



# Agency Workforce Plan

## Section I: Overview

The mission of 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).

The 86<sup>th</sup> session of the Texas Legislature passed significant updates to the Code after a sunset review. These changes include directing TABC to focus on combating human trafficking and modernizing its approach to permitting and licensure. TABC has begun taking steps to ensure that its workforce has the diversity and skillset necessary to effectively carry out its mission under the Code in its present form.

TABC regulates all phases of the alcoholic beverage industry in Texas, including sales, taxation, importation, manufacturing, transportation, and advertising of alcoholic beverages. Employees review shipments of alcoholic beverages into Texas, as well as the transfer of merchandise between wholesalers. TABC also investigates the background of applicants after receiving an application for a permit or license to operate for some parts of the industry. TABC employees also work to ensure the applicant has no disqualifying properties, such as prohibited ownership interest in another level of the industry, criminal history, or current indebtedness to the state for taxes.

In addition, TABC is now charged with preventing and combating human trafficking associated with the alcoholic beverage industry. Some licensed businesses can hide human trafficking operations, shelter illicit profits, or have other ties to criminal activity.

TABC's operations typically result in the collection of approximately \$300 million annually in taxes and fees, which aids in financing the state's public schools, local governments, and human services.



The Code directs TABC to:

1. Combat human trafficking associated with the alcoholic beverage industry.
2. Grant, refuse, suspend, or cancel permits and licenses in all phases of the alcoholic beverage industry.
3. Supervise, inspect and regulate the manufacturing, importation, exportation, transportation, sale, storage, distribution and possession of alcoholic beverages.
4. Assess and collect fees and taxes.
5. Investigate potential violations of the Code and assist in the prosecution of violators.
6. Seize illicit beverages.
7. Adopt standards of quality and approve labels and the size of containers for all alcoholic beverages sold in Texas.
8. Pass rules to assist TABC in all the aforementioned actions.

## **Organizational Structure**

The policymaking body of TABC is a five-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 or two members 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 consists of Chairman Kevin J. Lilly of Houston, the Honorable Jason Boatright of Dallas, Commissioner Deborah Gray Marino of San Antonio, Commissioner Jason S. Adkins of El Paso, and Commissioner Hasan K. Mack of Austin.

An Executive Director, appointed by the five-member governing board, directs the daily operations of TABC in a line item exempt position. The board appointed A. Bentley Nettles as Executive Director on Aug. 2, 2017. The board also appointed Clark Smith to serve as General Counsel. 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.

Changes in fiscal year 2018 to the organizational structure stemmed from the new leadership team. At the end of fiscal year 2019, TABC reorganized to improve efficiency and ensure the capacity to implement changes directed by the Legislature and the Sunset Advisory Commission. A new Strategic Initiatives and Performance Improvement (SIPI) Division was established to improve internal and external communication and to facilitate and monitor changes to the Code, business operations, and performance metrics. The former Education and Prevention division was consolidated with the Training Division, which moved under the direction of the Inspector General.

The executive management team consists of the:

- ★ Deputy Executive Director and Chief of Staff.
- ★ Deputy Executive Director of Enforcement.
- ★ Deputy Executive Director of Business and Revenue Operations.
- ★ Inspector General.
- ★ General Counsel and Chief Deputy General Counsel.
- ★ Co-directors of Strategic Initiatives and Performance Improvement.
- ★ Director of Communications and External Relations.

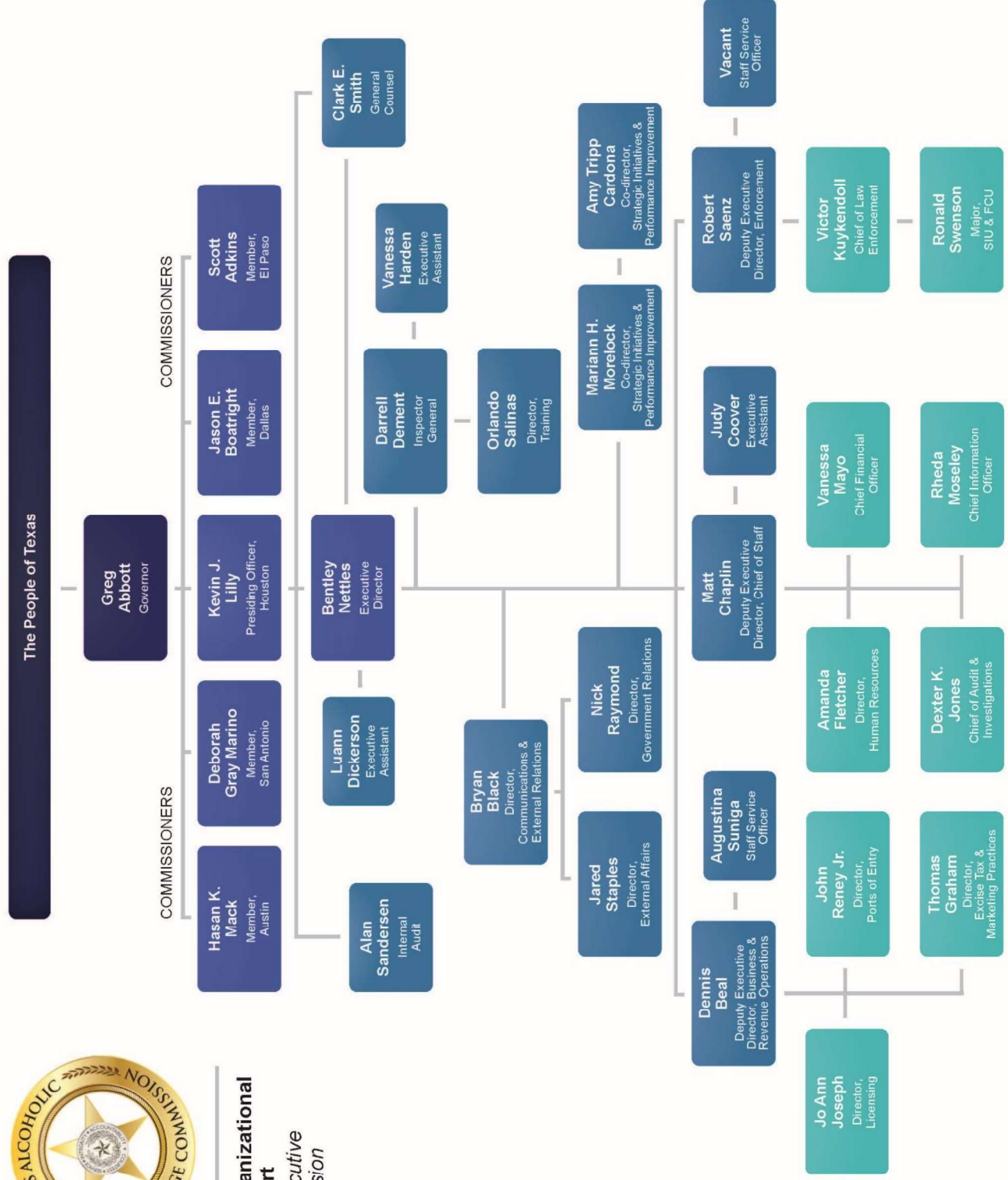
An independent audit firm performs internal audit functions for TABC, reporting directly to the Board.

TABC's organizational structure is illustrated in Figure 1.



# **Organizational Chart** *Executive Division*

**Figure 1. Organizational Chart**





The executive management team helps ensure employees have the equipment, resources, and leadership support required to function effectively. TABC's remaining workforce is distributed between the three Deputy Executive Directors, empowering them to engage and manage the agency's 600-plus employees effectively. These three components of TABC's core business functions ensure its goals and strategies are accomplished:

- ★ Business and revenue operations
- ★ Enforcement
- ★ Support services

To effectively lead the employees spread across the state, TABC has divided its offices into five geographic regions. A Regional Leadership Team has been entrusted with the responsibilities and accountability for the staff in offices under their leadership.

## Core Business Functions

### 1. BUSINESS AND REVENUE OPERATIONS

The divisions that compose the Business and Revenue Operations component typically assess and collect approximately \$300 million annually for the State of Texas. These divisions make up 30% of the TABC workforce and include Licensing, Excise Tax and Marketing Practices, and Ports of Entry. Employees in these divisions interface directly with tens of thousands of Texans who are currently or prospectively doing business within the alcoholic beverage industry.

#### LICENSING DIVISION

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. This is one of the larger divisions within TABC, making up 11% of the TABC workforce with employees in each region across Texas. Customer service is a priority for this division, as they are often the first contact a member of the public has with TABC. Licensing 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. On average, 78,000 licenses and permits are issued each year by the Licensing Division.



## **EXCISE TAX AND MARKETING PRACTICES DIVISION**

The Excise Tax and Marketing Practices Division is charged with carrying out the taxing authority of the agency. This division is relatively small, with only 12 positions located at TABC's headquarters. 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.

