

## AGENCY OVERVIEW

The Texas Department of Licensing and Regulation (TDLR) was created in 1909 as the Bureau of Labor Statistics to enforce labor laws, inspect factories, and collect and report labor and industry statistical information within the state of Texas. The Bureau's responsibilities gradually increased to include the administration and enforcement of laws impacting the health and safety of employees, employers, and the public. To reflect its increasing scope, the name was changed to the Texas Department of Labor and Standards in 1973. In 1989, the agency was renamed the Texas Department of Licensing and Regulation, and the Commission of Licensing and Regulation was created to act as the agency's governing body.

TDLR emerged as the state's premier licensing agency and is responsible for licensing and regulating a wide range of professions, occupations, businesses, facilities, and equipment for the state of Texas. Today, TDLR issues over 214 license types within 37 programs to more than 860,000 licensees. TDLR's expanded regulatory responsibilities through legislative action can be attributed to the agency's demonstrated ability to seamlessly integrate new and transferred programs and innovate processes to maximize efficiencies in existing programs.

In 2021, TDLR successfully completed sunset review. The Sunset Commission found TDLR performs critical functions for the state, specifically recognizing the agency's use

of functional alignment eliminates duplicate administrative functions and maximizes efficiency through similar licensing, customer service, and enforcement processes across all its programs.

TDLR is committed to fostering innovative solutions to current and future challenges. Providing low-cost licensing services and protecting the health and safety of Texans through the strategic allocation of resources remains our top priority.

### AGENCY VISION, MISSION, AND PHILOSOPHY

TDLR's vision, mission, and philosophy remain centered on excellence in service to our licensees and the public. While presently unchanged, we anticipate revisions to our vision, mission, and philosophy as the agency adapts to new realities, implements Sunset recommendations, and embraces further innovation to processes pioneered under our new agency leadership.

#### TDLR'S MISSION

To earn the trust of Texans every day by providing innovative regulatory solutions for our licensees and those they serve.

#### TDLR'S VISION

To be the best at creating 'next' practices that deliver low-cost licensing and regulatory services and an exceptional customer experience.

### TDLR'S PHILOSOPHY

To achieve smaller, smarter government, we:

- Honor the public by being fair, transparent, and efficient;
- Value our customers and coworkers by seeking and using their input;
- Foster innovation and change by challenging the status quo;
- Recruit, empower, and reward high-performing employees; and
- Transform programs and improve services for customers.

### TDLR'S CORE VALUES

TDLR's Core Values reflect what is truly important to us as an organization. These are not values that change from time to time, situation to situation, or person to person; rather they are the foundation of the agency culture and guide our employees as they fulfill the agency's mission, vision and philosophy.

- **Accountable** to Texans
- Create an exceptional **customer service** experience
- **Integrity** in all we do
- Lead through **Innovation**
- **Open and free communication**
- **Respect** for all
- **Teamwork** built on individual strengths and ingenuity

# AGENCY WORKFORCE PLAN

## STRATEGIC GOALS AND OBJECTIVES

### Goal:

**Fully implement the recommendations resulting from the Sunset review process and resulting Sunset Bill, House Bill 1560, 87th Legislature.**

### Objective:

Improve services for Texans by streamlining licensing programs, developing data driven processes and eliminating inefficient or redundant regulations and processes.

### Goal:

**Focus the agency's regulatory and outreach efforts on protecting public health and safety, combating human trafficking, and preventing consumer harm.**

### Objective:

Ensure TDLR's ability to continue to provide exceptional service during critical and emergency events while proactively identifying methods to minimize the harmful impact of unforeseen events on the livelihood of Texans.

### Goal:

**Implement modern technology solutions to improve TDLR's mission-critical licensing and regulatory services.**

### Objective:

Improve efficiency of TDLR processes through increased automation that will reduce wait times for licensure, ensure ease of access to services and information while increasing the safety and security of our customers' sensitive information.

## CORE BUSINESS FUNCTIONS

The agency is aligned into the following key areas: Licensing Services, Regulatory Services and Administrative Services.

### Licensing Services includes:

- Licensing – reviews and processes applications to issue and renew licenses and certificates of operation.
- Customer Service – responds to public and licensee inquiries through phone, email, and social media.
- Education and Examination – reviews and approves license applications for continuing education providers, and courses; manages the development and delivery of licensing examinations through a third-party vendor; performs audits on regulated schools; and provides training and outreach.

### Regulatory Services includes:

- Regulatory Program Management – provides valuable subject matter knowledge for TDLR programs and assists with technical and clinical matters that require an industry or professional perspective, and answers complex questions about state regulations, code requirements, and health care professional standards.
- Field Inspections – performs risk-based inspections on-site and periodic inspections on-site and virtually throughout the state at business facilities and schools and engages in industry

outreach to ensure public safety and consumer protection.

