

Texas Workforce Commission (TWC) Workforce Plan

August 2020

Executive Summary

The Texas Workforce Commission (TWC) Workforce Plan is the agency's blueprint for recruiting, hiring, onboarding and retaining staff.

It is the product of collaboration between TWC's leadership and the Human Resources Department and is driven by alignment with the agency's mission, analysis of the current workforce, an understanding of future needs and development of a strategy to meet them.

Agency Overview

The Texas Legislature created the Texas Workforce Commission (TWC) in 1995 to consolidate programs dealing with employment-related education and job training. TWC was also given the responsibility of administering the Unemployment Insurance program, adhering to the state's labor laws, and maintaining the Texas labor market statistical information.

The legislature also changed the system by which local employment and training services are delivered. Local Workforce Development Boards (LWDBs), appointed by the chief elected officials of the area, plan, monitor and evaluate local services. The system continues to develop innovative workforce solutions and reach new milestones.

The agency's mission and staff expanded in 2015 when Gov. Greg Abbott signed into law Senate Bill (SB) 208, which transferred several Vocational Rehabilitation (VR) programs from the Department of Assistive and Rehabilitative Services (DARS) to TWC.

The Texas workforce system sets an example for other states to follow when it comes to emphasizing employers' needs as the driving force in workforce service.

TWC is governed by three commissioners, appointed by the Governor, who serve six-year, staggered terms - one each representing labor, employers and the public. The Commission appoints an Executive Director, who administers the daily operations of the agency.

The agency's mission is carried out through broad activities divided among the following Divisions:

- Workforce Development;
- Childcare and Early Learning;
- Vocational Rehabilitation;
- Unemployment Insurance;
- Regulatory Integrity;
- Business Operations;
- External Relations;
- Information Technology;
- and Civil Rights.

Special Offices include Employer Initiatives, General Counsel, Internal Audit and Operational Insight.

TWC has nearly 5,000 employees located in more than 200 offices in 28 workforce development areas across the state.

Agency Mission

To promote and support a workforce system that creates value and offers employers, individuals, and communities the opportunity to achieve and sustain economic prosperity.

Current Workforce Profile (Staffing Supply Analysis)

The agency's authorized FTE count for FY 2020 is 4,868.5. The staffing profile for TWC's workforce as of Jan. 1, 2020, was 4,409 full-time (FTEs) and part-time employees located throughout the state of Texas.

Workforce Demographics

The following charts profile the agency's workforce as it relates to age, gender, ethnicity, and length of state service as of Jan. 1, 2020.

Age:

The average age of a TWC employee is 49 years, 7 months. About 50 percent of staff

are over the age of 50. The table below represents the age breakdown of the agency.

Workforce Percentages by Age

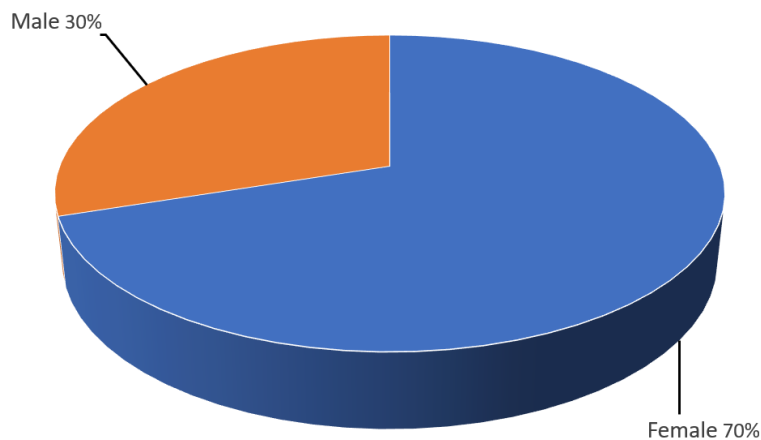
Age	# of Workers	% of Total Workforce
16 - 29	174	4%
30 - 39	768	17%
40 - 49	1,149	26%
50 - 59	1,372	31%
60 - 69	827	19%
More than 70	119	3%
Total	4,409	100%

(Table 1)

Gender:

TWC's current workforce is 4,409 employees, of whom 30 percent (1,306) are males and 70 percent (3,103) are females.

