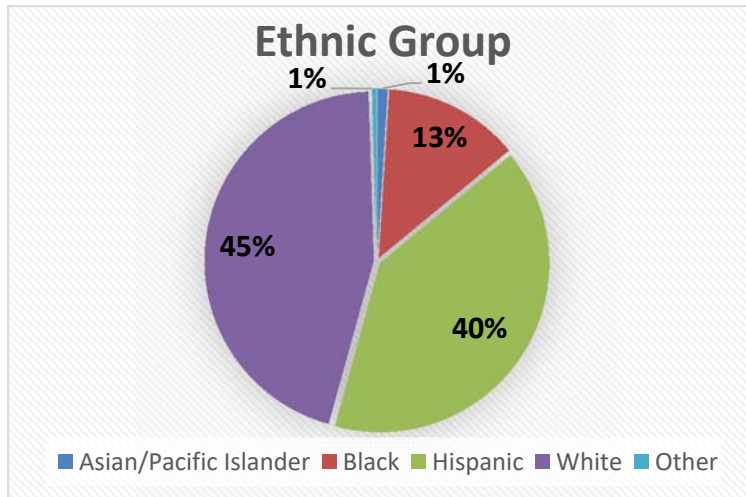


Figure 4. TABC Length of Service, FY2017.



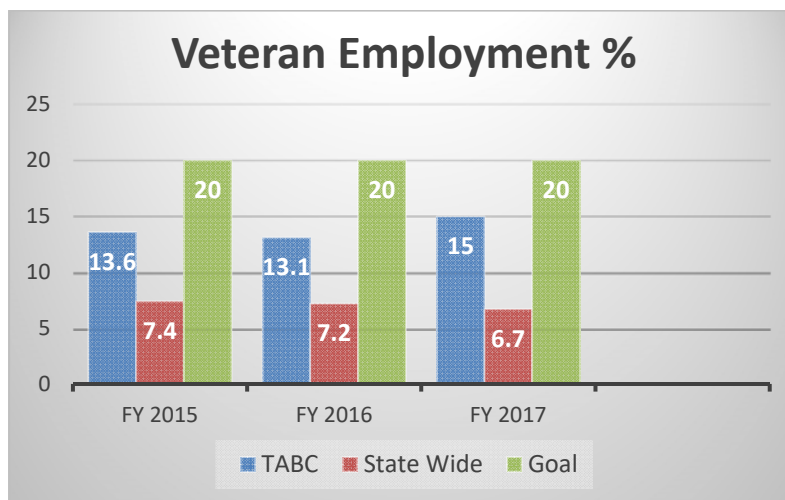
**Ethnicity:** TABC remains under-represented in two of the Equal Employment Opportunity Commission’s (EEOC) demographic categories. In FY2017, African Americans accounted for 13% of the TABC workforce. There was no change from FY2016. Asian/Pacific Islanders account for 1.7% of the TABC workforce. More than 42% of the agency’s workforce is Hispanic, an increase of 2.2% since FY2016.

Figure 5. TABC Ethnicity Representation. FY2017.



**Veteran Representation:** Senate Bill 805 (84<sup>th</sup> Legislature) amended Texas Government Code, Section 657.004, to set a goal for state agencies of employing veterans in full-time positions equal to at least 20% of the total agency workforce population. In FY2017, 15% of the agency’s workforce held veteran status. (Figure 6) This is approximately a 2% increase from FY2016 (13.1%). TABC’s percentage of military veteran employees is more than double the state average of 7.2%. The agency has also established a strategic work relationship with the Veterans Commission of Texas to help with some of the TABC’s hiring needs and services.

Figure 6. TABC Veteran Employment, FY2017.



**RECRUITING**

Overall, recruiting efforts have resulted in a more diverse workforce. TABC still needs to focus on minority hiring efforts, specifically African American, Asian/Pacific Islander, and female workforce populations. In the *Officials/Administrators* category (Figure 7), TABC meets the state average of female employees (49.7%) within 1%. Thanks to a dedicated recruiting effort in 2017, TABC saw growth within the female workforce in the

*Technician* category, increasing from zero to more than 20%.

