In 2023, DIR was named a Top Workplace in the Greater Austin Area by the Austin American Statesman for the third consecutive year. For the first time in the agency's history, DIR was also recognized as a Top Workplace in the United States among employers with 150 to 499 employees. This national award from Top Workplaces recognizes the value of prioritizing people and engaging the workforce in the agency's mission, vision, and core values. In addition, WeHireVets recognized DIR for having a workforce comprising more than 10 percent veterans.

A great workplace culture and the resulting accolades do not happen without strong workforce planning. DIR takes intentional, deliberate steps to create a desirable workplace every day, and prepares a formal workforce plan each biennium. DIR's workforce plan follows guidelines developed by the State Auditor's Office and includes both an analysis of the current workforce and a plan for addressing the agency's critical staffing needs in the future.

Current Workforce Profile

DIR's legislative appropriations cap for full-time equivalent (FTE) positions is 228 and 267 for FY 2023 and 2024, respectively. As of May 17, 2024, DIR has 246 employees with an additional seven interns who are serving in an experiential-learning capacity.

DIR's workforce is 50 percent female and 50 percent male. While the agency's workforce is balanced among male and female, when it comes to age, approximately 80 percent of the agency's employees are age 40 and over, and only four percent are under 30 years of age. The average age of a DIR employee is 48.

To recruit younger workers, the agency has implemented creative recruitment strategies including the expansion of experiential-learning programs for graduates of high schools, public junior colleges, public technical institutes, and four-year colleges or universities. In addition, the agency is expanding its development of workforce programs, succession planning, and retention strategies to ensure that DIR has sufficient staff with the right skills to continue fulfilling the agency's mission.

Employee Age (Years)

Legend:
- 60+ (17%)
- 50 - 59 (38%)
- 40 - 49 (25%)
- 30 - 39 (16%)
- Under 30 (4%)
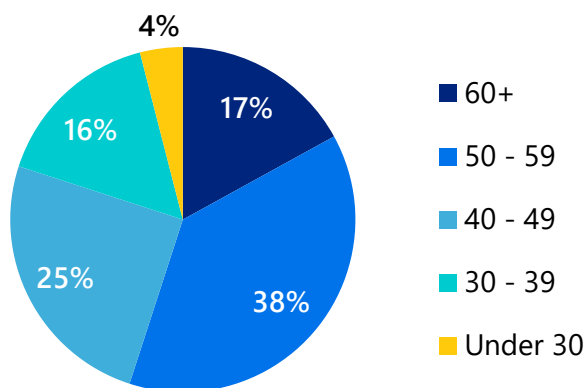
Equal Employment Opportunity Job Categories

DIR has a highly educated workforce with many professional and technical employees holding advanced degrees, certifications, and other technical credentials. These advanced degrees and credentials are associated with certain equal employment categories, and due to the complex nature of DIR's work, these highly educated employees comprise the greatest portion of DIR's workforce with 68 percent in the Professional category.

Equal Employment Opportunity Job Categories

- Officials, Administrators
- Professionals
- Technicians
- Administrative Support
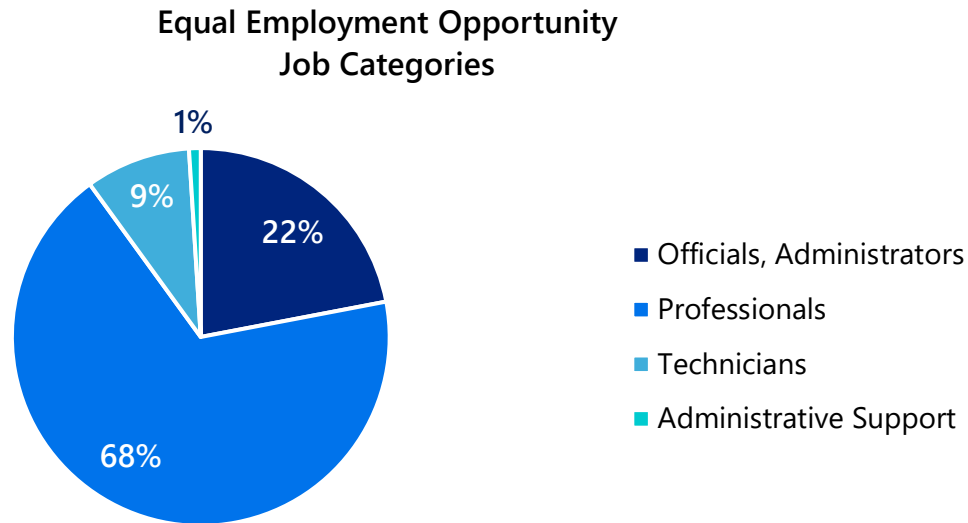
Workforce Demographics

DIR is committed to creating a dynamic and welcoming workplace that celebrates a team of employees as uniquely Texan as our great state. The agency is committed to providing equal employment opportunities. DIR does not exclude anyone from consideration for recruitment, selection, training, appointment, promotion, retention, or any other personnel action, nor does DIR deny any benefits or participation in programs or activities that it sponsors on the grounds of race, color, national origin, sex, gender, religion, age, or disability. DIR makes every effort to recruit, select, and retain a qualified workforce that is representative of the state's labor force, and DIR will continue to work diligently to meet the equal employment opportunity goals of the State of Texas.