## **PORTS OF ENTRY DIVISION**

The Ports of Entry Division is the largest division within Business and Revenue Operations, making up 18% of the TABC workforce. The division oversees more than 100 regulatory compliance officers who are responsible for enforcing personal importation laws and collecting 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. In addition to tax collection, regulatory compliance officers play a vital role in protecting public health and safety by stopping illicit products, which may be harmful for consumption, from entering the Texas market. The officers are stationed at all major bridges along the Texas-Mexico border and at the Galveston seaport. TABC began manning the Galveston seaport cruise lines in 2014, while the agency has had a presence at the land ports since 1936. Currently, Texas is the only state that collects import tax on cruise lines

## **2. ENFORCEMENT**

TABC's Enforcement component is charged with executing the agency's law enforcement and investigations missions in support of public safety. Enforcement is TABC's largest group, totaling 43% of the workforce. Importantly, Enforcement is the tip of the spear in the agencywide effort to disrupt and dismantle human trafficking in Texas. This component gained 29 full-time equivalent (FTE) positions last legislative session specifically to help TABC lead the fight against human trafficking. As a result, Enforcement has adapted to growth and changes through reprioritizing, restructuring and reorganizing, and adding the additional analytics capabilities in fiscal year 2021. Enforcement employs the majority of TABC's commissioned peace officers (CPOs), including those serving in the Law Enforcement Division, the Special Investigations Unit



and the Financial Crimes Unit. A distinction between open operations and undercover operations separates the division and unit efforts within Enforcement.

## **LAW ENFORCEMENT DIVISION**

Staff perform both enforcement and compliance functions, which involve criminal and administrative enforcement of the state's alcoholic beverage laws. CPOs inspect premises licensed by TABC and investigate alleged violations of the Code. Enforcement agents also provide training to permit holders and their employees by request and as a remedial measure in response to violations by permit holders. In addition, CPOs collaborate with and give presentations to other law enforcement agencies to promote a better understanding of the law and the roles and responsibilities of TABC.

## **INVESTIGATION UNITS**

The Special Investigations Unit (SIU), through undercover operations, identifies and investigates habitual patterns of at-risk behavior of people and entities with TABC-issued licenses or permits. The SIU exercises administrative and criminal powers to suppress and dismantle organized criminal activity on licensed premises. This unit continues to see increased demands with its particularly useful skillset for combating human trafficking.

The Financial Crimes Unit (FCU) focuses on the detection, investigation, and prevention of finance-related crimes by people and entities with a TABC-issued license or permit. FCU investigations include money laundering, prohibited tier relationships, tax fraud, business and corporate fraud, and other organized financial crimes. FCU is also a crucial tool for identifying human trafficking operations and related crimes.

## **3. SUPPORT SERVICES**

TABC's indirect administration and support division staff amount to less than a quarter of the workforce. Divisions overseen by the Chief of Staff, who also serves as a Deputy Executive Director, include Business Services, Human Resources, Innovation and Technology, and Audit and Investigations. Other support divisions include Training, overseen by the Inspector General, and Legal Services and Communications, overseen directly by the Executive Director. Employees in these divisions provide the critical foundational support services necessary for operations to ensure the right people and



resources are in place to accomplish TABC's mission and ensure that licensed businesses adhere to the regulatory requirements of the Code.

### **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 TABC's legislative appropriations request, annual financial report, and performance reports. The division's general services section 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 policies and programs, including recruitment, selection, benefits and compensation, classification, employee relations, and risk management. Human Resources also manages the ethics and equal employment opportunity programs.

### **INNOVATION AND TECHNOLOGY**

The Innovation and Technology Division (ITD) is responsible for developing and maintaining the core technology applications for the agency. ITD 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.

### **AUDIT AND INVESTIGATIONS**

The Audit and Investigations Division is the largest support division, making up 10% of the TABC workforce. Most employees in this division are classified as auditors who conduct investigations, financial reviews, and inspections during the initial phases of the licensing process. This team also assists Enforcement with its investigations and assists in monitoring seller training schools to ensure compliance with TABC standards and the Code.

Auditors also provide training to permit holders and their employees by request and in response to violations by the permit holder. In addition, auditors promote education and prevention of underage drinking to students through presentations at middle schools,



high schools, and universities. Presentations are also given to civic organizations to promote a better understanding of the law and TABC's roles and responsibilities.

### **TRAINING**

The Training Division is charged with staff development for all TABC employees. The division provides required training in compliance with Texas Commission on Law Enforcement (TCOLE) standards for commissioned peace officers, state-mandated training for all employees, and additional training to develop and enhance the skills of TABC employees. The division hosts an Agent Academy each spring to onboard certified peace officers as Probationary Agents and plans to introduce a new SIU Academy in the current biennium for employees in the investigative units.

The Training Division also educates 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. 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.

### **LEGAL SERVICES**

The Legal Services Division provides legal counsel and leads prosecution efforts for violations of the Code. Legal staff represent TABC in administrative hearings, draft rules, and advise agency leadership on rule and policy making. The division manages all open records and litigation for the agency.

### **COMMUNICATIONS AND EXTERNAL RELATIONS**

TABC established its Communications and External Relations division at the beginning of fiscal year 2020 to provide robust, engaging and informative internal and external communications to TABC's wide-ranging audience — including industry members, agency staff, legislators, news media and the general public. The agency's public information officer, External Affairs director and Government Relations director have been transitioned to the division, while a new Communications Services unit added staff specializing in editorial services, video production, graphic design, web development and social media.



## Section II: Current Workforce Profile

### EMPLOYEE DEMOGRAPHICS FISCAL YEAR (FY) 2019

TABC has 671 authorized FTE positions for the FY 2020-21 biennium. Due to turnover, the agency's actual FTEs fluctuate. To illustrate, TABC's workforce as of Feb. 28, 2020, had a total headcount of 612. This included five commissioners, 10 part-time employees, and 597 full-time employees equaling 605.40 FTEs.

**Gender and Age:** As seen in Figure 2, the TABC workforce comprises 57% males and 43% females. Figure 3 shows the ages of TABC employees grouped in categories; 82% of the workforce is between the ages of 30 and 59. Age and gender statistics have remained stable with only a few percentages of variance since 2017.

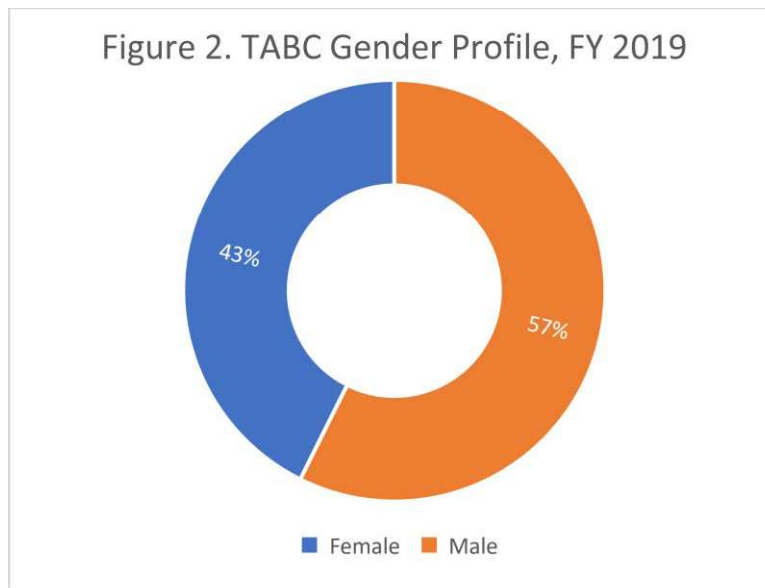




Figure 3. TABC Age Profile, FY 2019

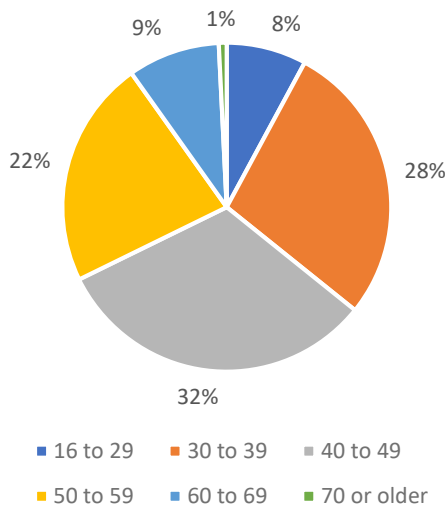
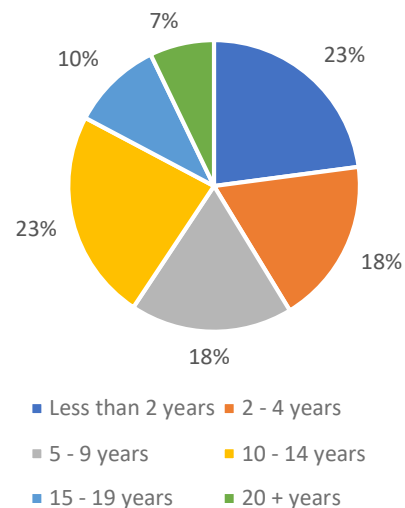


Figure 4. Length of Service, FY 2019

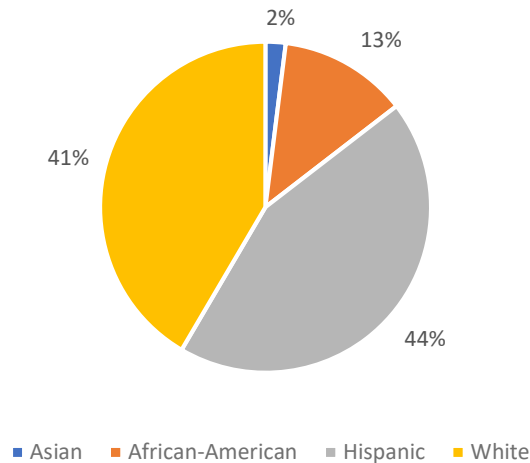


**Length of Service:** Figure 4 represents the workforce by length of service with TABC. Forty percent of employees have 10 or more years of agency service. The group of employees with five to nine years of service has seen the biggest change since FY 2017, dropping 6%, while the next group of employees with 10 to 14 years of service remained 23% of the workforce.