Whites and Hispanics, at 45% and 40% of the workforce, respectively, are the majority ethnic groups at TABC, followed by African American and Asian/Pacific Islander classifications. New hires among Asian/Pacific Islanders increased 4% from the previous fiscal year and African Americans remained the same.

With the growing number of minority-owned businesses in the alcoholic beverage industry, TABC needs to continue to improve its minority recruiting to mirror this populations within its workforce.

Forty-two percent of the agency’s hires in 2017 were female, while the remaining 58% were male.

Figure 7. 2017 Workforce Profile Comparison.

| <b>TEXAS ALCOHOLIC BEVERAGE COMMISSION</b> |                         |                 |              |              |               |             |
|--------------------------------------------|-------------------------|-----------------|--------------|--------------|---------------|-------------|
| <b>EEO Category</b>                        | <b>African American</b> | <b>Hispanic</b> | <b>White</b> | <b>Other</b> | <b>Female</b> | <b>Male</b> |
| Officials/Administrators                   | 20%                     | 27%             | 47%          | 6%           | 40%           | 60%         |
| Professionals                              | 21%                     | 26%             | 50%          | 3%           | 58%           | 42%         |
| Technician                                 | 20%                     | 20%             | 40%          | 20%          | 20%           | 75%         |
| Service/Maintenance                        | 0%                      | 0%              | 0%           | 0%           | 0%            | 0%          |
| Administrative Support                     | 30%                     | 10%             | 60%          | 0%           | 70%           | 30%         |
| Skill Craft                                | 100%                    | 0%              | 0%           | 0%           | 0%            | 100%        |

| <b>ALL STATE AGENCIES</b> |                         |                 |              |              |               |             |
|---------------------------|-------------------------|-----------------|--------------|--------------|---------------|-------------|
| <b>EEO Category</b>       | <b>African American</b> | <b>Hispanic</b> | <b>White</b> | <b>Other</b> | <b>Female</b> | <b>Male</b> |
| Officials/Administrators  | 13%                     | 20%             | 65%          | 2%           | 49.7%         | 50.3%       |
| Professionals             | 17%                     | 23%             | 55%          | 5%           | 59%           | 41%         |
| Technician                | 22%                     | 35%             | 40%          | 3%           | 62%           | 38%         |
| Service/Maintenance       | 25%                     | 30%             | 42%          | 3%           | 47%           | 53%         |
| Administrative Support    | 20%                     | 33%             | 45%          | 2%           | 86%           | 14%         |
| Skill Craft               | 7%                      | 26%             | 66%          | 1%           | 4%            | 96%         |

Source: [Texas State Auditor’s Office](#):

**SEPARATIONS**

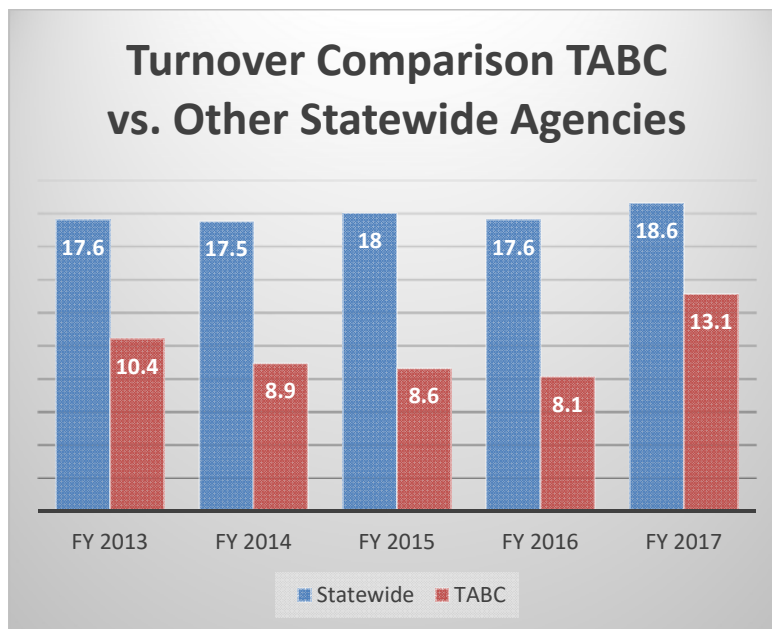
In FY2017 the agency had 85 voluntary and involuntary employee separations for a total turnover rate of 13.3%. In all, 43 males and 42 females left the agency. The White workforce population accounted for 49% of the separations from the agency, followed by Hispanics at 31%, with African Americans at 13% and 7% were classified as ‘Other.’