- Enforcement – evaluates the criminal history of applicants to determine whether licensure is appropriate, investigates and resolves complaints against licensees, prosecutes violations, and increases consumer protection by working with local, state, and federal agencies.

### Administrative Services includes:

- Executive management, legal counsel, human resources, information technology and security, financial services, and commission and advisory board support.
- Coordination and oversight of legislative outreach, media relations, and internal communication.
- Coordination of asset and fleet management, facilities operations, and response to critical events.

In addition, recent legislation has allowed TDLR to dedicate efforts to ensuring public safety and consumer protection through two highly specialized and skilled teams combating human trafficking and payment card skimmers.

- Anti-Trafficking Unit – coordinates with all levels of law enforcement and non-governmental organizations to inspect regulated facilities suspected of human trafficking and partners with Enforcement Division to expedite prosecution of licensed and unlicensed service providers suspected of trafficking.

- Financial Crimes Intelligence Center (FCIC) – statewide fusion center that coordinates law enforcement investigations into various types of financial crimes with a focus on organized crime, payment card skimming and shimming. The FCIC is overseen by the Smith County District Attorney’s Office through contractual partnership with TDLR.

## CURRENT WORKFORCE PROFILE

### CRITICAL WORKFORCE SKILLS

TDLR maintains a workforce committed to excellence in carrying out the agency’s mission, goals, and objectives through the following core skill sets:

#### Customer Service

- Resolution-based and next-issue avoidance customer service
- Internal and external teamwork and collaboration
- Legislative and stakeholder outreach

#### Communication

- Plain language and multi-lingual skills
- Cultural competency and awareness
- Public speaking and presentation
- Clear and concise writing

- Media relations and outreach

#### Technical Knowledge

- Database development, management, and integration
- Fluency with information technology, software applications, and equipment
- Tactical legal skills including analysis, advisement, research, writing, rulemaking, negotiation, settlement, and litigation skills
- Policy analysis and development
- Process and project management acumen
- Quality analysis and process improvement
- Astute fiscal management including procurement and contract management

#### Servant Leadership and Management

- Coaching, mentoring, and motivating
- Performance management and staff development
- Relationship building
- Change management
- Visionary and strategic thinking and planning

**In addition, employees across diverse programs and divisions maintain the following critical skills:**

- Knowledge of relevant local, state, and

federal laws, rules, regulations, and policies

- Innovative critical thinking and problem-solving
- Effective organizational and time management skills
- Data driven decision-making and analysis
- Research and information analysis
- Skillful inspection and investigative techniques
- Public safety and consumer protection-based resolution of cases
- Inventory and asset management
- Critical response management
- Adaptability

