

APPENDIX F – STAFFING STRATEGIC PLAN

Agency Overview

The agency began in 1909 as the Bureau of Labor Statistics and was focused on labor issues – enforcing labor laws, inspecting factories, and encouraging the growth of Texas industry. During the 1930s, the emphasis shifted from labor to industry regulation. In 1973, the name changed to the Texas Department of Labor and Standards to better reflect its dual purposes.

In 1989, the agency was designated as the Texas Department of Licensing and Regulation (TDLR). TDLR became the state’s occupational licensing agency, responsible for regulating certain businesses, equipment, and occupations. The agency’s labor oversight was transferred to what is now the Texas Workforce Commission. In every legislative session since 1999, TDLR has been assigned additional regulatory responsibilities. In 2003, the agency underwent Sunset Review and was recognized as the state’s model regulatory agency. In 2010 and 2011, TDLR was ranked among the top 25 mid-sized employers in Austin by the Austin American Statesman. TDLR also received the Progress Level Award from the Quality Texas Foundation in 2011, in recognition of outstanding organizational management and performance.

Through its functional alignment, TDLR applies uniform processes to issue licenses, conduct inspections, monitor third-party inspectors, investigate and resolve complaints, prosecute violators, and educate licensees and the public about the programs TDLR administers.

A. AGENCY VISION, MISSION AND PHILOSOPHY

TDLR’s vision is to be the leader in public service, customer satisfaction, and **innovation**.

TDLR’s mission is to honor the trust of all Texans, ensure public safety and consumer protection, and provide a fair and efficient regulatory environment.

TDLR’s philosophy is to:

- Serve the public best by regulating in an open, fair, and consistent manner;
- Serve the citizens of Texas responsibly with maximum efficiency and transparency;
- Honor everyone’s right to be heard by providing opportunities for participation for all our customers and employees;
- Provide the highest level of **customer service**;
- Develop leaders who model and foster our Core Values;
- Embrace change and **innovation** by never compromising quality or just doing things the way they’ve always been done;
- Create efficient and cost-effective partnerships with private and public sectors;
- Cut costs and reduce waste wherever possible, ensuring wise and limited use of public resources; and
- Value the dignity and worth of our customers and employees.

B. STRATEGIC GOALS AND OBJECTIVES

Goal: LICENSING

Objective: To effectively license businesses, equipment, and occupations.

Achieving this goal will streamline costs of issuing and renewing licenses in a timely manner, ensuring licensees are competent and qualified.

Goal: REGULATION

Objective: To protect the public by enforcing laws administered by the agency.

We will accomplish this objective by hiring and training inspectors, investigators, legal assistants and prosecutors with deductive reasoning and proficient writing skills. We provide our current staff with the training and technology to ensure efficient complaint resolution.

Goal: CUSTOMER SERVICE

Objective: To promptly respond to customer inquiries on programs regulated by TDLR.

In addition to processing license renewals and penalty payments by phone, our multi-lingual Customer Service staff keeps up to date on TDLR programs and responds quickly to inquiries received by telephone, fax, email, social media, and in person.

Goal: SKILLS

Objective: To hire and retain a workforce committed to outstanding service and performance.

To attain this objective, we will identify training needs and determine cost-effective methods of delivery, provide essential training by function, division, and section, and use retention bonuses, merit pay, and flexible working hours to reward staff.

Goal: LEADERS

Objective: To develop staff for future leadership roles.

This objective will be accomplished by evaluating current performance, increasing responsibilities, identifying developmental opportunities, providing cross-training and mentoring, and cultivating the skills of potential leaders.

C. CORE BUSINESS FUNCTIONS

From boxers to boilers to cosmetologists to tow truck operators, the scope of TDLR's responsibilities covers a wide variety of businesses, equipment, and occupations. TDLR is organized into six functional areas to maximize effectiveness to oversee 28 diverse statutes with 155 license types and a licensee population of 655,987.

Administration

- Provides expertise in executive management, legal counsel, human resources, information technology, financial services, government relations, and Commission and Advisory Board support.

Compliance

- Performs plan reviews and inspections, provides technical expertise, and monitors third-party reviewers and inspectors.

Customer Service

- Assists the public and licensees via telephone, email, social media, and personal contact.

Education and Examination

- Reviews and approves barber and cosmetology schools, and continuing education providers and courses; it also manages licensing examination development and delivery.

Enforcement

- Investigates complaints and prosecutes violators.