**TURNOVER**

The turnover percentage for FY2017 is 13% and is lower than the FY2017 statewide turnover rate of 18.6%. (Figure 8) The top three reasons why employees are separating are

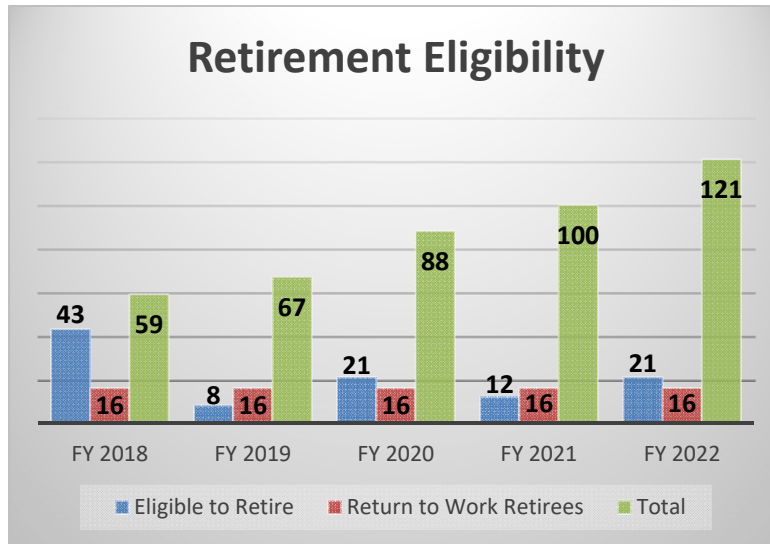
- better pay and benefits,
- poor working conditions or management, and
- retirement eligibility.

Figure 8. TABC Turnover, FY2017.



TABC has 16 return-to-work retirees and a total of 43 active employees who are either currently eligible to retire or eligible at the end of FY2018. (Figure 9) Procedures and succession planning protocols have been established and Licensing and Law Enforcement divisions have been identified as having the greatest potential loss of employees due to retirement.

Figure 9. TABC Projected Retirement Eligibility.



TABC conducted a workforce analysis with these divisions and implemented a “Bench Building, Succession, and Transfer of Critical Knowledge” program to avoid significant loss of empirical knowledge within the agency. With a total of 121 employees eligible to retire within the next five years, TABC will continue to build its workforce bench, develop current employees to step into critical functions or roles (succession planning), and ensure that critical knowledge is not limited to a few employees. The Law Enforcement Division has 32 employees eligible to retire in the next five years and the Licensing Division has 27 employees eligible to retire in that same timeframe.

**CRITICAL WORKFORCE SKILLS**

While the agency has maintained a current and qualified workforce, there are critical skills necessary to keep up with trends in technology. As such, the agency must focus on providing training to current members of the workforce while strengthening recruiting efforts to attract candidates with needed technical skills.

**CHALLENGES AFFECTING CRITICAL WORKFORCE SKILLS**

The ever-changing technical environment requires a technologically talented workforce well versed in the latest skills, trends, and technological developments. In order to meet the needs of a growing alcoholic beverage industry, TABC must employ new technology to efficiently process the increasing number of applications. Meeting this challenge will require TABC to develop new training programs as technology is acquired and deployed.