### DIVERSE WORKFORCE DEMOGRAPHICS

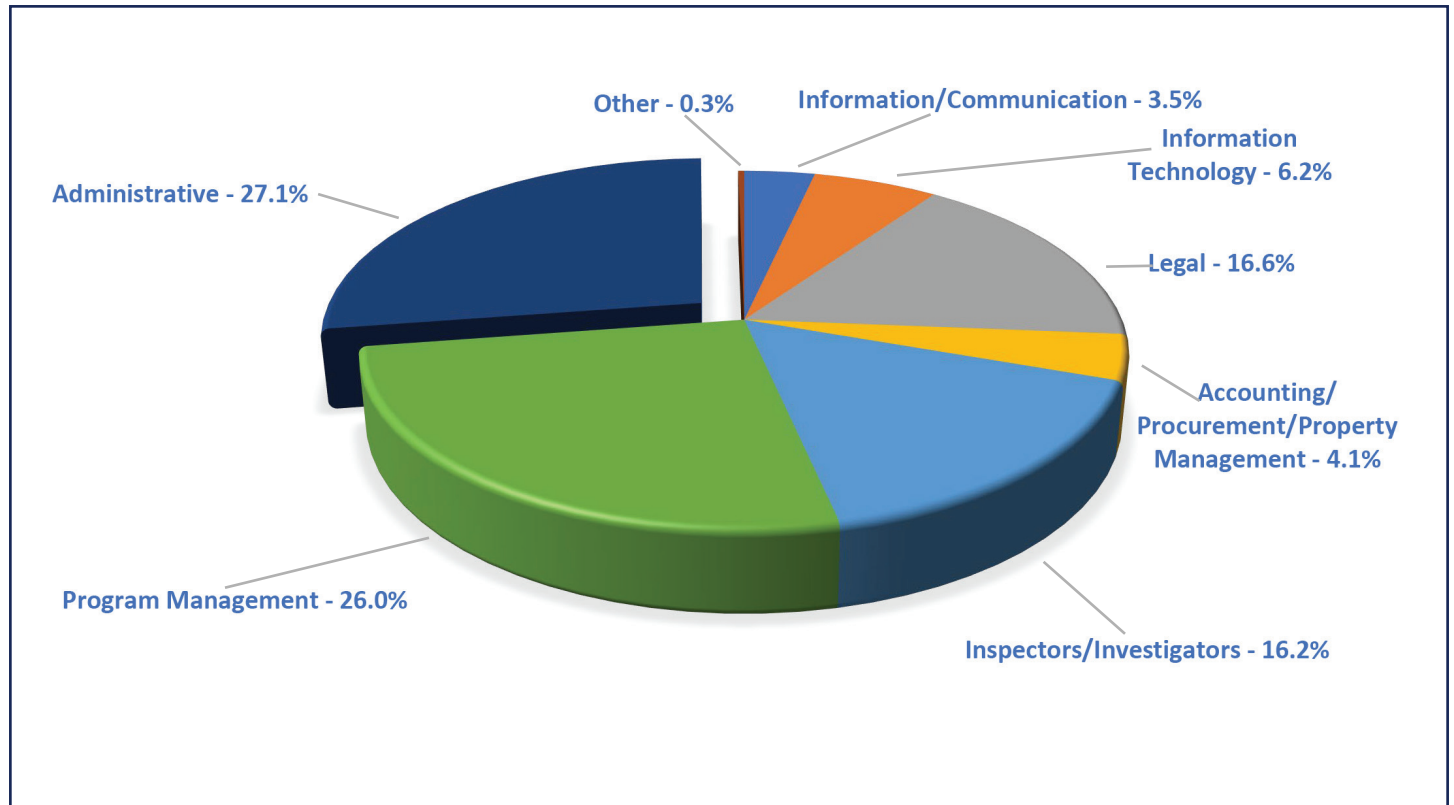
TDLR’s authorized workforce for Fiscal Year 2022 and 2023 is 564.2 full-time equivalent (FTE) positions. Of these FTEs, 84% work in TDLR’s Austin offices, while 16% work in locations throughout the state. TDLR, a proud member of the *We Hire Vets* employer recognition program since 2019, is committed to employing veterans, and they currently comprise 12.2% of the agency’s workforce.

# AGENCY WORKFORCE PLAN

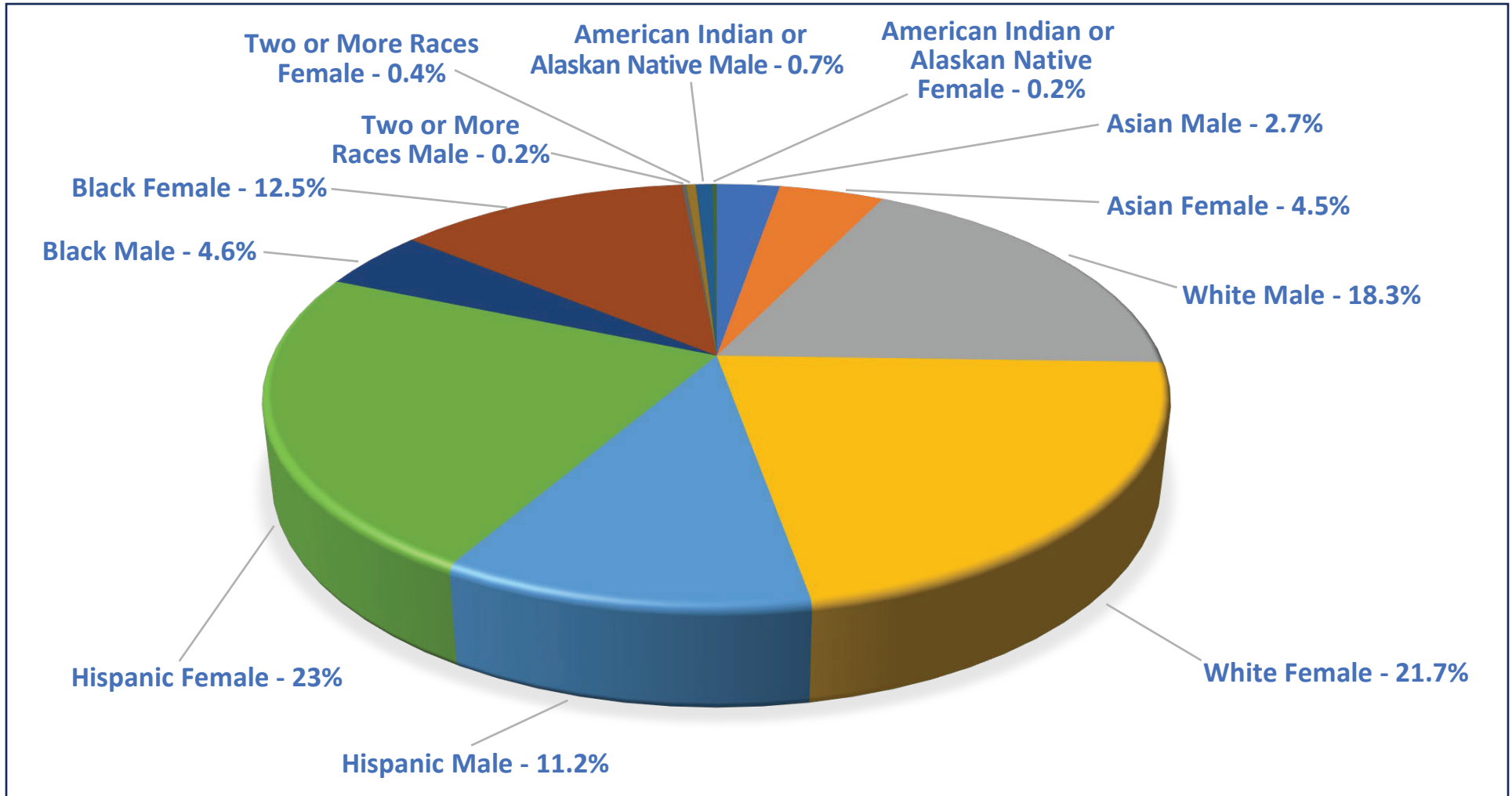
## FISCAL YEAR 2022 WORKFORCE BY OCCUPATIONAL CATEGORY (2nd Quarter)