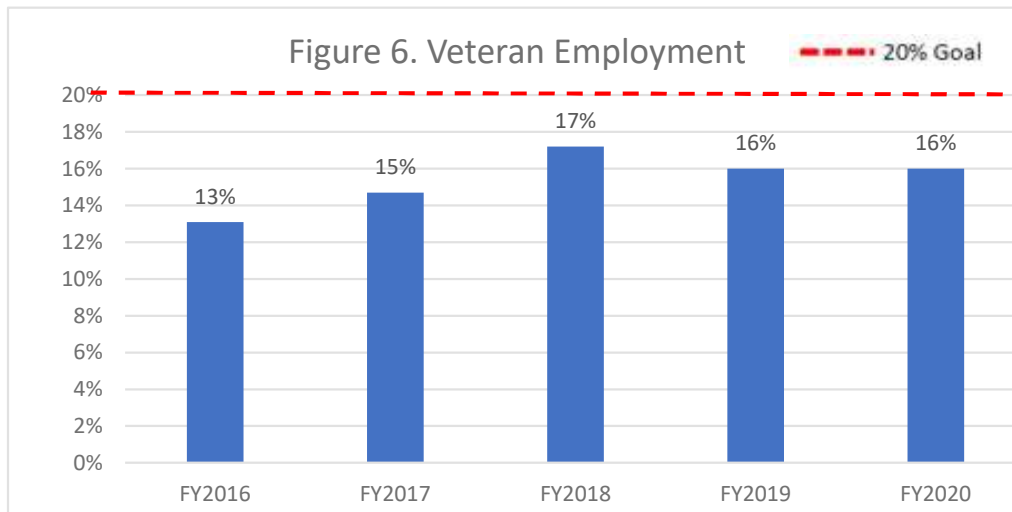
**Ethnicity:** Figure 5 represents the workforce categorized by ethnicity. In FY 2019, African Americans accounted for 13% of the TABC workforce, while Asian and other minority categories accounted for 2%. There has been no change in either of these categories from FY 2016. More than 44% of the agency's workforce is Hispanic, an increase of 2% since FY 2017.



Figure 5. Ethnic Group, FY 2019

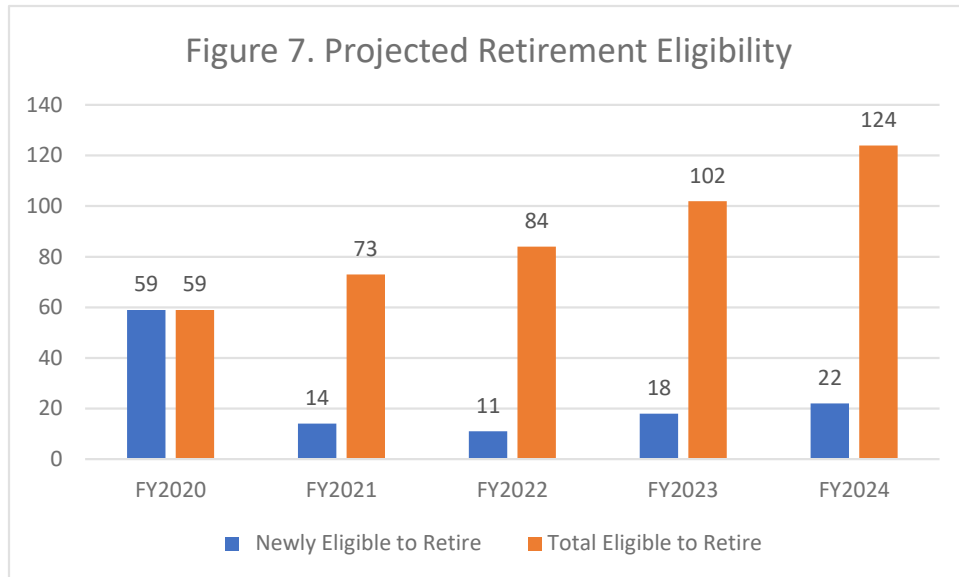


**Veteran Representation:** Effective FY 2016, Section 657.004 of the Texas Government Code sets for state agencies a goal of employing veterans in full-time positions equal to at least 20% of the total workforce. As of the end of the second quarter of FY 2020, TABC’s employs 102 veterans, equaling 16% of the workforce. The average statewide veteran percentage has remained 7% since FY 2016. As illustrated in Figure 6 below, TABC’s number of veterans is more than double the statewide average, although the agency still falls below the 20% goal set by the Legislature. To assist in the recruiting and hiring of veterans, TABC has a designated veterans liaison in Human Resources who partners with the Texas Veterans Commission’s employment liaison to identify and participate in veteran hiring initiatives



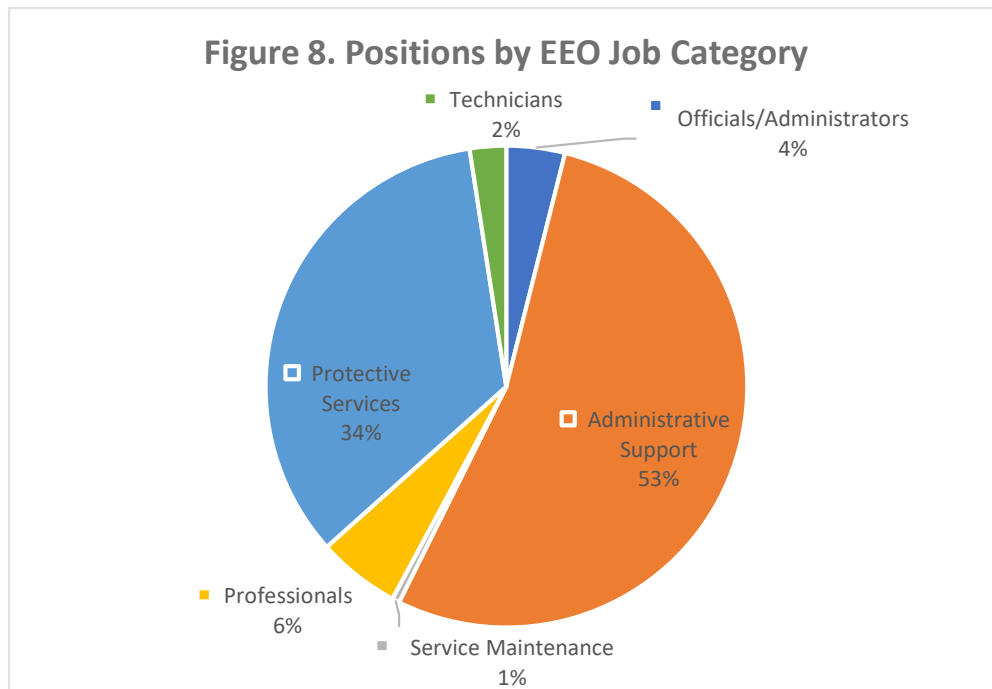
**Retirees:** The Employees Retirement System of Texas estimates that by fiscal year 2024, about 20% of TABC’s workforce will be eligible to retire. In addition to that, the agency currently employs 23 return-to-work retirees who offer exceptional state and organizational knowledge and have subsequently resumed state service.

The Legal Services, Licensing and Law Enforcement divisions are projected to have the greatest loss of employees due to retirements. A concerning number of senior leaders could retire in the next five years. Figure 7 shows the forecast for the number of current TABC employees who are projected to be eligible for retirement over the next five years. Historically, TABC employees have continued to work well beyond their immediate retirement eligibility year. The agency is preparing for these retirements by identifying critical positions and preparing high performers and potential leaders for growth opportunities as they arise. Leaders recognize the need to ensure that critical knowledge and procedures are documented to avoid significant loss of historical and organizational knowledge.



## POSITIONS BY EQUAL EMPLOYMENT OPPORTUNITY (EEO) JOB CATEGORY

Figure 8 illustrates positions within TABC by EEO job category as of February 2020. The percentages may greatly differ from previous TABC statistics due to an internal audit of EEO job categories conducted in FY 2018 during configuration for a new payroll system.





Officials/administrators make up 4% of the workforce, including the Executive Director, Deputy Executive Directors, General Counsel positions and all other positions in the Director classification.

Approximately one-third of TABC's workforce is categorized as Protective Services, including the majority of the certified peace officers classified as entry-level Probationary Agent to Agent VI, Investigator, Sergeant and Lieutenant.