TWC's Current Workforce



Ethnicity:

TWC Minority Staffing Compared to Statewide Workforce Percentages

TWC's commitment to workforce diversity is reflected throughout our organization. The agency's employment of African American, Hispanic, and female employees exceeds civilian labor force percentages in most Equal Employment Opportunity (EEO) job categories. A total of 96 percent of TWC's positions have African American, Hispanic and female representation rates greater than the civilian labor force..

The following table compares the percentage of African American, Hispanic, and female TWC employees to the statewide workforce as of January 2020, as reported by TWC's Civil Rights Division.

Workforce Percentages by EEO Category

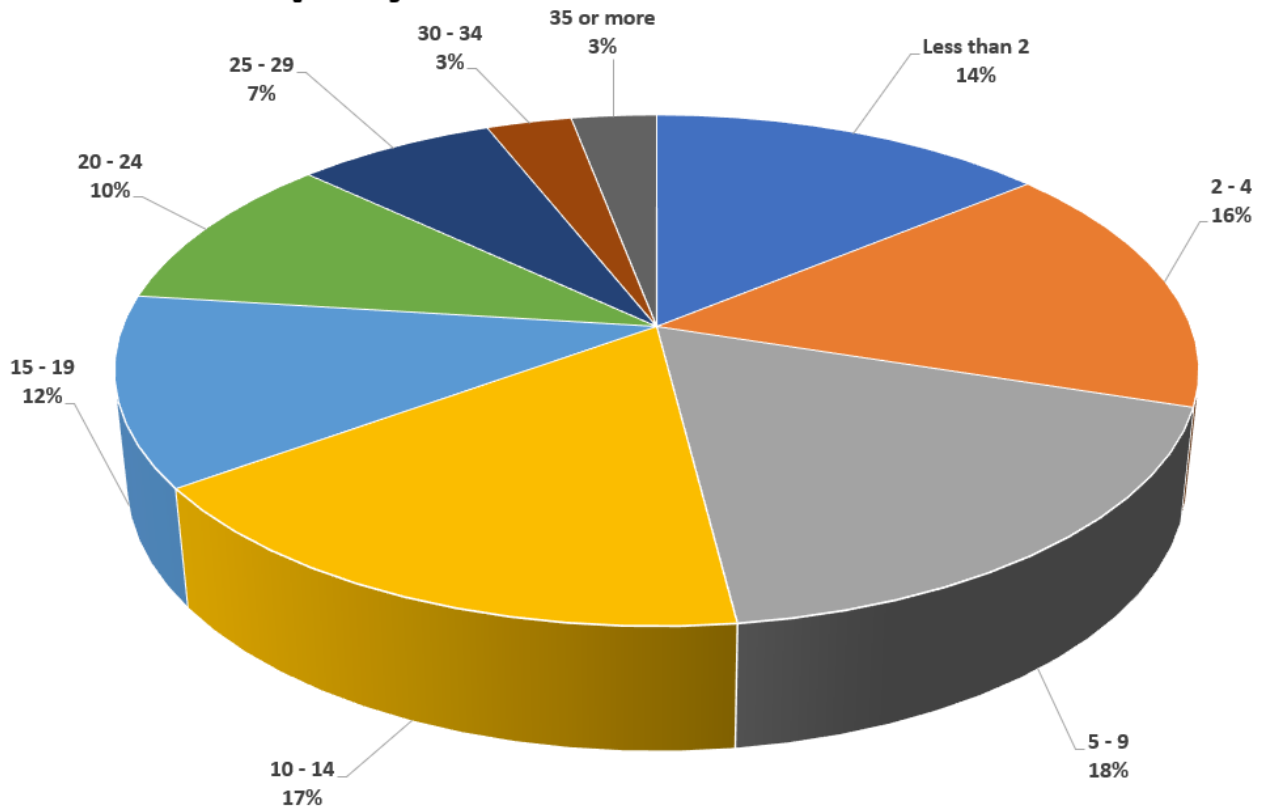
EEO Job Category	TWC Positions	African Americans		Hispanic		Females	
		TWC	Civilian Labor Force	TWC	Civilian Labor Force	TWC	Civilian Labor Force
Officials/ Administration	14%	16%	8%	30%	22%	63%	39%
Administrative Support	3%	15%	14%	49%	36%	75%	72%
Service/ Maintenance	14%	19%	13%	55%	52%	78%	52%
Professional	65%	25%	11%	32%	20%	72%	55%
Skilled Craft	<1%	8%	10%	50%	52%	17%	12%
Technical	4%	10%	14%	23%	29%	40%	55%

(Table 2)

Length of Service:

The largest number of TWC employees, 35 percent, have state tenure of 5-14 years. The second highest are those with between 15 and 24 years, with a combined percentage of 22, which is slightly more than the number of employees with fewer than four years, at 20 percent.