The following table provides a comparison of DIR's workforce with the State of Texas' workforce based on the Equal Employment Opportunity (EEO) job categories as of May 17, 2024.

EEO Job Category	African Americans		Hispanic Americans		Female	
	State*	DIR	State*	DIR	State*	DIR
Official/Administrator	9%	9%	25%	13%	40%	53%
Professional	11%	17%	23%	22%	53%	53%
Technical	12%	20%	39%	10%	64%	5%
Administrative Support	15%	67%	38%	33%	74%	100%

*Equal Employment Opportunity and Minority Hiring Practices Report, FY 2021-2022
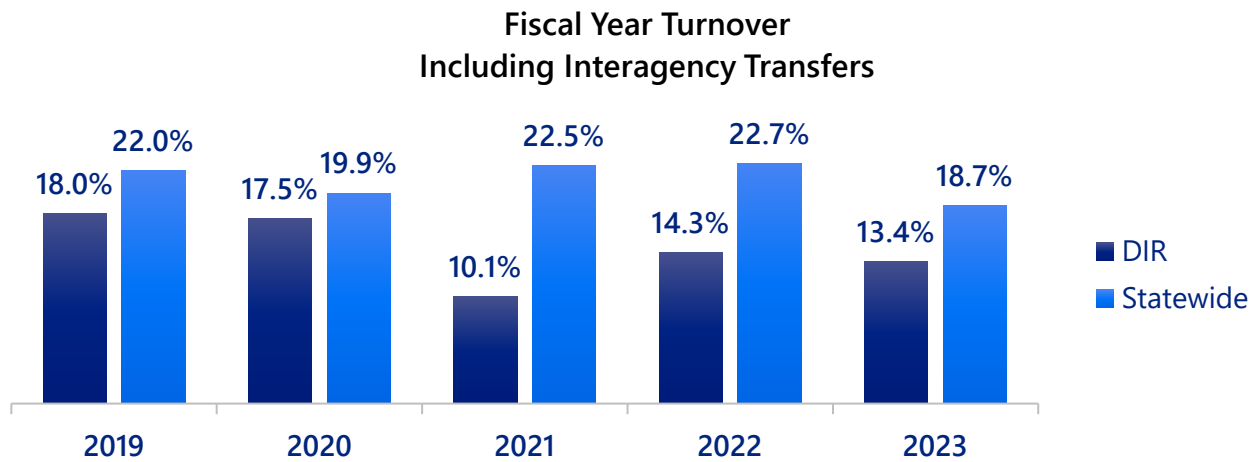
Tenure

The average length of service for DIR employees is six years. Approximately 41 percent of DIR's employees have served the agency for five or more years. DIR employees have an average of 13 years of state service, with 76 percent serving the State of Texas for five or more years.

Employee State Service (in Years)

| Over 20	15-20	10-14	5-9	2-4	Less than 2
7%	6%	11%	17%	27%	32%
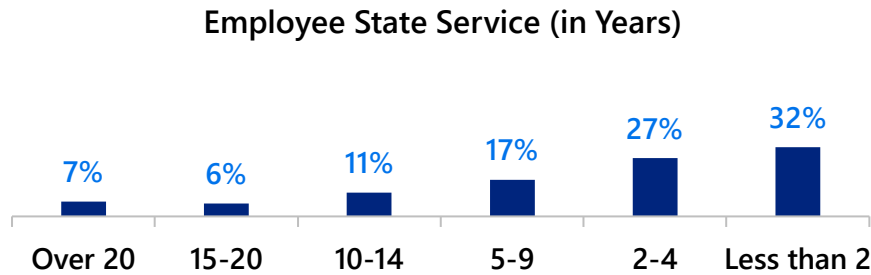
Employee Turnover

Employee turnover represents a direct cost to any organization. The loss of institutional knowledge and experience impacts DIR's ability to fully perform our mission. High staff turnover adversely impacts the operational program in which it occurs and adds strain on the remaining workforce.

