



WORKFORCE PLAN
Fiscal Years 2019 to 2023

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WORKFORCE PLANNING

I. Overview

The State Office of Risk Management serves as a full-service risk manager and insurance manager and administers the workers' compensation insurance program for state employees. The Office balances considerations for the rights and needs of its clients and 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 Goals – Risk Management Program

The Executive Director of the Office serves as the state risk manager and is responsible for supervising the development and administration of a system of risk management for the state. The Office's risk management program provides risk management services to state agencies, institutions of higher education, and other entities identified by statute (state entities). The guidelines adopted by the Board of Directors for a comprehensive risk management program, and the assistance of the Office in implementing such programs, has a direct impact on losses.

The Office assists state entities and institutions of higher education in establishing and maintaining comprehensive risk management programs designed to control, reduce, and finance risk. The Office implements statewide guidelines and assist state entities in identifying and managing enterprise risks at all levels of operations.

The Office serves as a full-service insurance manager for state entities and institutions of higher education. The Office's insurance program, in conjunction with the Office's maintenance and review of records of property, casualty, and liability insurance coverages purchases by and for state entities, helps reduce costs and ensure proper financial protection against loss.

The Office administers the Statewide Insurance Purchasing Program which includes procuring and negotiating insurance programs tailored for the unique exposures and liabilities of the State. The Statewide Insurance Purchasing Program ensure the best value through encouraging continuing competition.

The state self-insures for the purpose of workers' compensation coverage for approximately 190,000 state employees throughout 143 state entities and 122 community supervision and corrections departments. The costs of the state employees' workers' compensation program are funded through risk pooling, which safeguards individual state entities from catastrophic losses that could exceed budgetary capabilities.

The Office administers Statewide Continuity of Operations Planning program, in cooperation with the other state and federal agencies. The Office is responsible for standards to ensure expansive continuity planning, testing, training, and exercising across the state enterprise.

III. Anticipated Changes in Strategies

The Office does not anticipate changes in its mission, strategies, or goals in the next five years, but stands ready to respond to any additional legislative and relevant regulatory direction affecting operations. 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 guidelines, models, and assistance

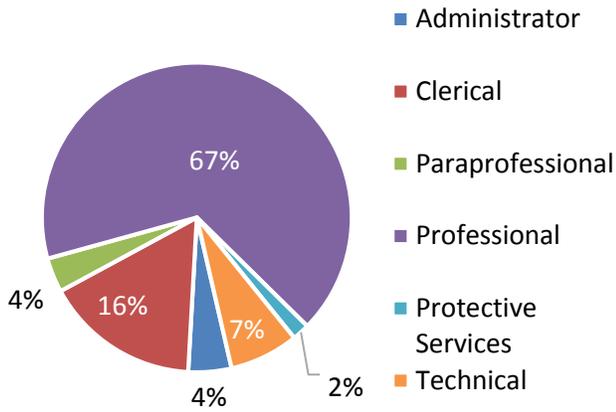
Agency staff must also have knowledge and skill in the following areas:

- Communication
- Customer service
- Problem solving

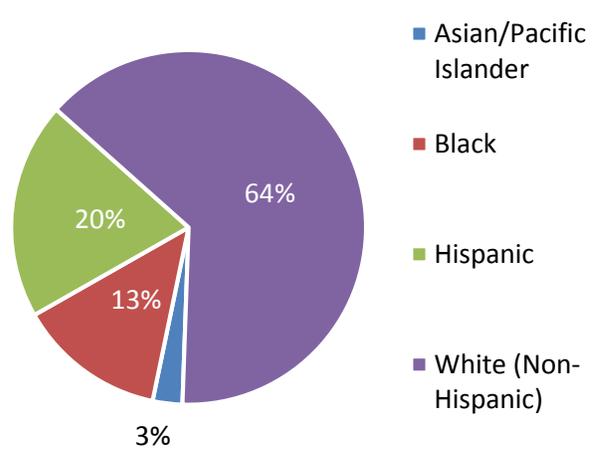
- Time management
- Research and analysis
- Application of relevant laws and regulations
- Negotiation and dispute resolution
- Proficiency in using current technologies, including computer hardware and software