The Professionals category is made up of enforcement majors, attorneys, criminal intelligence and compliance analysts, purchasers, and the chemist position. Information technology positions make up the entire Technician category. The Service Maintenance category is limited to three positions in the Business Services Division, specifically the mail clerk positions and the inventory and store specialist.

Over half of the positions at TABC are currently classified as Administrative Support, including most of the positions in support services divisions. Examples of classifications of these positions include accountant, human resources specialist, manager, management analyst, information specialist, auditor, licensing and permit specialist, program specialist, training specialist, administrative and executive assistant, and taxpayer compliance officer.

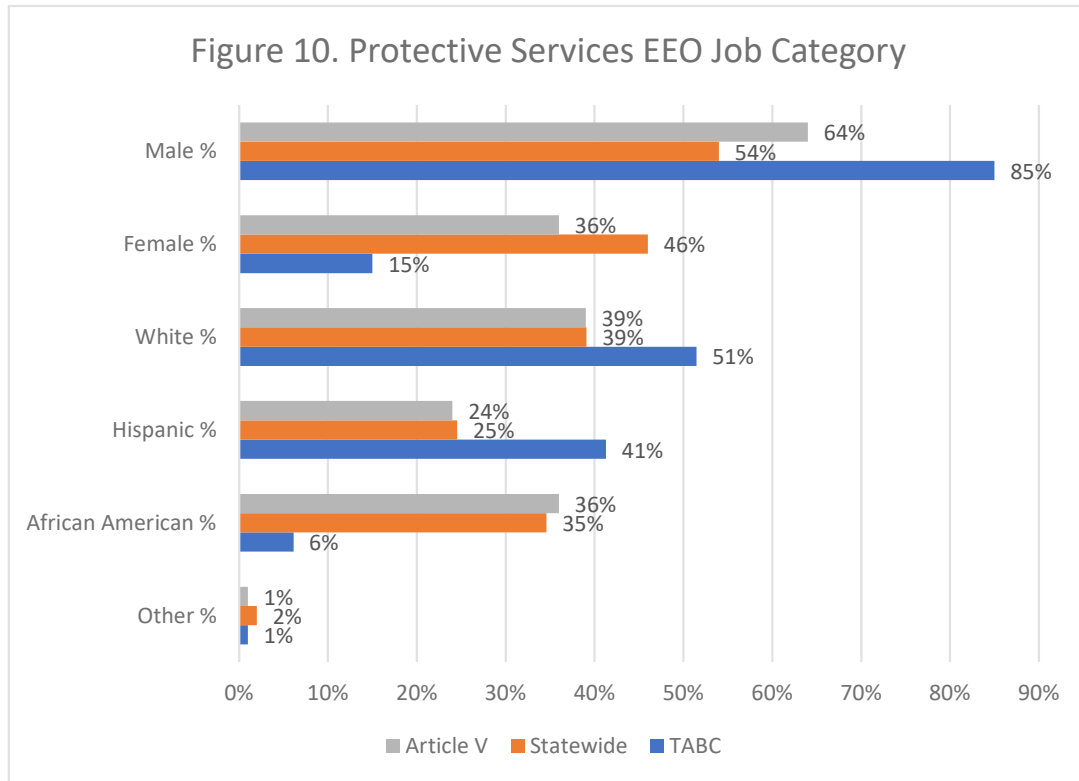
Human Resources conducted a workforce analysis to update TABC's Recruitment Plan in FY 2020. Analysis indicated that TABC has underrepresentation of females and minorities in positions in the Professionals, Technical, and Protective Services EEO job categories. Figure 9 below shows TABC's workforce according to ethnicity and gender by EEO category compared to all state agencies.



Figure 9. EEO Category by Ethnicity and Gender, FY 2019 Texas Alcoholic Beverage Commission						
EEO Category	African American	Hispanic	White	Other	Female	Male
Officials/Administrators	4%	28%	67%	0%	36%	64%
Professionals	13%	18%	66%	3%	44%	56%
Technician	23%	0%	47%	30%	19%	81%
Service/Maintenance	50%	50%	0%	0%	0%	100%
Administrative Support	17%	50%	31%	2%	62%	38%
Skilled Craft Workers	0%	0%	100%	0%	0%	100%
Protective Services	6%	41%	51%	1%	15%	85%
All State Agencies						
EEO Category	African American	Hispanic	White	Other	Female	Male
Officials/Administrators	12%	20%	65%	3%	51%	49%
Professionals	13%	18%	65%	4%	49%	51%
Technician	22%	35%	40%	4%	61%	39%
Service/Maintenance	25%	31%	41%	3%	47%	53%
Administrative Support	20%	33%	44%	3%	85%	15%
Skilled Craft Workers	7%	26%	66%	1%	4%	96%
Protective Services	35%	25%	39%	2%	46%	54%

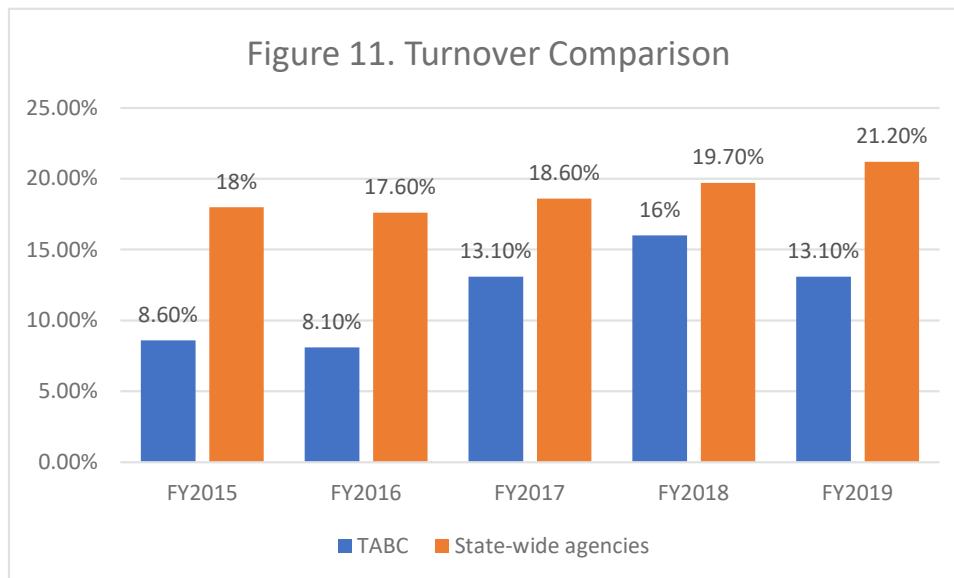
Professionals and Technician positions require specialized education and skills, and combined only make up 7% of TABC's workforce. Considering that one-third of TABC's workforce falls in the Protective Services EEO category, this group is at the highest risk of potential underutilization for females and minorities. Ensuring TABC has diversity in Enforcement is essential to maintaining effective undercover operations and carrying out TABC's mission and priorities. With the growing number of minority-owned businesses in the alcoholic beverage industry, TABC must continue to improve its recruiting efforts to mirror its workforce with the population it serves.

Figure 10 shows TABC's workforce by ethnicity and gender specific to the Protective Services EEO job category compared to all Public Safety and Criminal Justice (Article V) agencies and all agencies combined statewide. TABC employs almost double the percentage of Hispanic employees in Protective Services, while the amount of African American employees constitutes a significantly lower percentage of that category. Concerningly, TABC employs over 50% fewer females in Protective Services compared to Article V agencies and even lower than the statewide percentage.



## TURNOVER

In FY 2019 the agency had a total of 81 employee separations for a turnover rate of 13.1%. TABC experienced its highest turnover rate of 16% in the last five years in FY 2018 after a senior leadership transition. As illustrated in Figure 11, TABC's turnover rates remain significantly lower than statewide turnover rates. The top three reasons employees have reported leaving TABC include better pay and benefits, poor working conditions or management, and retirement.



## VACANCIES

The alcoholic beverage industry grows at a rapid pace, and TABC will need to continue to grow to keep up with industry demands. The agency's current appropriations cap of FTEs increased from 635 to 671 for the 2020-21 biennium. The agency dedicated 29 of these new FTEs to combating human trafficking within the Enforcement Division. As TABC's employee base number increases, recruiting strategies and hiring managers must focus on sourcing quality candidates.

In February 2020, TABC's overall workforce vacancy percentage was just above 11%. Divisions with the highest percent of vacancies as of February 2020 are Enforcement with 17.93% and ITD with 27.58%. ITD can effectively operate with a high vacancy percentage by using contractors to augment staff and projects while seeking qualified candidates. With the Agent Academy beginning in April 2020, TABC onboarded and commissioned 25 new certified peace officers as Probationary Agents, reducing the number of vacancies within Enforcement by half.



## **Section III: Future Workforce Profile**

### **LEGISLATIVE CHANGES**

TABC is focusing on building its future workforce to better meet its mission, which was revised during following the last legislative session. The agency may face the loss of significant institutional knowledge as more employees reach retirement eligibility over the next five years. Further, the alcohol industry has demonstrated remarkable growth and diversification in recent years. TABC intends to meet the regulatory and enforcement needs of Texas to help ensure this growth continues in a responsible way and without undue hinderance. TABC expects to be better able to meet these challenges with a workforce that is both more diverse and more adept with contemporary information technology.