DIR's employee turnover rate was well below the state government turnover rate from FY19 through FY23. DIR's turnover rate for FY23 was 13.4 percent versus 18.7 percent for state government.

Fiscal Year Turnover
Including Interagency Transfers

	2019	2020	2021	2022	2023
DIR	18.0%	17.5%	10.1%	14.3%	13.4%
Statewide	22.0%	19.9%	22.5%	22.7%	18.7%

Retirement Eligibility

Employees over the age of 40 make up 80 percent of DIR's FY24 workforce, and approximately 27 percent of the agency's current 246 employees will be eligible to retire between FY24 and FY27.

Retirement Eligibility

2024	2025	2026	2027
15%	3%	4%	5%
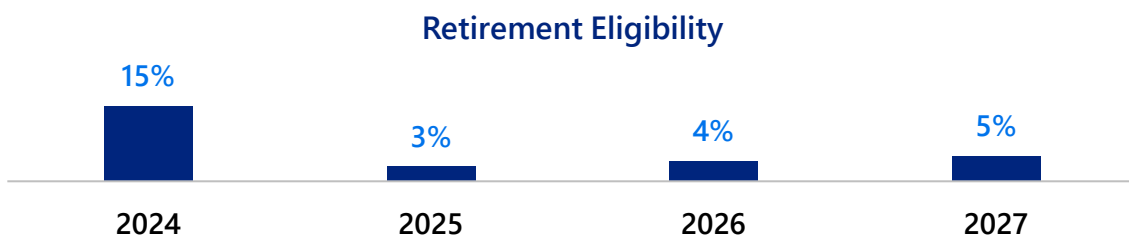
Current and Future Workforce Challenges

Labor Market and Trends

The Bureau of Labor Statistics projects that total employment in the United States will grow by 4.7 million between 2022 to 2032.[5] This projected growth is slower than the annual growth recorded from 2012 to 2022. While the United States is projected to see slower growth, the state of Texas saw record-breaking job increases in January 2024.[6]

Even with favorable job projections, the technology industry is experiencing widespread layoffs attributed to over-hiring during the pandemic, increased inflation, and weak consumer demand.[7] In 2023, companies laid off about 262,862 technology professionals, and more than 42,324 technology professionals have already lost their jobs in 2024.[8] Despite layoffs in the technology industry, there is still a high demand for cybersecurity analysts, programmers, and blockchain technology professionals. Additionally, software developers are listed as the number one technology job in the U.S. News & World Report Best Jobs ranking.[9]

Texas Demographics

The state of Texas experienced four percent growth from January 2020 to January 2023, including new births and new residents relocating to the Lone Star State.[10] As the state's demographics evolve, so too do education outcomes. About 21.6 percent of the state's population aged 25 and over hold a bachelor's degree as their highest level of education.

With fewer Texans possessing advanced degrees, the state of Texas and DIR are required to find new ways to attract talent that is not contingent upon higher education requirements. Instead, DIR focuses on competency-based requirements, which allows DIR to bring in candidates that are knowledgeable about the role and requirements who might not otherwise have been eligible for a technology position that had a degree requirement.

Generations in the Workplace

For the first time in history, the labor market and workplace encompass five generations including Traditionalists (Silent Generation), Baby Boomers, Generation X, Millennials, and Generation Z.[11]. This impacts the workplace in several ways including recruitment and onboarding strategies, organizational culture, team dynamics, productivity, knowledge sharing, and career development opportunities. To bridge the gap between these generations, DIR must implement traditional and reverse mentor programs, learning and development programs that encourage cohesive and empathetic work styles, and opportunities for innovation.

The spectrum of generations at DIR also directly impacts its retirement and continuity of operations. As DIR's workforce retires, DIR finds itself needing to recruit the next generation of cybersecurity and

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[5] BLS Occupation al Employment Projections, 2022-32, *U.S. Bureau of Labor Statistics*. September 6, 2023.
[6] Texas Celebrates Record Highs For Jobs, Labor Force
[7] Nearly 25,000 tech workers were laid off in the first weeks of 2024. Why is that? *NPR*. January 28, 2024.
[8] Tech layoffs in 2024: A timeline.
[9] Best Technology Jobs, *U.S. News & World Report*. January 2024.
[10] Texas Population Estimates Program. *Texas Demographic Center*. 2022.
[11] 5 Generations Are Now Working Together: Here's How Smart Leaders Are Making the Most of It. *Society for Human Resources Management*. February 2023.

technology professionals. To ensure the continuation of knowledge beyond DIR's retiring workforce and on to the next generations of professionals. DIR must be strategic in its creation of mentorship programs and attendance at training and professional development opportunities.