### COMMITMENT TO A QUALIFIED AND DIVERSE WORKFORCE

TDLR maintains a culture of inclusion and belonging which values all employees and recognizes the benefit that diverse backgrounds bring to the agency. This culture is reflected in our commitment to providing equal employment opportunities to all, resulting in a talented and diverse workforce dedicated to fulfilling the agency's mission.



## FISCAL YEAR 2022 ORGANIZATIONAL PROFILE (2nd Quarter)



TDLR's workforce is 34.2% Hispanic, over 10% higher than the overall state agency workforce composition, and 7.2% Asian, over 4% higher than the overall state agency workforce composition. TDLR's workforce is 17% Black, almost 7% lower than the overall state agency workforce.

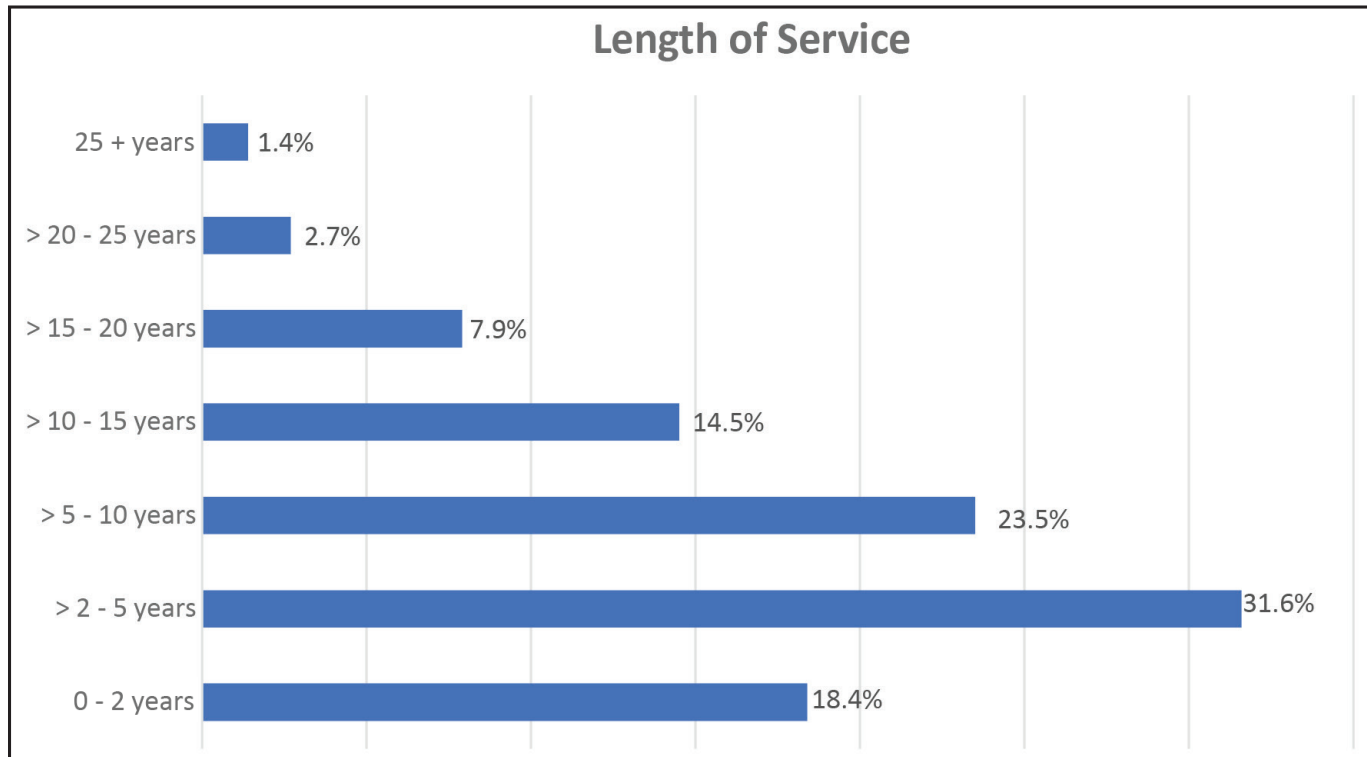
# AGENCY WORKFORCE PLAN

Age	Percent of Workforce
Under the age of 30	4.3%
30 to 39 years of age	16.7%
40 to 49	30.1%
50 to 59	35.7%
Above 60 years of age	13.2%

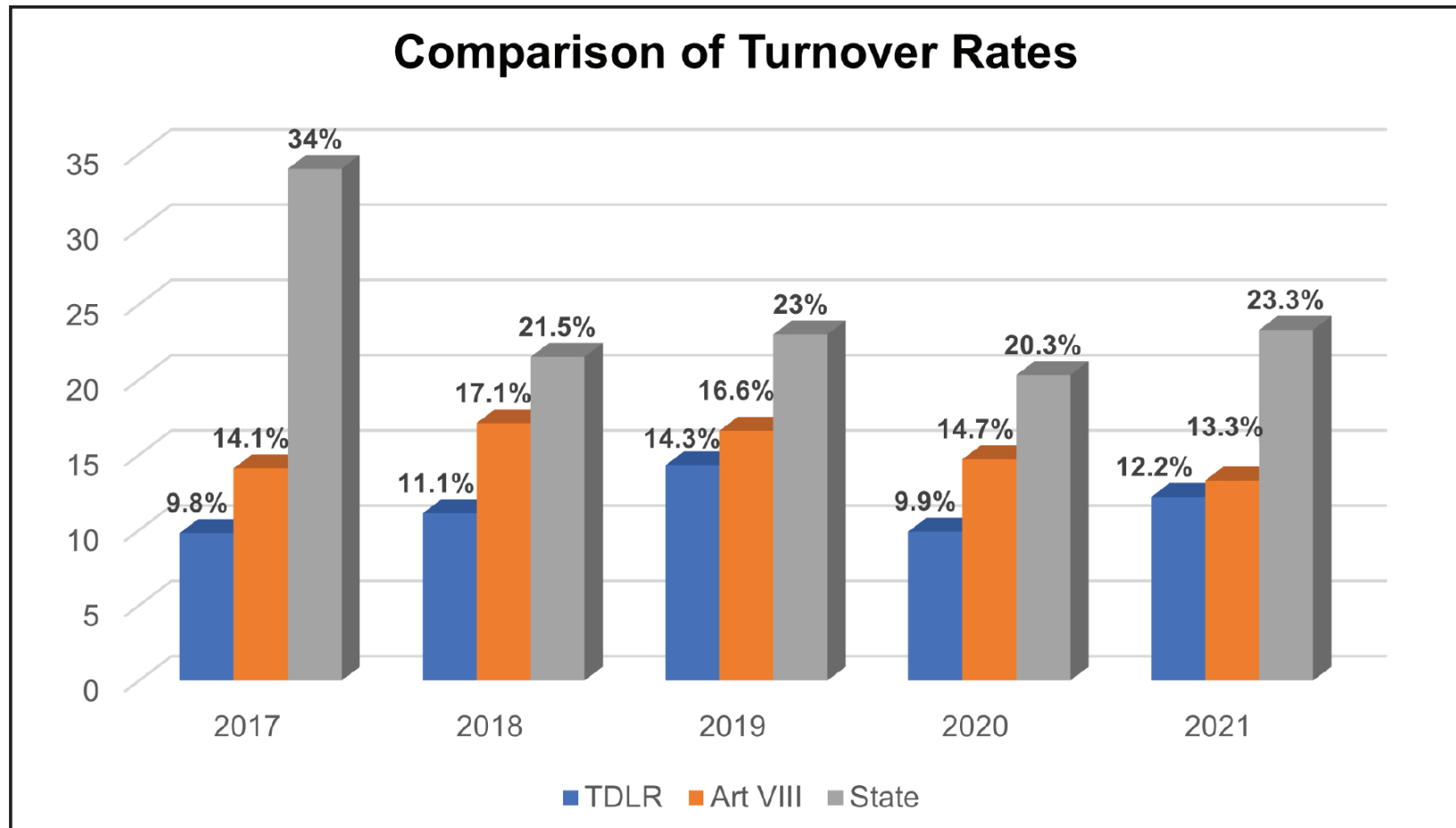
Nearly 80% of TDLR employees are over the age of 40, while the overall state agency workforce is comprised of almost 63% percent of employees in that same demographic, and 31% of TDLR employees are eligible for retirement in the next five years. Nearly 4% of agency employees are return-to-work retirees.