Workforce Demographics¹

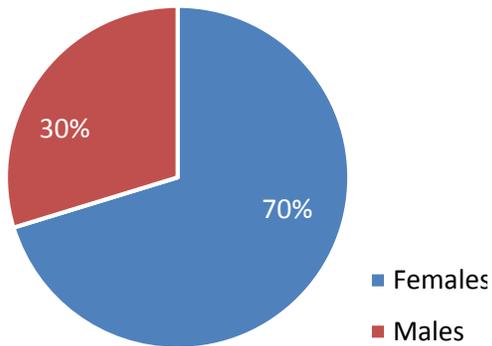
EEOC Classification



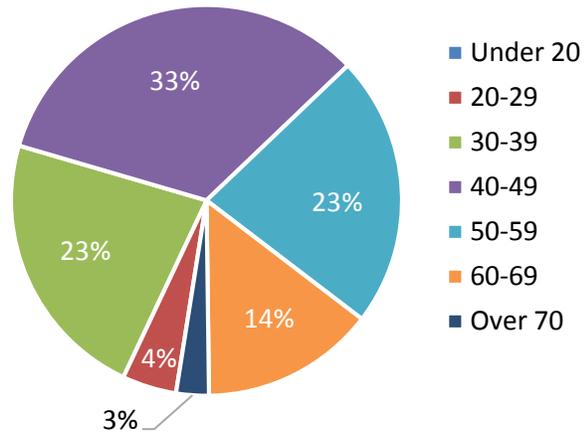
Ethnicity



Gender

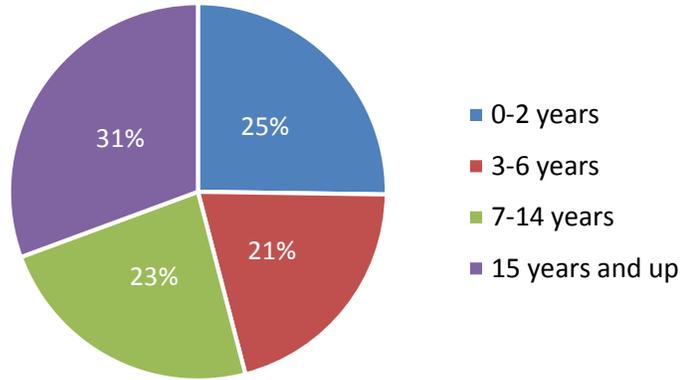


Age

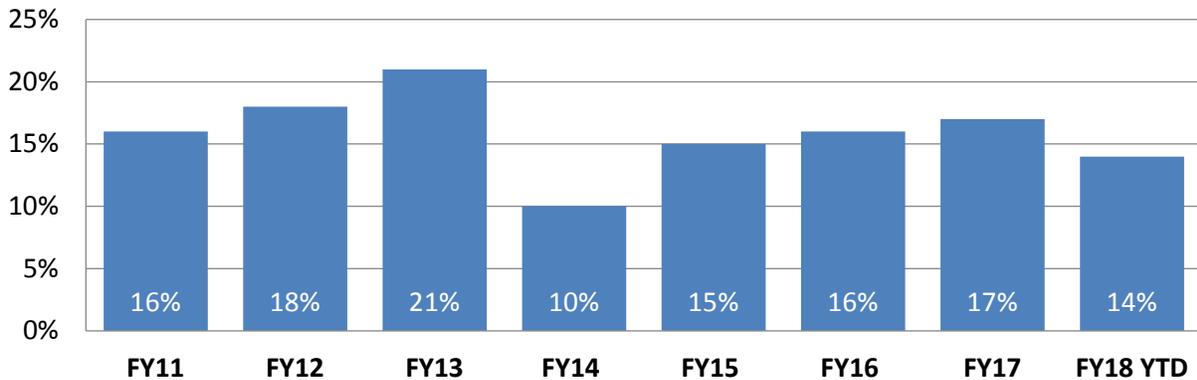


¹ As of June 1, 2018

Tenure



ANNUAL TURNOVER RATES



Classification	FTE	FY16 Turnover	Percentage	FY17 Turnover	Percentage
Claim Adjuster	27	6	22%	4	15
Insurance Manager	4	1	25%	1	25%
Risk Manager	6	0	0%	2	33%

Employment Trends

The Office’s turnover rate has remained relatively steady. The Office anticipates turnovers will continue due to economic factors beyond its immediate control. Employee salaries remain non-competitive with the private market and employees overwhelmingly see pay and benefits as the biggest obstacle to continued employment with the Office.