Texas Workforce System Strategic Plan

Employee Recruitment and Retention
The DIR team includes some of the most talented, dedicated, and professional people in state government. To continue to attract top talent, the agency will expand its experiential learning programs with dedicated recruitment strategies for those with volunteer experience, college internships, course projects, and recent graduation. DIR will also leverage the Apprenticeship Program by entering into an agreement with local public junior college districts or public technical institutes to offer a program leading to a state technology credential and hiring an apprentice to rotate through various technology roles.

To retain the agency's dynamic workforce, DIR will continue to implement effective best practices, encourage employee feedback, and innovate employee engagement programs that foster belonging, encourage mutual respect, and result in agile approaches to leading the state's technology strategy.

With the agency's focus on engaging experiential learning programs for recruitment purposes, comprehensive training and professional development programs will be expanded to upskill these promising professionals. These programs will include micro-learning, skills development, interactive on-the-job training, and in-house professional development. DIR expects these efforts to enhance recruitment and retention, address skills shortages, and enable its employees to establish themselves as experts in technology.

Succession Planning
Succession planning is an ongoing business process through which an organization plans for its future workforce competency needs and actively prepares for future roles to support the organization's long-term success. This requires a proactive approach linking the organization's competency needs to its mission and goals to deliver skills evaluations, adoption of career programs, and the implementation of talent development initiatives. This includes individual development plans, expanded mentor opportunities, and a structured internal mobility program.

With DIR's retirement projections over the next five years, the agency is identifying and implementing strategies to retain institutional knowledge and enhance business continuity efforts.

Workforce Programs
DIR will engage with learning and professional development organizations to implement workforce programs that extend learning adaptability, encourage comprehensive learning, and enable culture change. These programs will assist the agency with its continued effort in delivering technology solutions to state and local government entities.

Additionally, DIR will continue to partner with school districts, public community colleges, and other institutions of higher education to build career pathways, customize skills development, and leverage workforce training programs to help its workforce with gaining in-demand skills that transform how Texas government serves Texans.

Survey of Employee Engagement Results

DIR participated in the Survey of Employee Engagement in April 2024 to measure employee engagement and workplace satisfaction. DIR had a 93.4 percent response rate, which is considered

high, indicating that employees have an investment in the organization, want to see the organization improve, and generally have a sense of responsibility to the organization.

DIR's overall Survey of Employee Engagement[12] score was 427 (the highest employee engagement rating since the agency began participating in the survey). Scores above 350 are considered desirable and show the product of an engaged workforce. Nationwide polling data shows 30 percent of employees are Highly Engaged or Engaged, whereas 77 percent of DIR employees fell into this category (an increase of 2 points since the 2022 Survey of Employee Engagement). DIR scored the highest in the following three areas: supervision (445), strategic (447), and workgroup (454). Areas identified as opportunities for improvement were internal communication (425), benefits (405), and pay (314).

Overall Engagement Score

Year	Score
2014	384
2016	401
2018	390
2020	389
2022	410
2024	427
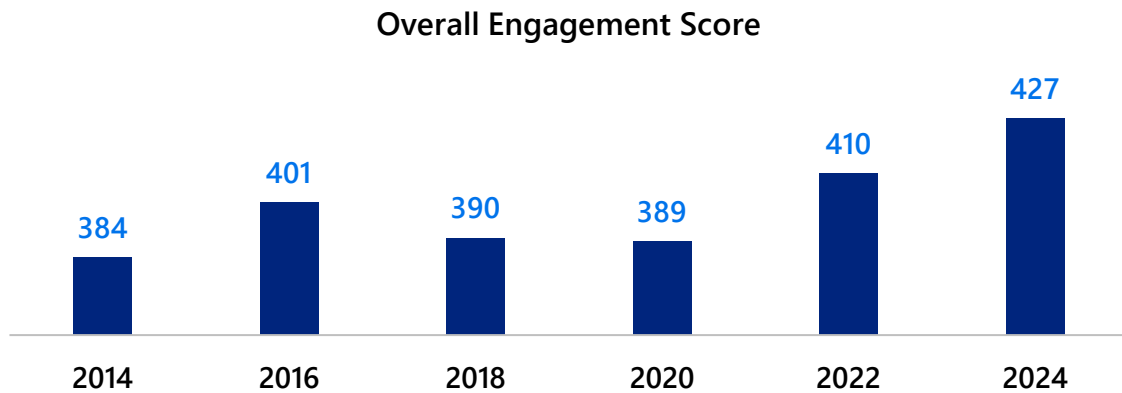
[12]Survey of Employee Engagement Executive Summary, Institute for Organizational Excellence, The University of Texas, 2024.