TDLR's employment of individuals under the age of 30 is approximately 10% lower than the state agency workforce composition and employment of individuals under the age of 40 is nearly 17% lower than state agency workforce composition. Although TDLR maintains a diverse workforce, efforts will continue to attract and recruit employees in underrepresented demographics.

Due to TDLR's recent growth, 50% of employees have worked for the agency for less than five years. These employees are steadily gaining experience in programs regulated by TDLR, through the critical knowledge transferred to them by more tenured staff.







## EMPLOYEE TURNOVER

TDLR's turnover rate has consistently remained lower than the state and other Article VIII agency averages. In previous years, a large percentage of employees who left transferred to another state agency.

Recently, more employees have indicated they are leaving state employment altogether. In 2021, less than 8% of employees transferred from TDLR to another state agency, while 63% left state employment. In addition, retirements

accounted for 30% of agency separations, down from 37% in 2020. Of the employees completing the exit survey, 72% stated they would want to work for TDLR again in the future.

# AGENCY WORKFORCE PLAN

## SELECTED POSITIONS AND TURNOVER

In Fiscal Year 2021, employees in the customer service representative, administrative assistant, and investigator/inspector classifications comprised 27% of TDLR's employees but accounted for 45.3% of the agency's turnover. Retirements accounted for 20.7% of separations in these three classifications.

Recruiting and retaining employees in mission-centric positions (such as customer service representatives, investigators, inspectors, and administrative assistants) that perform critical support functions across multiple divisions has proved challenging. TDLR has struggled to competitively compensate these employee demographics because the private sector, and in some instances, other state agencies offer significantly higher pay for comparable work. Increased appropriations will be vital to ensuring all staff can be adequately compensated for the work performed.

Another area of significant concern is the turnover of employees in the Director classification. In 2021, nearly 32% of Directors left the agency, and of those 83% were retirements. Within the next five years, 53% of Directors are eligible for retirement.

Classification	Percent of Agency Turnover	Percent of Total FTEs
Customer Service Representative	20.3%	8.7%
Investigator/Inspector	15.6%	13.5%
Director	10.6%	2.8%
Administrative Assistant	9.4%	4.8%

## GENDER AND TURNOVER

In Fiscal Year 2021, TDLR's workforce was composed of 63% female and 37% male. Turnover in the male demographic was slightly higher than the agency composition for that demographic.

Gender	Headcount	Separations	Separation Rate
Female	317	39	12.3%
Male	200	25	12.5%

## ETHNICITY AND TURNOVER

In Fiscal Year 2021, separations were proportionate in relation to the agency composition for each ethnicity.

Ethnicity	Headcount	Separations	Separation Rate
Asian/Pacific Islander	35	4	11.4%
Black	90	15	16.7%
Hispanic	175	14	8%
White	212	31	14.6%
Two or More Races	2	0	n/a
American Indian or Alaskan Native	3	0	n/a

## PROJECTED TURNOVER

We project our turnover rate for the next five fiscal years will fluctuate because of the competitive job market, increasing salaries in the private sector and a growing demand for remote-only opportunities. During this unprecedented time, we continue to maintain our commitment to a supportive work culture which promotes flexibility, self-care, employee recognition, career progression and growth, and extracurricular programs and activities – factors that contribute to continued employee retention and job satisfaction.



## EMPLOYEE RETENTION

Our retention of diverse and highly qualified employees who have the skills to fulfill our mission, vision and goals is a result of our unique organizational culture. We attribute our success to our top-down employee engagement initiatives championed by executive leadership, transparency in organizational communication, promotion of work-life balance and personal well-being, organizational cohesion, and opportunities for professional growth and advancement.

As a result of our active recruitment and retention of veterans, we earned the *We Hire Vets* designation from the Texas Workforce Commission, recognizing that at least 10% of our workforce are veterans.