Enforcement will be better be equipped to combat human trafficking with a more diverse team to infiltrate criminal activity through undercover operations. If human traffickers are able to identify agents as law enforcement officers, TABC is likely to be less effective in gathering evidence and reaching human trafficking victims. Thus, the agency seeks to recruit certified peace officers whose presence is less likely to alert human traffickers.

### **TECHNOLOGY CHANGES**

In accordance with the statutory direction given to TABC, and to meet the needs of a growing alcoholic beverage industry, the agency must deploy new technology to efficiently process the increasing number of applications and manage compliance reporting. TABC is developing and incorporating more information technology applications into its toolkit and working with the private sector as it also uses IT to expand business operations. New agency systems will improve automation so that TABC's workforce skillsets will shift from heavy data entry to more emphasis on data and investigative analysis. Although TABC has improved the knowledgebase of its workforce to better adapt to these new technologies, leaders anticipate the need for further training and additions of employees who are proficient and leverage IT.

This technology transformation initiative will change procedures and the focus of the work for many positions agencywide. While TABC maintains a skilled workforce, the critical skillsets are evolving to keep up with improvements in technology. Recognizing



that employees will need training to operate the new systems, TABC is developing training programs for the current workforce as technology is acquired and deployed while also strengthening recruitment efforts to attract candidates who demonstrate technical and analytical competencies.

## **GEOGRAPHIC CHANGES**

TABC leases most of its facilities, partnering with other local, state, and federal governmental entities for shared office space. Always mindful of being good stewards of taxpayer money, TABC seizes opportunities to consolidate offices and conserve resources. Small outpost offices continue to merge with larger regional offices. Most notably, the Austin Regional Office was consolidated with headquarters at the end of FY 2019. Currently, Legal Division staff are decentralized in three major cities: Austin, Houston, and Arlington. To further improve internal processes and save agency resources, the legal services division is moving to centralize all positions at headquarters as attrition occurs.

A major cruise-line company is pursuing building a new terminal in Galveston, which is anticipated to be complete by November 2021. If a third terminal is opened in Galveston, it would require TABC to either expand contracting services or increase the FTEs required to maintain operations at the seaport.

## **CRITICAL FUNCTIONS**

The following critical functions have been identified in determining the agency's workforce needs:

1. Conducting enforcement and compliance activities such as investigations, inspections, monitoring of human trafficking, and public education programs.
2. 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.
3. 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.



4. Maintaining current tax security and performance bonds to avoid the potential loss of revenue due to nonpayment of taxes.
5. Processing all financial transactions in an efficient and timely manner and preparing necessary reports for management and as statutorily required.
6. Managing agency appropriations and budgeting, and administering grant programs effectively.
7. Attracting and retaining qualified and diverse applicants and employees.
8. Developing and cross-training current employees for internal growth and leadership opportunities.
9. Continuing to explore and implement cost-effective changes using the most current technology platforms.

## **GAP ANALYSIS**

An examination of the challenges in recruitment and retention of skilled employees revealed growing competition from the private sector and other state and local governmental agencies that offer more competitive salaries. With larger technology and other global companies moving into Texas job markets, TABC is facing direct competition for highly qualified candidates who may find better financial incentives working in the private sector, particularly for information technology positions. Many private sector employers can offer higher salaries and unique benefits. This, combined with a perceived lack of job advancement opportunities in the public sector, 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 needed to keep high quality staff. TABC continues to seek additional legislative appropriates for salaries and wages to mitigate some of these concerns while also being creative in recruitment by highlighting non-fiscal benefits such as the fulfillment of public service, industry stability, flexible schedules, and teleworking arrangements.

The recent sunset review and legislative updates to the code mandated major changes to licenses and permits to simplify the licensing process. Leaders have explored new automation technology and reporting capabilities. They seek to improve processes and customer service and make better, data driven decisions. To comply with updates to the



Code and keep up with the growing alcoholic beverage industry, TABC is in the beginning stages of a major system upgrade that will transform the way the agency does business and interacts with customers. The agency is preparing to implement these changes over the next biennium, and ITD is leading a formal change management program and involving employees in the business process analysis, configuration, testing, and implementation of various new and upgraded systems.

Implementing all the technology transformation initiatives will cause significant changes to the way many employees perform their jobs. These system and process changes will allow TABC to shift to more automation and elevate the complexity of the analysis and investigation skills required of employees in the Licensing Division. Other divisions, such as Excise Tax and Marketing Practices and Audit and Investigations, will require process changes resulting in more data analysis versus data entry skills of employees.

The Training Division and leadership teams are preparing to help employees develop skills for the transition in technology. However, Human Resources anticipates a skills gap in technical and analytical competencies with the new systems. Even though TABC has made progress in hiring candidates with strong information technology skills in key positions, supply has yet to catch up to demand and growth in the division. Over the first two quarters of FY 2020, ITD had an average of 30% vacancies, and management continues to have difficulty attracting and retaining skilled employees in the division. The worldwide coronavirus pandemic has forced many employees to become more technologically savvy and adept in the capabilities of video conferencing and online document collaboration, in turn enabling employees to be more technically proficient, but increasing the demand for information technology support by the entire workforce.

A general lack of knowledge of the Code has always been a concern for new hires in many areas of the agency. Therefore, it's essential to develop an onboarding program and enhance in-service training for employees, especially those in the Audit and Investigations, Enforcement, and Licensing divisions.

TABC is seeing the desired skillset of Enforcement employees evolve to focus more on public safety, undercover operations, and criminal analysis to effectively combat human trafficking. Maintaining employee diversity remains a priority to ensure successful undercover operations. In addition to diversity, Enforcement needs to recruit and hire more experienced certified peace officers. TABC has successfully leveraged the



Investigator classification series on Schedule B to attract and hire more experienced certified peace officers in the Special Investigations Unit. Another consideration to fill this need is to allow for external lateral transfers into the Agent classification on Schedule C. The current State Classification Plan structure for TABC agents requires external hires to be hired at entry level pay, regardless of the amount of law enforcement experience the candidate brings with them. TABC-specific years of experience and time and grade as a TABC agent determine employee eligibility for step-pay increases on Schedule C for the Agent classification. To change this requires legislative action and updates to the State Classification Plan. Human Resources will work with the State Auditor's Office and senior leadership to propose changes to the State Classification Plan, with the goal of reducing barriers to recruitment and competitive pay. Remaining competitive and attracting qualified candidates is vital to accomplishing the agency's human trafficking and broader public safety missions.

TABC seeks to enhance the fundamental competencies as well as interpersonal and leadership skills of all employees. Exceptional customer service is leadership priority and critical soft skill that every employee must demonstrate, particularly in the Licensing, Training, and Human Resources divisions. Employees and leaders need the flexibility to successfully adapt to an ever-changing work environment while making sound business decisions. TABC will continue to ensure leadership training is available to management teams and employees who have demonstrated leadership potential.

## **Section IV: Strategic Development**

### **EMPLOYEE TRAINING AND EDUCATION**

The Training Division provides employees with fundamental training and growth opportunities and resources required to perform their essential job functions and prepare them for advancement opportunities. TABC leaders will continue to identify, provide, and encourage employee participation in training opportunities and continuing education courses required to maintain job-related licenses and certifications. Employees are encouraged to network with others in their profession and engage in professional organizations to stay informed of best practices and changing legal requirements.



TABC continues to provide annual in-service training programs for the Audit and Investigations, Licensing, Ports of Entry, and Enforcement divisions. The in-service training curriculum is designed to address unique division needs by reinforcing core competencies and processes while emphasizing interpersonal skills (for example, the integration of the 7 Life Languages curriculum). Training staff members maintain a Learning Management System that serves as a library for on-demand, computer-based training and houses both mandatory and elective training content for all employees. The agency's Employee Assistance Program vendor also offers extensive personal and professional development resources to employees and managers.

TABC values higher education and offers financial support to employees who want to further their education through the Tuition Reimbursement Program.

TABC also ensures certified peace officers that hold a TABC commission meet their training requirements to maintain their commission based on TCOLE standards. Certified peace officers are provided salary supplements through stipends for holding varying degrees of higher education or TCOLE certificate levels and dual-language skill abilities.

In order to continue meeting the needs of a complex and growing alcoholic beverage industry, TABC will continue to build the capacity of the Training Division and broaden the scope of resources available to develop and retain a highly skilled workforce. Training efforts will focus on improving communication and collaboration among employees at all levels throughout the organization, while leveraging technology to increase reach and maximize the return on investment. The agency is also evaluating its employee recognition programs to award top performers and teams.