Finally, as TABC continues to expand alongside the alcoholic beverage industry, it is imperative the agency provide the tools to work more cohesively across the agency, not only within divisional units. It is vital that each division learns to work collaboratively, with the common focus on TABC’s mission and vision.

## **SECTION III**

### **Future Workforce Profile (Demand Analysis)**

TABC's future workforce concern is multi-layered. With a high number of employees eligible to retire within the next five years (18%), the industry's continued growth will result in an urgent need for the agency to replenish its workforce. The automation of more functions will require a new set of skills within the agency's workforce. The biggest challenge is to stay ahead of the need for highly skilled employees while training the current workforce efficiently. These demands may outpace current workforce availability. Currently, TABC's recruiting strategy involves attending job fairs and hiring events which cater to this segment of Texas' population.

#### ***EXPECTED WORKFORCE CHANGES***

In the Law Enforcement Division, there is a need for better public collaboration. This will require TABC agents to communicate more effectively with the public. Agents will continue to be more broadly educated and trained in that respect. TABC's recruiting effort now focuses on hiring the top segment of the available hireable workforce: the "Best of the Best." The high number of agents eligible to retire will present challenges to this division.

The Licensing Division will require a higher level of technical knowledge and processes. Future employees need to be more analytical and self-motivated in an environment that will continue to change rapidly due to industry demand. Assuming the Licensing Division's pay scale remains at its current low levels, there will be significant challenges in attracting suitable talent.

Overall, the entire TABC workforce needs access to training in order to learn to work more collaboratively while using more complex technology. As the alcoholic beverage industry continues to demand reduced turnaround time for TABC's regulatory processes, the agency must rely more and more upon automation; therefore, agency employees need appropriate training to operate comfortably in a high technology environment.

#### ***FUTURE WORKFORCE SKILL REQUIREMENTS***

TABC Law Enforcement agents need to continue to communicate well – both verbally and in writing – while planning, organizing, and collaborating with internal and external customers. This segment of the TABC workforce has become more mobile, making technological proficiency a must-have qualification for all personnel.

Auditors, similar to commissioned peace officers, require investigative skills, the ability to communicate well, and the ability to plan, analyze, and organize. Additionally the Audit Division needs to work on cross-collaboration. With the ever-increasing level of complexity in essential technology, the education level of this division must be maintained and qualified candidates who already possess a high level of technical ability must be sought for hiring.

To ensure TABC's workforce is able to function well in an ever-changing regulatory environment, future Licensing and Audit team members need experience working with local, state, and federal laws. Additional formal education requirements may include degrees in business, finance, accounting, and related fields.

TABC's Ports of Entry employees need to improve their skills in communications technology as well as in processes designed to reduce cash handling errors.

The agency needs structured training for the development of skills necessary for agency growth, including problem resolution, report writing, effective oral and written communication, and increased competence in computer technology.

### **STAFFING NEEDS**

TABC's current appropriations cap full-time employees ("FTEs") at 635. With the continuing increase in the number of alcohol permits, the agency anticipates a need for increased FTEs in the Law Enforcement, Audit, and Licensing Divisions, as well as additional FTEs in related support divisions. The alcoholic beverage industry grows at a rapid pace, and the agency will need to grow to keep up with the demand. As TABC's employee base increases, recruiting and hiring managers must focus on quality candidates. TABC's average position vacancy rate remains low at 3%. Considering the high number of retirement-eligible employees, at any moment there could be an immediate need to backfill positions at a fast rate. A high number of sudden vacancies could lead to challenges in fulfilling the agency's mission and ensuring the most qualified, competent personnel are hired.

### **CRITICAL FUNCTIONS**

In determining the agency's workforce needs, critical functions of agency employees have been identified.

- Conducting Enforcement activities such as investigations, inspections, monitoring of human trafficking, and public education programs.
- Processing and reviewing applications for all phases of the alcoholic beverage industry including determining each applicant's qualifications to be issued permits, certificates, and approvals through stronger collaboration across the workforce.
- Maintaining complete and accurate information on all permit holders and providing this information in a timely manner to agency personnel, members of the industry, other law enforcement and state agencies, and to the general public.
- Maintaining current tax security and performance bonds to avoid the potential loss of revenue due to nonpayment of taxes.
- Processing all financial transactions in an efficient and timely manner and preparing necessary reports for management and as statutorily required.
- Managing agency appropriations and budgeting and administering grant

programs effectively.