### Employee Flexibility and Support

- Work-life balance with flexible and compressed work schedules
- Equipping employees for remote and hybrid work environments and opportunities
- Access to a robust Employee Assistance Program (EAP) which provides counseling, training, and a variety of other support services
- Encourage physical and mental well-being through agency-promoted health activities and initiatives incentivized through an agency wellness store to reward participating employees
- Business casual environment

### Employee Recognition

- Peer recognition notices in weekly agency newsletter
- State and agency length of service acknowledgements
- Recognition from leadership for exceptional work performance
- Salary adjustments, merit increases and bonuses
- Retention and recruitment contracts

### Career Progression and Growth

- *Stepping Stones for Success*, an agency initiative that provides comprehensive training to all employees on core functions, operations, and processes of agency divisions
- Peer and management mentoring
- Cross-training opportunities to advance skills and knowledge
- Trainings provided by Human Resources staff on application process and interviewing skills
- Internal-only job postings
- Personal and professional development platform through *LinkedIn Learning*
- TDLR Chapter of Toastmasters International, teaching public speaking and leadership skills, held virtually and on-site at no cost to employees for membership

### Extracurricular Programs and Activities

- Fun-Filled Fridays to promote agency culture and encourage employee camaraderie through interactive participation in teambuilding activities
- Employee Recognition Team hosts periodic events and activities to promote employee morale
- Veterans Association provides resources and support for TDLR veteran members and their families
- Annual Veterans Day luncheon and recognition program
- Friday Forums led by executive leadership to provide employees with up-to-date information on agency news and initiatives
- State Employee Charitable Campaign Committee promotes activities to raise funds and foster fellowship among staff

## TDLR'S FUTURE WORKFORCE PROFILE

We employ a highly qualified, mission-driven workforce that performs complex and diverse duties in a variety of program and technical areas. Our future workforce must continue to be intelligent, innovative, adaptable, multi-talented, culturally sensitive, customer-focused, and solution-centered. Basic technological competence is necessary to ensure seamless continuity of operations in the wake of critical

# AGENCY WORKFORCE PLAN

and emergency events; however, greater technological proficiency is likely to be required of all employees in the future as the agency increases its use of technology to fulfill its mission-critical activities. Broadening the skill sets of employees through ongoing professional development is a priority, and we are committed to providing quality training and professional development opportunities that focus on agency and division critical skills and technical requirements for all employees.

Our regulatory responsibilities have increased steadily due to legislative action and population growth. However, staff allocation has not grown at a comparable rate. As a result, staff are experiencing increased workloads due to evolving responsibilities, and we are increasingly focused on developing multi-functional employees for interdivisional sharing of responsibilities. Retaining our current workforce through competitive compensation in addition to recruiting and retaining new staff is vital to achieving our vision of providing low-cost licensing and regulatory services and exceptional customer service.

While our culture of appreciation and recognition continues to motivate employee performance, turnover has increased. In addition, we have had difficulty recruiting for several positions at current salary levels, particularly in front-line roles, professional roles such as attorneys, technical roles in industries we regulate, and in Information Technology (IT) roles. The ability to compete for highly qualified applicants

will continue to prove crucial in our efforts to maintain the diverse and skilled workforce needed to carry out the agency's mission. We must implement attractive recruitment and retention strategies to differentiate ourselves in an increasingly competitive job market. Key to doing so is increased funding that enables us to properly compensate employees and continue to provide and enhance the quality of service Texas deserves.

## **FUTURE WORKFORCE SKILL NEEDS**

Over the next five years, we anticipate an overall shortage of critical workforce skills due to the challenges in recruiting across several positions because of an increasingly tight labor market and lack of competitive compensation. In addition, we anticipate a gap in institutional knowledge and technical experience due to growing workloads, the alignment of current programs, implementation of Sunset recommendations, and retirements. Organizational development efforts to train and mentor our current workforce along with recruitment and retention strategies will enable us to attract and maintain a diverse and highly skilled workforce.

## **TDLR WILL REQUIRE**

- Administrative assistants with advanced organizational skills and proficiency in office software and hardware to support cross-functional teams
- Employees with technological proficiency to seamlessly transition to automated

processes under a centralized licensing system, and analytical skills to process and review license applications

- Customer service staff with strong written and oral communication, and technological, bilingual, and problem-solving abilities to match the volume and complexity of inquiries
- Employees with technological proficiency across multiple software programs that can increase productivity through efficient use of technological resources
- IT professionals with knowledge in information security, technology support, web development, accessibility, and software applications
- Subject matter experts whose unique professional skills and industry knowledge ensure an understanding of state regulatory requirements
- Inspectors with strong communication, technological, bilingual, and critical thinking skills to meet the complexity of inspections and educate licensees from multiple industries
- Investigators, prosecutors, and legal assistants with skills to quickly resolve an increasing number and variety of complaints
- Finance professionals with experience in procurement and contract review and management expertise.