Licensing

- Issues licenses to qualified businesses, equipment, and occupations.

D. ANTICIPATED CHANGES TO MISSION, STRATEGIES AND GOALS

TDLR's core mission, strategies, and goals remain the same. However, we anticipate needing to support our workforce to maintain our high standards and meet future challenges.

TDLR increasingly relies more and more on technology to deliver our services and will need to provide additional cost-effective training to ensure advanced knowledge and skills.

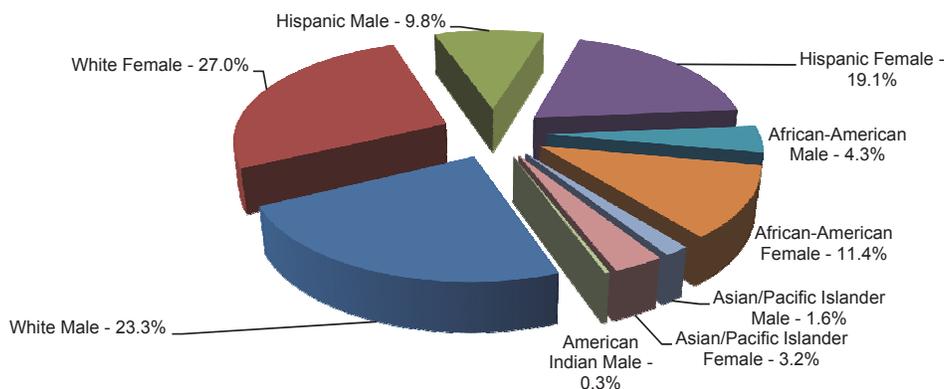
The agency may be assigned additional responsibilities, and would request corresponding adjustments to maintain or increase productivity.

TDLR's Current Workforce Profile

A. WORKFORCE DEMOGRAPHICS

For the 2012 - 2013 biennium, the agency has an authorized workforce of 392.2 full-time equivalent positions (FTEs), a 2.4 percent decrease over the last biennium. Of the 392.2 FTEs, 318.2 are located in Austin and 74 work in field locations around the state.

Fiscal Year 2012 Organization Profile (through 2nd Quarter)



Commitment to Employing a Qualified and Diverse Workforce

TDLR meets its commitment to provide equal employment opportunities to all employees and applicants. We employ a highly qualified workforce that reflects the diversity of Texas.

TDLR’s workforce was 28.9 percent Hispanic-American, 15.7 percent African-American, and 4.8 percent Asian/Pacific Islander-American in the second quarter of fiscal year 2012, with over a 60 percent female workforce. The composition of the agency’s workforce is equally diverse when compared to the statewide public workforce by job category.

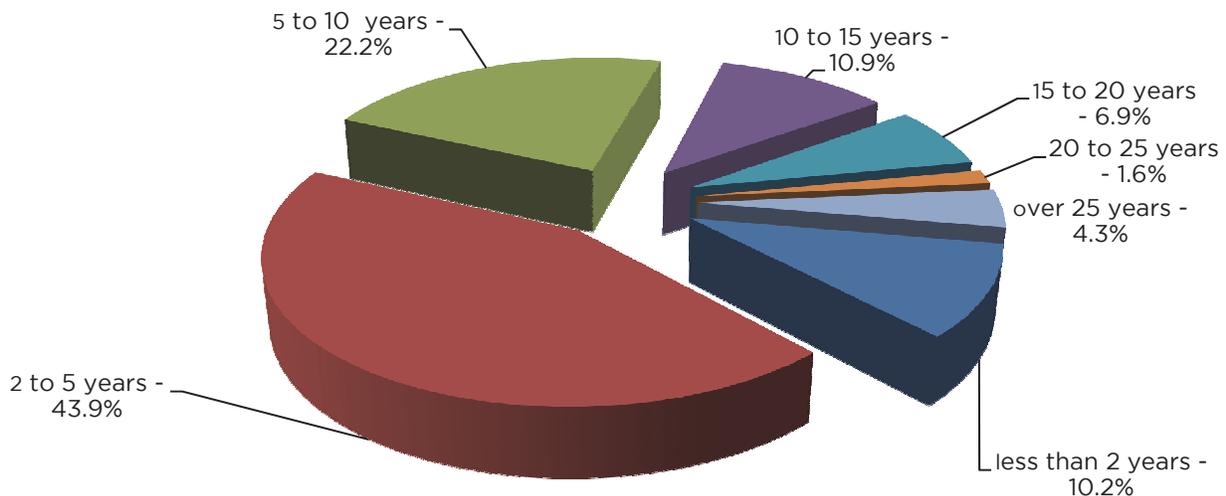
Agency Workforce Composition (fiscal year 2012, through 2nd quarter)