- Attracting and retaining qualified and diverse applicants in the workforce.
- Developing and training current employees for future positions due to increased functions within all divisions.
- Continuing to explore and implement cost-effective changes utilizing the most current technology platforms.

## **SECTION IV**

### **Gap Analysis**

An examination of the geographic areas where TABC employees work and live has revealed employment gaps:

- Increased demand for TABC services and a smaller pool of eligible applicants to fill vacancies;
- Greater employment competition from higher-paying state agencies and private sector; and
- Lagging behind in competitive salaries.

With larger technology, pharmaceutical, and other global companies moving into Texas job markets, TABC is facing direct competition for well qualified applicants who find better financial incentives working in the private sector. Many private sector employers are able to offer higher salaries and better benefits than TABC. This, combined with a perceived lack of job advancement opportunities, discourages many qualified and educated employees from making long-term commitments to the agency. Due to funding restraints, it can be difficult to offer the competitive pay and bonuses needed to keep qualified staff. TABC continues to seek funding to mitigate some of these concerns.

#### ***ANTICIPATED SURPLUS/SHORTAGE OF EMPLOYEES***

The agency will undergo a critical FTE shortfall in the next few years due to retiring personnel and underpaid employees, resulting in even higher turnover rates and more difficulty in hiring highly qualified candidates. TABC needs to develop a “bench building” program to help retain key staff members who will play pivotal support roles during this period of high turnover.

#### ***ANTICIPATED SURPLUS/SHORTAGE OF SKILLS***

A general lack of knowledge of the Code has always been common among new hires. Therefore, developing an onboarding program for employees, especially those in Audit, Enforcement, and Licensing divisions, is essential.

Other expected skill shortages include technical competence. Even though TABC has made some progress in hiring candidates with a deep understanding of information



technology and its uses, supply has yet to catch up to demand. The agency has made some effort to ensure management teams are prepared to help employees develop these skills. This is not critical at this time, but could present a problem if TABC's management teams are overwhelmed with turnover while training new employees.

### **NEW SKILLS NEEDED**

Besides the technology needs previously discussed, the ability to successfully navigate an ever-changing work environment while making sound business decisions is a requirement for future TABC employees. Additionally, TABC will need to ensure management teams have increased access to leadership training.

## **SECTION V**

### **Strategic Development**

The new executive team is addressing workforce development demands, which may also include an analysis of TABC's leadership development needs.

### **CHANGES IN ORGANIZATIONAL STRUCTURE**

Changes in FY2018 to the organizational structure stemmed from the new leadership team. Changes will continue based on the vision of the executive team and recommendations from the Sunset Advisory Commission. With the increasing reliance on technology, TABC will evaluate its overall workforce alignment with the end goal of a more educated workforce. Adjustments may include increased access to training to ensure employees are successful.

### **RETENTION PROGRAMS**

In order to meet the needs of a complex and growing industry, TABC will need to increase available training to help develop the agency's workforce and retain highly skilled staff. This training can facilitate better communication among employees at different levels, while implementing technology to increase reach. TABC Human Resources Division has begun conducting *stay interviews* and will introduce a retention and engagement training program for managers. The agency is also evolving its employee recognition program to identify top performers, teams, and projects.

### **RECRUITMENT PLANS**

TABC continues to recruit applicants to fill two Agent Trainee academies each year and works to increase internal visibility for open positions within the agency. The agency is also making a dedicated effort to recruit minorities and females to its workforce. TABC is scheduled to attend job fairs and hiring events that focus on these workforce populations.

The agency works closely with the Texas Veterans Commission on placement and hiring needs. Although TABC exceeds state averages, agency leadership wishes to

continue to tap into this valuable resource.