Employee Years of State Service



Percent of Workforce Eligible to Retire and Return-to-Work Retirees:

With a maturing and highly experienced workforce, 17.3 percent (762 employees) of the agency's staff are eligible to retire today. Of that group, approximately 13.4 percent (102 employees) are management or lead staff. Another 267 return-to-work retirees could leave employment at any time. Of those, 17.6 percent (47 employees) are management or lead staff. Collectively, employees eligible to retire and return-to-work retirees represent 23 percent of the agency's total workforce and 30.4 percent of the agency's management or lead staff.

Length of Service and Agency Turnover:

TWC FY 2019 year-end demographic information shows employees with less than two years of state service have the highest turnover rate. The agency's highest turnover in each of the last four years comes from that group, including 34 percent in FY 2019. Statewide, that number is 46 percent for FY 2019.

Agency Turnover Percentages by Years of Service FY 2019

Years of Service	# Employees	Turnover Numbers	Turnover Percentages
Less than 2	628	211	34%
2 - 4	642	133	21%
5 - 9	795	128	16%
10 - 14	788	97	12%
15 - 19	539	64	12%
20 - 24	427	55	13%
25 - 29	297	65	22%
30 - 34	167	32	19%
Over 35	158	24	15%
Total	4,441	809	18%

(Table 3)

TWC Turnover Compared to Other State Agencies:

Based on *An Annual Report on Classified Employee Turnover for Fiscal Year 2019* issued by the Texas State Auditor's Office (SAO), the statewide turnover rate for all state agencies is 20.3 percent. This turnover rate excludes transfers to other state agencies or institutions of higher education, as these are not considered a loss to the State workforce.

TWC's turnover rate (all separations, such as interagency transfers) is 18.2 percent. The chart below illustrates the comparison of TWC's turnover rates with the state's turnover rates, according to the SAO.

State vs. TWC Turnover Rates



Projected Employee Turnover Rate over Next Five Years:

Assuming TWC turnover rates continue at the same rate over the next five years, the turnover projection is calculated in the table below.

Projected Turnover Rates by Years of Service

Years of Service	Turnover Numbers	Turnover Percentages
Less than 2	150	24%
2 - 4	102	16%
5 - 9	106	17%
10 - 14	68	11%
15 - 19	57	9%
20 - 24	43	7%
25 - 29	50	8%
30 - 34	26	4%
Over 35	26	4%
Total	628	100%

(Table 4)

Demographic data shows that 39.5 percent (1,742 employees) of TWC's workforce will be eligible to retire by Sept. 1, 2025. Of that group, 13.5 percent (236 employees) are management or lead staff.

Future Workforce Profile (Demand Analysis)

As a market-driven system, the Texas workforce system will continue to evolve and improve to meet customer needs and deliver seamless workforce solutions.

Accordingly, the agency's critical functions will adjust to meet the new challenges.

An unprecedented challenge that arose in 2020 was the COVID-19 pandemic and the impact that it had on the state's job market. As word of COVID-19 spread in March 2020, businesses across Texas and the nation cut jobs. What resulted was massive increase in the number of unemployment claims coming into TWC. Nearly 3 million claimants were helped during an eight-week time period, matching the number of claims from the previous four years' total.

Within a month of increased Unemployment Insurance claims, TWC:

- Temporarily re-assigned approximately nearly 400 employees to assist the Unemployment Insurance Division in taking calls from new claimants;
- Hired more than 200 temporary workers to staff the claim call centers in expanded, seven-day weekly schedules;
- Worked with other state agencies that provided more than 600 volunteers to make response calls to claimants;
- Monitored the state's childcare availability to help ensure that frontline emergency workers had the support they needed to perform their jobs.

While the pandemic continues and as the economy recovers, TWC will continue to align the agency's workforce to provide vital services to the public.