### **LEADERSHIP DEVELOPMENT**

In 2019, TABC implemented a new leadership development program in partnership with the Texas A&M Engineering Extension Service (TEEX). TABC staff had an opportunity to provide feedback on which leadership characteristics they value most and which leadership aspects the agency should improve, as well as specific suggestions for how to improve. Staff input formed the basis of the new TABC LEADS training program, targeted at current leaders and those with leadership potential. The program emphasizes building a culture of leadership based on communication, recognition,



empowerment, and work-life balance. For the 2019 employee performance evaluation period, TABC updated the agency performance evaluation form to reflect evaluation of these leadership characteristics in supervisors. TABC is taking steps to continue partnering with TEEX to acquire a world-class training facility and further elevate the agency's training capacity and standards.

TABC supports employee participation in the Governor's Management Development Program, the Governor's Executive Development Program, and other local in-person and online training programs. Management will continue to identify high performers with leadership potential and adequately train and prepare them to take on key organizational roles.

### **SUCCESSION PLANNING**

TABC is fortunate to have many long-term employees with a great deal of institutional knowledge, much of which will be lost without effective succession planning, proper documentation, and improved employee developmental programs. TABC leaders recognize the need for succession planning and retaining organizational knowledge in preparation for retirements, considering that at least 20% of the workforce will be eligible to retire in the next five years.

Leaders also recognize the importance of knowledge transfer; institutional knowledge and lessons learned can be lost as employees retire or leave the agency. Documenting current and past practices, including the basis for decisions regarding policy and procedural changes, and cross training will continue to be a high priority.

Leaders are expected to identify opportunities that allow employees seeking new challenges and advancement to cross-train and work on stretch or developmental assignments. Employees are encouraged to network and seek mentors and advice from leaders to help identify career goals and career development plans.

Human Resources will continue to work with senior leaders to identify critical positions and the knowledge, skills, and abilities required for each. Leaders will identify high performers with leadership potential and technical expertise in the current workforce and make efforts to mentor and develop these employees, so they are prepared to fill critical vacancies when opportunities arise. The Human Resources and Training divisions will provide training and developmental support for current employees and



management. When skills gaps are identified that cannot be reasonably met internally, TABC will shift focus to implement recruitment strategies to source external candidates with the desired skillset.

### **RECRUITMENT**

TABC is enhancing overall communication and branding efforts using the public website and social media outlets that support recruitment plan goals. A public website redesign in FY 2020 will include modernizing the job opportunities webpage to enhance the job applicant experience. Specific recruitment efforts will vary by job vacancy and TABC's current needs and resources. Human Resources will work closely with division management prior to posting job vacancies to ensure the best recruiting strategies are executed. TABC will continue to explore ways to improve recruitment and retention of minorities and females, particularly for positions in Enforcement. High turnover in this area threatens the agency's ability to timely and effectively perform critical operations. Currently, there is a limited opportunity to onboard new agents because the TABC Agent Academy is only held once per calendar year, typically in the spring. In FY 2020, TABC will test the effectiveness of hosting a separate academy for the Special Investigations Unit.

TABC leverages the mutual benefit of interns to supplement staffing needs and accomplish special assignments while allowing students to gain a better understanding and appreciation for public service. Some employees currently serving in leadership and critical roles throughout TABC were first introduced to the organization through internship opportunities, demonstrating the potential return on investment an effective internship program can have.

### **NEW EMPLOYEE ONBOARDING**

TABC leaders recognize the need to improve the onboarding process and experience for new employees and supervisors. TABC will strive to develop an onboarding program that emphasizes integrating new employees into the culture to improve employee engagement and retention. The agency will continue to emphasize leadership development and equip new supervisors with the skills and resources to be effective leaders.



## **CULTURE**

Significant changes in senior leaders and agency priorities have sparked a shift in the organizational culture at TABC over the last two years. The leadership team is fostering an environment supportive of creative communication and rebranding initiatives, industry-friendly compliance approaches, and heightened public safety enforcement efforts. These compounded efforts are causing an incremental shift in perspective among the internal workforce, industry stakeholders, and the general public. TABC seeks to continue strengthening its partnership with industry stakeholders and has taken extraordinary steps to better serve the veteran community. In November 2019, the agency launched the Veteran's Empowerment Initiative, working with outside state agencies and industry members to pair proteges with mentors willing to assist veterans in their quest to be successful entrepreneurs in the state's alcoholic beverage industry.

### **Survey of Employee Engagement (SEE), 2020 Summary**

The summary survey results begin on the following page.



# SURVEY OF EMPLOYEE ENGAGEMENT

Texas Alcoholic Beverage Commission

Executive Summary

**2020**

## Introduction

**THANK YOU** for your participation in the Survey of Employee Engagement (SEE). We trust that you will find this information helpful in your leadership planning and organizational development efforts. The SEE is specifically focused on the key drivers relative to the ability to engage employees towards successfully fulfilling the vision and mission of the organization.

Inside this report, you will find many tools to assist you in understanding the engagement of your employees. Your first indication of engagement will be the response rate of your employees. From there, we share with you the overall score for your organization, averaging all survey items. You will also find a breakdown of the levels of engagement found among your employees. We have provided demographic information about the employees surveyed as well as what percent are leaving or retiring in the near future. Then, this report contains a breakdown of the scoring for each construct we surveyed, highlighting areas of strength and areas of concern. Finally, we have provided Focus Forward action items throughout the report and a timeline suggesting how to move forward with what you have learned from the survey results.

Your report represents aggregate data, but some organizations will want further information. For example, the SEE makes it possible to see results broken down by demographic groupings. We would enjoy hearing how you've used the data, and what you liked and disliked about the SEE experience. We are here to help you engage your employees in achieving your vision and mission.



Noel Landuyt  
Associate Director  
Institute for Organizational Excellence

## Organization Profile



**Texas Alcoholic Beverage Commission**

**Organizational Leadership:**  
Bentley Nettles, Executive Director

**Benchmark Categories:**  
Size 4: Organizations with 301 to 1000 employees  
Mission 5 : Public Safety/Criminal Justice

### Survey Administration

Collection Period:  
03/18/2020 through 04/17/2020

Survey Liaison:  
Sylvia Banda  
Program Specialist  
5806 Mesa Dr.  
Austin, TX 78731

(512) 206-3249  
Sylvia.Banda@tabc.texas.gov



## The Survey

**48**  
Primary  
Items

### Primary Items

The Survey of Employee Engagement (SEE) consists of a series of 48 primary items used to assess essential and fundamental aspects of how the organization functions. The items are on a 5-point scale from Strongly Disagree (1) to Strongly Agree (5).

### Demographic Items

Also included on the SEE instrument are a series of items to ascertain the demography of the respondents.

### Constructs

Similar items are grouped together, and their scores are averaged to produce twelve construct measures. These constructs capture the concepts most utilized by leadership and drive organizational performance and engagement.

**12**  
Constructs



Workgroup



Strategic



Supervision



Workplace



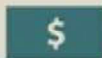
Community



Information  
Systems



Internal  
Communication



Pay



Benefits



Employee  
Development



Job  
Satisfaction



Employee  
Engagement

**2**  
Key  
Scores

### Overall Score

The Overall Score is an average of all survey items and represents the overall score for the organization. It is a broad indicator for comparison purposes with other entities.

### Levels of Employee Engagement

Twelve items crossing several survey constructs have been selected to assess the level of engagement (high, moderate, or low) among individual employees.

**13** Breakout  
Categories

Organizations can use breakout categories to get a cross-sectional look at specific functional or geographic areas. Your organization had a total of 13 breakout categories.

**19** Additional  
Items

Organizations can customize their survey with up to 20 additional items. These items can target issues specific to the organization. Your organization added 19 additional items.



## Employee Engagement

# 82.5%

Up 3.4%

### Response Rate

The response rate to the survey is your first indication of the level of employee engagement in your organization. Of the 607 employees invited to take the survey, 501 responded for a response rate of 82.5%. As a general rule, rates higher than 50% suggest soundness, while rates lower than 30% may indicate problems. At 82.5%, your response rate is considered high. High rates mean that employees have an investment in the organization and are willing to contribute towards making improvements within the workplace. With this level of engagement, employees have high expectations from leadership to act upon the survey results.

### Overall Score

The overall score is a broad indicator for comparison purposes with other entities. Scores above 350 are desirable, and when scores dip below 300, there should be cause for concern. Scores above 400 are the product of a highly engaged workforce. **Your Overall Score from last time was 351.**

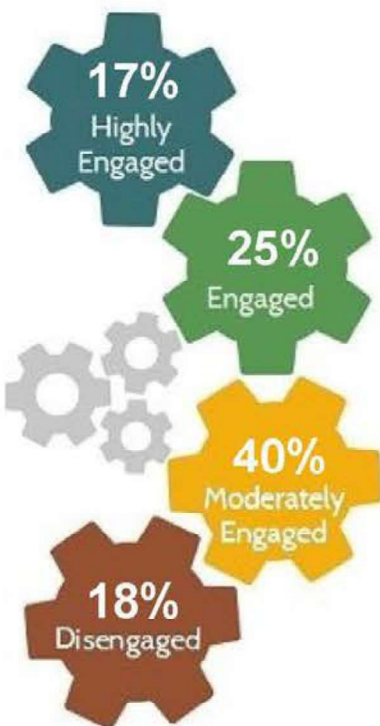


### Levels of Employee Engagement

Twelve items crossing several survey constructs have been selected to assess the level of engagement among individual employees. For this organization, 17% of employees are Highly Engaged, 25% are Engaged, 40% are Moderately Engaged, and 18% are Disengaged.