The agency, through the Human Resources Division, continues to participate in Texas State Human Resources Association (TSHRA) and the Austin Regional Human Resources Management Association (ARHRMA) to stay abreast of overall hiring trends.

### **CAREER DEVELOPMENT PROGRAMS**

TABC encourages participation in the Governor's Management Development Program, the Governor's Executive Development Program, and other locally conducted programs.

### **SUCCESSION PLANNING**

The agency reviews all civilian job responsibilities and works with each division to determine:

- Current need;
- Future need;
- Gap analysis;
- Current skills and abilities; and
- Strategy on developing one-year, two-year, and three-year rollout plans.

### **LEADERSHIP DEVELOPMENT**

TABC is in the initial planning stage of developing a new leadership development program using an outside vendor. As a first step, TABC staff will have an opportunity to provide feedback on which leadership characteristics they most value, and also which leadership aspects the agency should improve as well as specific suggestions for how to improve. This staff input will form the basis of the content of the new leadership development training, and will ensure TABC develops a tailored program targeted at the unique needs of the organization. The agency anticipates development of the program content, including a pilot of the new training, will be completed by early 2019.

### **ORGANIZATIONAL TRAINING AND EMPLOYEE DEVELOPMENT**

TABC continues to provide training in-service for Audit, Licensing, and Law Enforcement divisions. The agency also provides basic training for all employees on business-appropriate communication, self-mediation, conflict resolution, and performance management.

## **SURVEY OF EMPLOYEE ENGAGEMENT, 2017 SUMMARY**

Overall the agency's areas of improvement and strengths changed by one category for each construct since the last survey cycle in 2015. The response rate for the agency was down from previous years – 79.1% from 86.9%. Like the previous survey cycle, TABC's disengaged and moderately engaged percentages are high at 27% and 39% respectively.

Employees who participated in the Survey of Employee Engagement have identified sets of strengths and weaknesses.

### **Strengths**

- *Workgroup:* Positive perception of the people they work with day-to-day and their effectiveness.
- *Direct Supervisor:* Employees feel their direct supervisors are fair, helpful, and critical to the flow of work.
- *Workplace:* Employees feel their work environment is safe and feel overall positive.

### **Weaknesses**

- *Pay:* This is the same concern outlined in several previous summary cycles. Employees are displeased with overall pay compared to other agencies and organizations.
- *Internal Communication:* Employees feel that internal communication is not reasonable, candid, and helpful. Communication is not timely.
- *Employee Development:* Employees feel there is no development priority within the agency. The agency does not give any priority to their personal and job growth.

### **Executive Recommendations**

The survey results (Figure 10) suggest the agency should offer job training and become a learning organization that sees the vision and benefit in a developed and well trained workforce. Furthermore, the agency should encourage training opportunities at every level, and develop formalized advancement plans with the direction of promoting within. Leadership has taken action on the aforementioned recommendations and expects to initiate programs in FY2019 to focus on leadership development and growth of employees. Survey results also indicated other areas on which the agency should focus:

**Encourage open and honest feedback.** Establish an open door policy where employees feel comfortable and safe expressing their ideas. Conduct town hall meetings quarterly for all employees and require divisional directors to conduct statewide office visits.

**Recognize outstanding work.** Employees will often be more motivated to work harder with better commitment if they are appreciated. Distribute awards or recognition when they are unexpected and encourage peer-to-peer recognition.

**Treat employees fairly and without favoritism.** Maintaining fairness in the workplace helps employees feel like they're working together and on an even playing field. Set and

communicate clear rules on policies and define clear career paths so that everyone is familiar with TABC’s expectations. Be open and honest about why certain employees are assigned tasks, and praise all employees when they are successful.

**Give employees room to do their best work.** Empower employees by granting sufficient authority to allow them to solve problems with their unique skill sets, and provide positive feedback and encouragement. Boost employee confidence with challenging tasks and promote cross-learning so employees benefit from each other’s knowledge. Assess skills and assign training if necessary to bridge skill gaps.

Figure 10. TABC Climate per Results of Survey of Employee Engagement, 2017.