The Office does experience a 15% to 22% turnover rate among its worker’s compensation adjusters. According to the Texas Workforce Commission, the insurance adjuster field is

project annually by 2.3% per year through 2024 in the Capital Area alone.²

In addition, the Office has several categories of employees with specialized training and skills that are prized in the private and public market. The Risk Manager turnover rate is an example of specialized employees who are prized in the public and private market.

The Office continually assesses and analyzes salary levels to reduce turnover. However, adequate funds are needed to maintain salary parity with other positions performing similar work especially as demands grow in the Capital Area.

V. Demand Analysis – Future Workforce Profile

Workforce Skills – Projected

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

One of the Office's initiatives is to develop training services for state employees through an online learning management system. The course curriculums and production of self-directed training such as podcasts, webinars, and videos, will require staff with advanced knowledge and skills.

As explained below, demands on the Office's services coupled with new technologies to mine the Office's complex data, will require staff with advanced knowledge and skills to extract, compile, and analyze data from a granular agency level up to a state enterprise level.

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 increases.

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 analysis; comprehensive functionality for claim administration, claim management, and return to work guidelines; electronic document management, and policy and premium management,

² Texas Workforce Commission, Labor Market and Career Information, www.texaslaboranalysis.com/Demand, last accessed June 5, 2018.

certificate of insurance management, modeling programs during renewal, and integration with claims to evaluate various retention options.

The cloud-based risk management information system will provide an opportunity to mine cross-functional data and provide new opportunities to analyze data to track trends to improve the effectiveness of the Office's risk programs.

VI. Gap Analysis

Transferring and/or consolidating 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. Technology advances and improvements greatly enhances the ability and effectiveness in analysis and modeling but increases the need for staff with the skills to understand and interpret highly detailed data sets.

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 where possible. Candidates can easily find and apply for open positions on the agency's internet site, as well as on the Workforce website and on third-party employment platforms. During the process, the Office keeps in routine touch with all candidates. Interviews are structured to be as friendly and relaxed as possible, to ensure open and candid responses, and an exchange of detailed information about the agency, its missions, and expectations of the position. 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.

The Office is exploring with Texas universities to set up direct posting accounts for jobs openings on university websites that are viewable by students and alumni. Another initiative under consideration is participating in the Workforce Solutions Board (Capital Area) job fairs and other outreach programs.

Additional initiatives, including social media campaigns and training programs, are under active consideration.

Succession Planning

The Office relies on its staff to carry out its missions and provide services necessary to achieve organizational goals. Knowing the difficulty 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.

Senior leadership continues to train and mentor successors to become successful in available management positions. The Executive Council has fully implemented an agency wide Open-Door policy that encourages communication between staff and management. Open communication assists with identification potential staff to be mentored.

Employee Development and Training

Curbing turnover at lower and mid-level positions is critical to the future of the Office. The Office is developing and employs a talent management approach to workforce planning, recruitment, training, career development, and performance management. Training opportunities for staff are a high priority in this initiative, particularly focusing on continuing education and credentialing. 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 is re-evaluating and revising its career development plan. The Office continues to concentrate on leadership development.

The Office has implemented entry level departments/units where new employees are responsible for customer service needs and becoming familiar with the tasks and responsibilities associated with workers' compensation claim adjustment. This department gives new employees an opportunity to gain experience and assume greater responsibilities related to workers' compensation claims. This approach has successfully trained many new employees to become full time workers' compensation adjusters.

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. The process captures risk and opportunity data from diverse stakeholders. ISO 31000 facilitates continuous improvement processes, helps identify resources, and establishes accountability.

The Office completed an evaluation of 360 Feedback as a staff performance evaluation method. The Office determined that 360 Feedback is a useful tool to assess, provide accurate and timely feedback to an employee on their current work process. The Office is researching the dynamics of the concept of the 360 Feedback and ways to incorporate it into more traditional evaluation methodologies.

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.