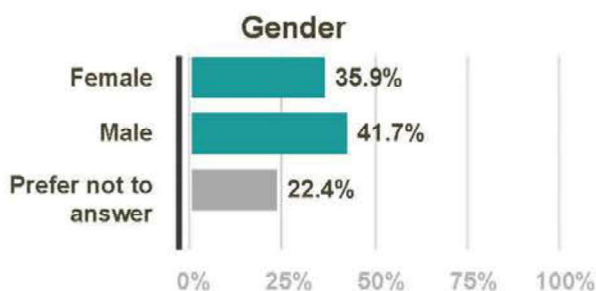
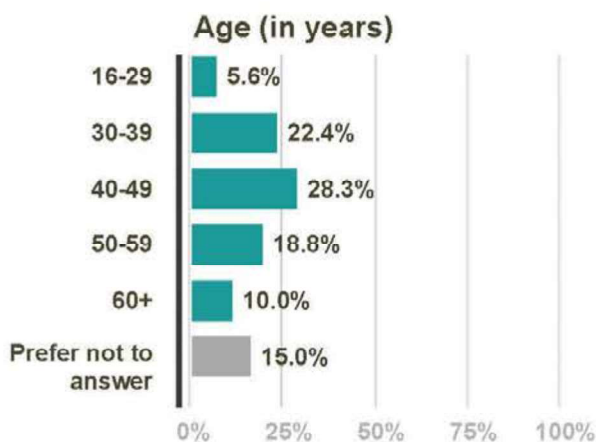
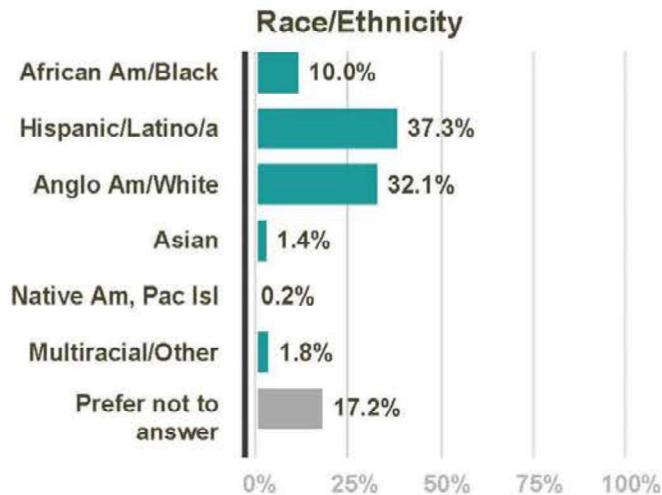
Highly Engaged employees are willing to go above and beyond in their employment. Engaged employees are more present in the workplace and show an effort to help out. Moderately Engaged employees are physically present, but put minimal effort towards accomplishing the job. Disengaged employees are disinterested in their jobs and may be actively working against their coworkers.

For comparison purposes, according to nationwide polling data, about 30% of employees are Highly Engaged or Engaged, 50% are Moderately Engaged, and 20% are Disengaged. While these numbers may seem intimidating, they offer a starting point for discussions on how to further engage employees. Focus on building trust, encouraging the expression of ideas, and providing employees with the resources, guidance, and training they need to do their best work.

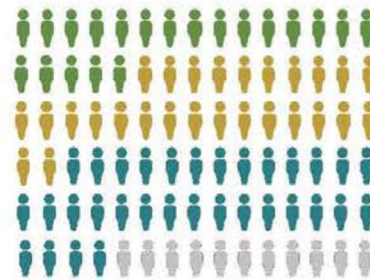


## People

Examining demographic data is an important aspect of determining the level of consensus and shared viewpoints across the organization. A diverse workforce helps ensure that different ideas are understood, and that those served see the organization as representative of the community. Gender, race/ethnicity, and age are just a few ways to measure diversity. While percentages can vary among different organizations, extreme imbalances should be a cause for concern.



### YEARS OF SERVICE With this Organization



22% New Hires (0-2 years)  
30% Experienced (3-10 years)  
35% Very Experienced (11+ years)  
13% Did Not Answer

*Each figure represents about 5.6 employees.*

### FOCUS FORWARD >>>

#### 5% INTEND TO LEAVE

Understand why people are leaving your organization by examining retention factors such as working conditions, market competitiveness, or upcoming retirement.

#### 13% CAN RETIRE

This percentage of respondents indicated that they are or will be eligible for retirement within two years.

## Constructs

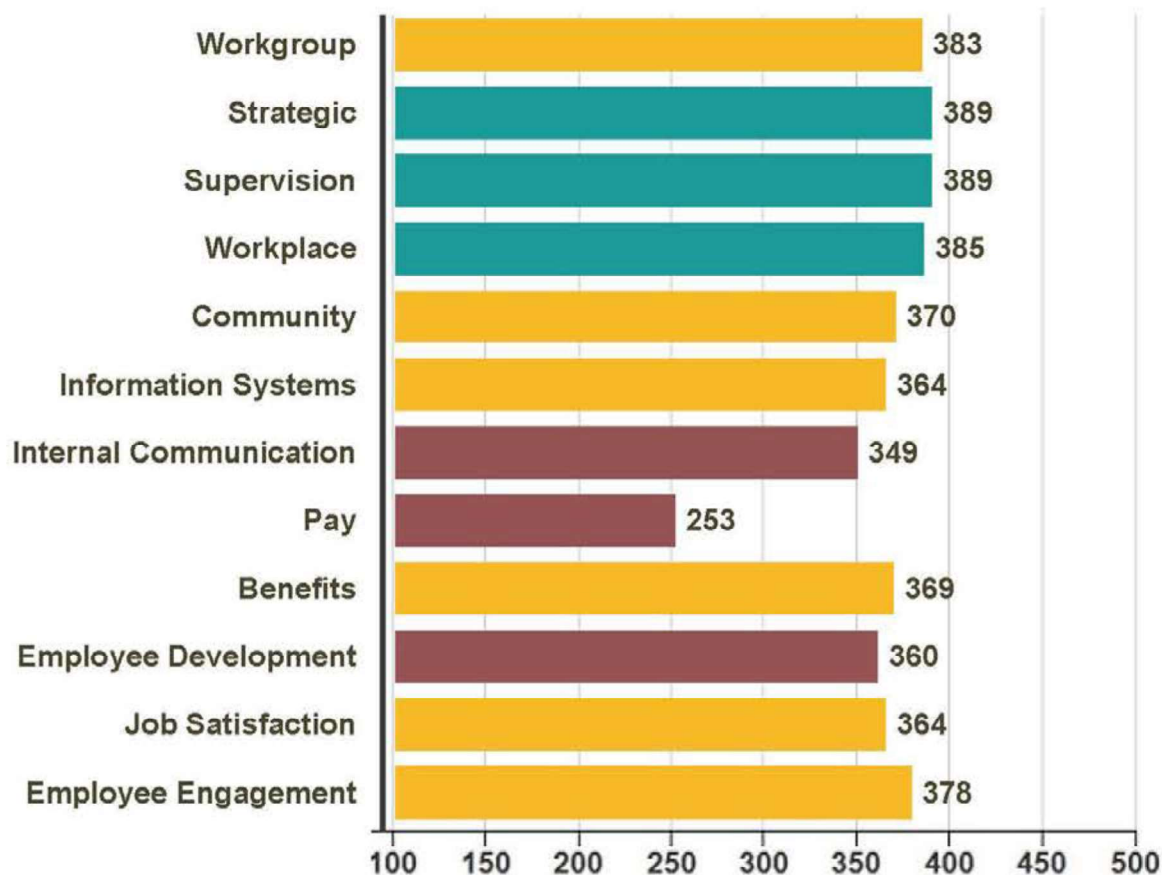
Similar items are grouped together and their scores are averaged and multiplied by 100 to produce 12 construct measures. These constructs capture the concepts most utilized by leadership and drive organizational performance and engagement.

Each construct is displayed below with its corresponding score. Constructs have been coded below to highlight the organization's areas of strength and concern. The three highest are green, the three lowest are red, and all others are yellow. Scores typically range from 300 to 400, and 350 is a tipping point between positive and negative perceptions. The lowest score for a construct is 100, while the highest is 500.

### FOCUS FORWARD >>>

Every organization faces different challenges depending on working conditions, resources, and job characteristics. On the next page, we highlight the constructs that are relative strengths and concerns for your organization. While it is important to examine areas of concern, this is also an opportunity to recognize and celebrate areas that employees have judged to be strengths. All organizations start in a different place, and there is always room for improvement within each area.

### Construct Scores



## Constructs Over Time

One of the benefits of continuing to participate in the survey is that over time data shows how employees' views have changed as a result of implementing efforts suggested by previous survey results.

Positive changes indicate that employees perceive the issue as having improved since the previous survey.