Gap Analysis:

Anticipated Surplus/Shortage of Skills

As illustrated earlier in this report, many of the agency's leaders are eligible to retire now or within the next five years. Succession planning and knowledge transfer offer the opportunity for the next generation of TWC employees to launch new ideas that appreciate historical progress, while moving services to new levels.

Many divisions have high-impact staff who cannot be easily replaced because of the employees' expertise and talents. In many cases, there are no natural feeders within the agency from which to draw. In other cases, the person occupying the position has a unique set of skills that cannot be readily found in the marketplace. TWC has a large contingent of tenured staff with institutional knowledge that cannot be quickly gained through the completion of training courses. Because the integration of TWC's system is so advanced compared to other states, we have very few replacement options nationwide within the industry.

Loss of New Employees

TWC has identified a trend of new hires leaving the agency within their first year of employment. In FY 2018, approximately one out of three new hires left within the first year. This represents a significant amount of re-work and presents a challenge to implement more effective hiring, onboarding and retention programs.

Vacant Hard-to-Fill Jobs

The competition for skilled workers is particularly fierce in some specific areas, primarily:

- Information Technology;
- Vocational Rehabilitation Services;
- Regulatory Integrity;
- Commission Appeals.

Specific, targeted approaches are needed to fill these positions.

Strategy Development

Succession and Continuity Planning

TWC's goal is to have a continuous flow of competent leaders and staff to perform all core functions that support the agency's mission. Succession and continuity planning efforts are focused in two key areas:

1. Individual employee development for all levels of employees.
2. Management development for leadership opportunities.

Effective succession and continuity planning is a partnership among TWC's executive team, management staff, Human Resources and Training and Development.

To this end, Training and Development Department worked with a consultant and others in the agency to create a succession planning tool for leadership. The tool, created with the state's competitive hiring process rules in mind, is aimed at producing qualified pools of candidates for the agency's leadership positions. It is in beta testing in the summer of 2020 and will roll out to all division directors in FY 2021.

Career Development

All supervisors are responsible for planning for the development needs in their areas of responsibility.

Through analysis of a position's job duties, management will work with individual employees to create individual development plans based on the required knowledge and skills. The development plans must address current and future knowledge and skill needs.

The Training and Development Department provides access to remote and classroom training, videos and LearnSmart (a web-based learning system) to assist management in the development of an employee's basic job skills.

New Hires Retention

Human Resources worked with others in the agency to examine key aspects of the new hire experience with a goal of making an employee's transition into the agency more welcoming.

- TWC's onboarding forms have been revised to electronic formats and are sent to new hires with their conditional offer of employment. This accelerates processing, improves data reliability and allows for new employee orientation to focus more on benefits and agency mission.
- All new hire communication from Human Resources is branded and timed to remind new employees about important deadlines and to provide additional information about their new benefits. New hire newsletters are distributed from conditional offer throughout the first year of employment.
- All new hires receive a survey asking them about their candidate experience, where they heard about the agency jobs and their reasons for wanting to work at

TWC. That information is used to help refine the agency's recruitment efforts, fine tune the onboarding process and better customize postings.

- Veteran new hires receive additional communication about melding their military benefits with State of Texas benefits.
- New hire focus groups are conducted by Human Resources.
- Statistics documenting the agency's progress in retention of new hires are calculated monthly by Human Resources and included on agency dashboards.

Hard-to-Fill Jobs Recruitment

With efficiencies gained through process improvement of Human Resources hiring processes, a recruiter was hired to focus on the agency's hard-to-fill positions.

The recruiter works closely with hiring managers and HR's hiring team to monitor postings, source candidates and guide candidates through the posting process. The recruiter leverages enhanced functionality in WorkInTexas.com

The recruiter focuses a great deal on recruitment of veterans for TWC jobs. Hiring a veteran remains the fastest, most effective means of onboarding talented new employees.

Expansion of Telecommuting

Early in FY 2020, a leadership committee revised the agency's telecommuting policy with an eye toward expanding it to improve work-life balance and increase retention of TWC employees. In the weeks after the pandemic began, telecommuting moved from a nice-to-have option to an essential tool to conduct agency business. More than 90 percent of TWC's staff was able to socially distance by telecommuting during the pandemic. The list of best practices developed during the pandemic will help in the expansion of telecommuting moving forward.