## EXPECTED WORKFORCE CHANGES



### TECHNOLOGY

Advanced technological skills will be required for all employees in our future workforce. Our employees must excel beyond technological competence to skillfully use databases, software applications and technical hardware. Increasingly, people expect to be able to do things online, including interacting with government agencies. Accordingly, excellent customer service in this landscape requires a well-functioning, adaptive workforce who can perform virtually as well as face-to-face.

### ADAPTING TO GROWING AND SHIFTING RESPONSIBILITIES

The Sunset Advisory Commission review of TDLR led to a realignment of resources to implement a risk-based approach in our regulatory activities. As a result of this realignment, our employees have experienced an increased workload. For example, risk-based inspections and investigations are being prioritized under shortened timelines, while periodic inspections and increased complaint investigations for a growing number of licensees are still required. As the population of Texas continues to grow, we anticipate further increases in the agency's workload. To continue to deliver cost-effective customer service, safeguard the public, and ensure an efficient regulatory environment, we must expand our current workforce and retain skilled staff.

### RETIREMENTS AND SEPARATIONS

Nearly one-third of employees will be eligible for retirement in the next five years, including over 50% of our agency leadership. The potential loss of these employees with vital institutional and technical knowledge requires continued careful succession planning. Mentoring, job shadowing, and cross-training will continue to be essential to maintaining institutional knowledge and technical expertise as well as to developing and enhancing critical workforce skills.

## GAP ANALYSIS

### ANTICIPATED SHORTAGE IN KEY STAFF

We have identified the following gaps between anticipated needs and our current workforce:

- Loss of critical skills and core competencies due to turnover amid recruitment challenges in a changing workforce landscape;
- An aging workforce which impacts succession planning; and,
- Loss of institutional knowledge and expertise due to turnover of critical staff as a result of retirements. The amount of our workforce eligible for retirement within the next five years is 31%, including nearly 53% of the agency's directors.

### ANTICIPATED SHORTAGE OF SKILLS

We work hard to recruit, train, and retain a diversely-skilled staff, but continue to see a shortage of technological skills and subject matter expertise. We need staff capable of maximizing the use of available technology and information systems. Additionally, our recruitment efforts have been challenging, because of competition from the private sector. This applies particularly to employees in frontline roles critical to the fulfillment of our mission and employees in professional and highly technical positions.

# AGENCY WORKFORCE PLAN

## STRATEGY DEVELOPMENT

### **Issue: Retirements create a significant loss of valuable experience and knowledge.**

Goal: Continue developing critical skills in current staff to maintain successful administration of programs.

Rationale: Executive and divisional leadership as well as staff throughout the agency with indispensable knowledge are eligible for retirement.

Action: We will continue to formalize efforts to identify divisions where career progression tracks can be defined through promotion and reclassification opportunities, and identify areas where staff can develop leadership skills. In addition, we will formalize documentation of processes and procedures for core functions and produce guidance documents to record the protocol used for decision-making. We will also assign backups to positions where gaps are identified and continue efforts for mentoring, job shadowing, and cross-training, allowing less-tenured staff to collaborate with senior subject matter experts to develop and sharpen specific skills.

### **Issue: Attracting and retaining workers within a growing generational demographic.**

Goal: Increase hiring and retention of employees who recently entered the workforce to maintain diversity.

Rationale: We endeavor to employ a qualified and diverse workforce. Less than 5% of our 514 employees are under the age of 30.

Action: We will continue recruitment efforts to identify qualified individuals who have more recently entered the workforce and possess critical knowledge and skills. This year, we instituted a more robust internship initiative to attract undergraduate and graduate students to gain experience at TDLR through selected positions with career path opportunities. We have significantly increased outreach efforts at job fairs but must broaden the scope of our efforts to identify applicants with experience in skilled technical trades we regulate. We have also identified pathways for individuals within skilled trades to join the agency in entry-level positions and undergo training that allows them to gain the knowledge necessary to grow within their position and technical area.

### **Issue: Ongoing development of critical and future workforce skills to meet the agency's growing technological demands.**

Goal: Continue to provide training that strengthens skill sets and abilities of all employees to contribute to our vision, mission, and goals.

Rationale: The agency's many responsibilities require employees to expand their knowledge of regulatory programs, use multiple systems, and develop advanced technological competencies to create proficiencies and maximize productivity.

Action: We will carefully curate training to meet division-specific technological needs, program requirements, and fill knowledge gaps.

### **Issue: Attracting and retaining employees in technical and frontline positions.**

Goal: Engage in recruitment initiatives to increase hiring and retention of employees in professional, technical, and frontline positions.

Rationale: Competition from the private sector has made it challenging to recruit qualified applicants to fill vacancies in our administrative services and regulatory divisions.

Action: Offer competitive salaries, benefits, and recruitment contracts and promote awareness of our flexible work schedules, telecommuting opportunities, employee recognition, and wellness program to attract qualified applicants.