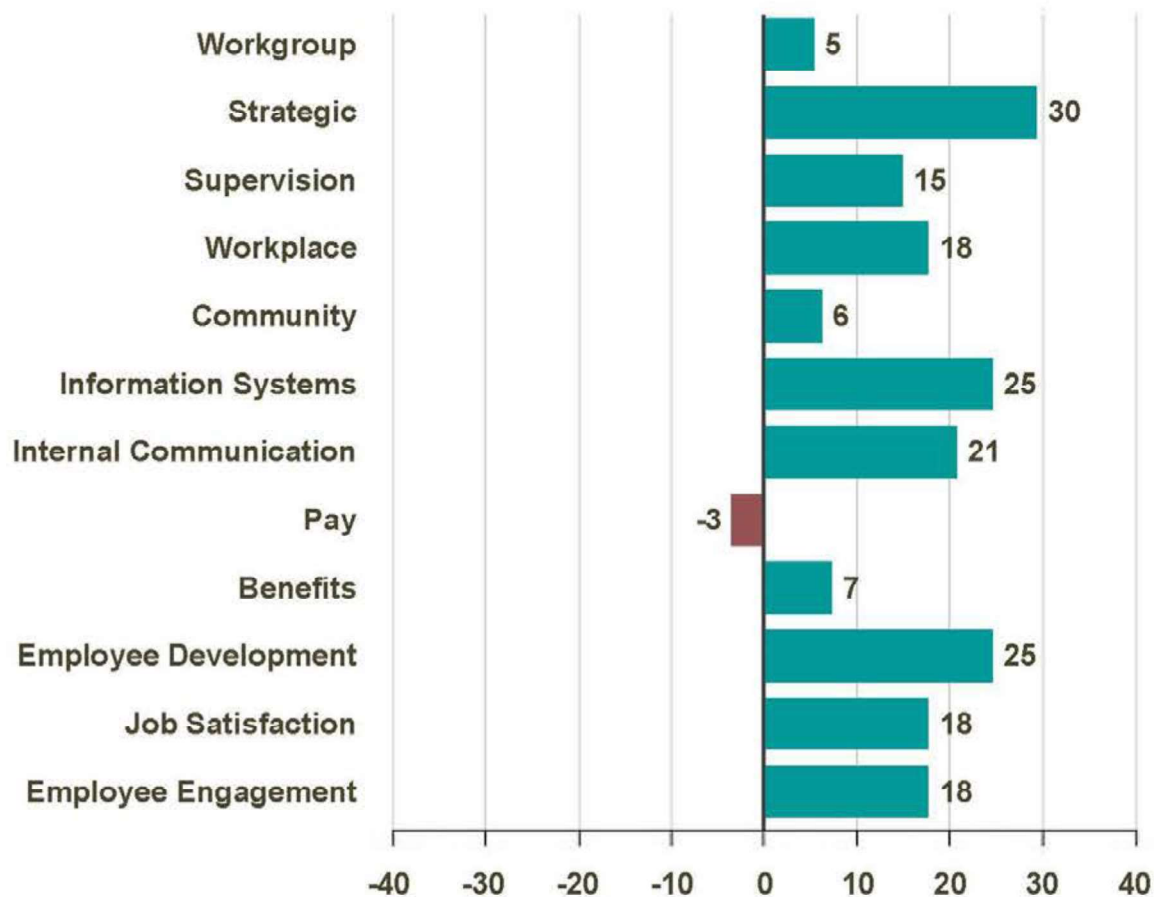
Negative changes indicate that the employees perceive that the issue has worsened since the previous survey. Negative changes of greater than 40 points and having 8 or more negative construct changes should be a source of concern for the organization and should be discussed with employees and organizational leadership.

## Has Change Occurred?

Variation in scores from year to year is normal, even when nothing has changed. Analyzing trend data requires a bringing patterns into focus, digging deeper into data, and asking questions about issues surrounding the workplace.

Pay close attention to changes of more than 15 points in either direction. Were there any new policies or organizational changes that might have affected the scores? Were these areas a point of focus for your change initiatives?

### Constructs Scores Over Time



## Areas of Strength and Concern

### Areas of Strength



#### Strategic

**Score: 389**

The strategic construct captures employees' perceptions of their role in the organization and the organization's mission, vision, and strategic plan. Higher scores suggest that employees understand their role in the organization and consider the organization's reputation to be positive.



#### Supervision

**Score: 389**

The supervision construct captures employees' perceptions of the nature of supervisory relationships within the organization. Higher scores suggest that employees view their supervisors as fair, helpful and critical to the flow of work.



#### Workplace

**Score: 385**

The workplace construct captures employees' perceptions of the total work atmosphere, the degree to which they consider it safe, and the overall feel. Higher scores suggest that employees see the setting as satisfactory, safe and that adequate tools and resources are available.

### Areas of Concern



#### Pay

**Score: 253**

The pay construct captures employees' perceptions about how well the compensation package offered by the organization holds up when compared to similar jobs in other organizations. Lower scores suggest that pay is a central concern or reason for discontent and is not comparable to similar organizations.



#### Internal Communication

**Score: 349**

The internal communication construct captures employees' perceptions of whether communication in the organization is reasonable, candid and helpful. Lower scores suggest that employees feel information does not arrive in a timely fashion and is difficult to find.






#### Employee Development

**Score: 360**

The employee development construct captures employees' perceptions about the priority given to their personal and job growth needs. Lower scores suggest that employees feel stymied in their education and growth in job competence.

## Climate

The climate in which employees work does, to a large extent, determine the efficiency and effectiveness of an organization. The appropriate climate is a combination of a safe, non-harassing environment with ethical abiding employees who treat each other with fairness and respect. Moreover, it is an organization with proactive management that communicates and has the capability to make thoughtful decisions. Below are the percentages of employees who marked disagree or strongly disagree for each of the 6 climate items.

<p><b>21.9%</b></p> <p>feel there aren't enough opportunities to give <b>supervisor feedback</b>.</p> <p>Leadership skills should be evaluated and sharpened on a regular basis. Consider implementing 360 Degree Leadership Evaluations so supervisors can get feedback from their boss, peers, and direct reports.</p>	<p><b>20.6%</b></p> <p>believe the <b>information from this survey</b> will go unused.</p> <p>Conducting the survey creates momentum and interest in organizational improvement, so it's critical that leadership acts upon the data and keeps employees informed of changes as they occur.</p>	<p>Highest Level of Disagreement</p> 
<p><b>19.4%</b></p> <p>feel that <b>upper management</b> should communicate better.</p> <p>Upper management should make efforts to be visible and accessible, as well as utilize intranet/internet sites, email, and social media as appropriate to keep employees informed.</p>	<p><b>9.0%</b></p> <p>feel they are <b>not treated fairly</b> in the workplace.</p> <p>Favoritism can negatively affect morale and cause resentment among employees. When possible, ensure responsibilities and opportunities are being shared evenly and appropriately.</p>	
<p><b>5.6%</b></p> <p>feel <b>workplace harassment</b> is not adequately addressed.</p> <p>While no amount of harassment is desirable within an organization, percentages <b>above 5%</b> would benefit from a serious look at workplace culture and the policies for dealing with harassment.</p>	<p><b>4.8%</b></p> <p>feel there are <b>issues with ethics</b> in the workplace.</p> <p>An ethical climate is the foundation of building trust within an organization. Reinforce the importance of ethical behavior to employees, and ensure there are appropriate channels to handle ethical violations.</p>	<p>Lowest Level of Disagreement</p> 

## FOCUS FORWARD >>>

After the survey data has been compiled, the results are returned approximately one to two months after data collection stops. Survey results are provided in several formats to provide maximum flexibility in interpreting the data and sharing the data with the entire organization. The quick turnaround in reporting allows for immediate action upon the results while they are still current.

### Survey Results Received

Executive Summaries, Data Reports, and Excel data are provided for the organization as a whole and for breakout categories. Any of these formats can be used alone or in combination to create rich information on which employees can base their ideas for change.



MAY  
2020

JUN  
2020



### Review Survey Data

Review the data and summaries with the executive staff, and develop a plan for circulating the data to all employees. Several types of benchmark scores provide relevant external comparisons, and breakdown categories can be used to make internal comparisons.

### Share with All Employees

Share results by creating reports, newsletters, or PowerPoint presentations providing data along with illustrations pertinent to the organization. Have employees participate in small work unit groups to review reports as they are distributed.



JUL  
2020

AUG  
2020



### Engage Employees in Change

Designate the Change Team composed of a diagonal slice across the organization that will guide the effort. Review the organization's strengths and brainstorm on how to best address weaknesses. Provide employees with comment cards to express their ideas.

### Move Forward with Change

Have the Change Team compile the priority change topics and action points, and present them to the executive staff. Discuss the administrative protocols for implementing the changes. Determine the plan of action, set a reasonable timeline, and keep employees informed of changes.



OCT  
2020

DEC  
2020



### Sharpen Your Focus

Further data breakdowns and custom reports are available. We also offer leadership assessments, employee pulse and exit surveys, and customer satisfaction surveys. Consultation time for presentations and focus groups is available as well. Please contact us at any time: [www.survey.utexas.edu](http://www.survey.utexas.edu)

### Resurvey

Administer the Survey of Employee Engagement again to document the effectiveness of your change efforts.



FEB  
2022