JOB CATEGORY	AFRICAN-AMERICAN		HISPANIC-AMERICAN		FEMALE	
	TDLR %	STATE %	TDLR %	STATE %	TDLR %	STATE %
Officials / Administrators	17.6	10.2	5.9	15.6	19.7	45.1
Professionals	15.3	14.9	24.5	19.9	56.4	51.9
Paraprofessionals	9.3	31.5	30.9	28.8	82.5	71.7
Technicians	10.2	15.2	26.5	28.6	44.0	55.1
Administrative Support	24.6	19.2	40.0	32.2	86.3	87.1

Experienced Workforce

Approximately 46 percent of our employees have five or more years of experience with agency programs, and can provide knowledge and industry expertise. Newer employees contribute new perspectives that improve our planning, processes, and services. Both are essential to the continued growth and success of the agency.

Employee Length of Service with Agency Programs FY 2012



B. EMPLOYEE TURNOVER

TDLR achieves a consistently low turnover rate due to its satisfying work environment, opportunities for growth and culture of respect. TDLR uses employee feedback from the Survey of Employee Engagement and the Employee Exit Survey to develop a positive environment that

empowers and helps to retain employees. TDLR also offers comprehensive benefits, flexible work schedules, retention contracts, wellness programs, and employee recognition.

Projected Turnover

While TDLR’s projected turnover rate for 2012 will continue to be below the state average, it is in danger of increasing if the department can only offer less than competitive salaries as a result of recent budgetary constraints.

TDLR, Regulatory Agencies and State Turnover Rates



Turnover Rates by Selected Positions

In fiscal year 2011, inspectors and customer service representatives contributed to over 40 percent of the agency’s turnover rate.

Turnover by Classification Fiscal Year 2011

FY 2011 TURNOVER BY CLASSIFICATION	PERCENT OF TOTAL FTES	PERCENT OF AGENCY TURNOVER
Customer Service Representatives	10.2	23.5
Inspectors	10.5	17.6

Length of Service and Turnover

The higher turnover rate of employees with two to five years of service indicates a need to refocus our employee retention efforts.

Length of Service with Turnover Rate

FY 2011 LENGTH OF SERVICE	PERCENT OF TOTAL FTES	PERCENT OF AGENCY TURNOVER
Less than 2 years	13.1	17.7
2-5 years	46.3	50.0
5-10 years	22.5	23.5
10-15 years	10.2	5.9
15-20 years	3.9	0.0
20-25 years	1.2	2.9
Over 25 years	2.7	0.0

Age and Turnover

As a result of the aging of our workforce, we will inevitably see increases in the number of employees retiring who are 50 and older. Nearly 10 percent of the agency's employees between the age of 60 and 69 retired from the agency in fiscal year 2011.

Age Distribution with Turnover

FY 2011 AGE GROUPS	TOTAL FTES	PERCENT OF TOTAL FTES	TOTAL SEPARATIONS	PERCENT OF AGENCY TURNOVER
Under 30 years	17	4.6	1	2.9
30-39 years	66	17.9	7	20.6
40-49 years	131	35.5	12	35.3
50-59 years	102	27.6	8	23.5
60-69 years	50	13.6	6	17.6
70 years and over	3	0.8	0	0.0

C. INCREASED RETENTION

TDLR's turnover rate has remained significantly lower than the statewide rate for the past seven years as a direct result of management's commitment to maintaining a satisfying work environment.

- Our retention strategies include:
 - » merit pay to reward staff for exceptional performance;
 - » retention contracts for key staff, including technical and bilingual employees;
 - » flexible work hours and compressed work weeks;
 - » **open communication** between all staff, including implementing suggestions from employee brainstorming sessions, surveys and online suggestion box;
 - » training to develop job-related skills and enrich professional and personal growth;
 - » the "You Can Count On Me" program to allow employees to recognize and reward their coworker's contributions to the agency's success by recommending four hours of administrative leave;

- » opportunities for staff beyond their regular job responsibilities such as program implementation teams, bill analysis teams, and strategic planning teams;
- » an on-site wellness program, to address nutrition, stress-relief, and fitness;
- » special programs throughout the year to celebrate cultural diversity; and
- » length-of-service awards.

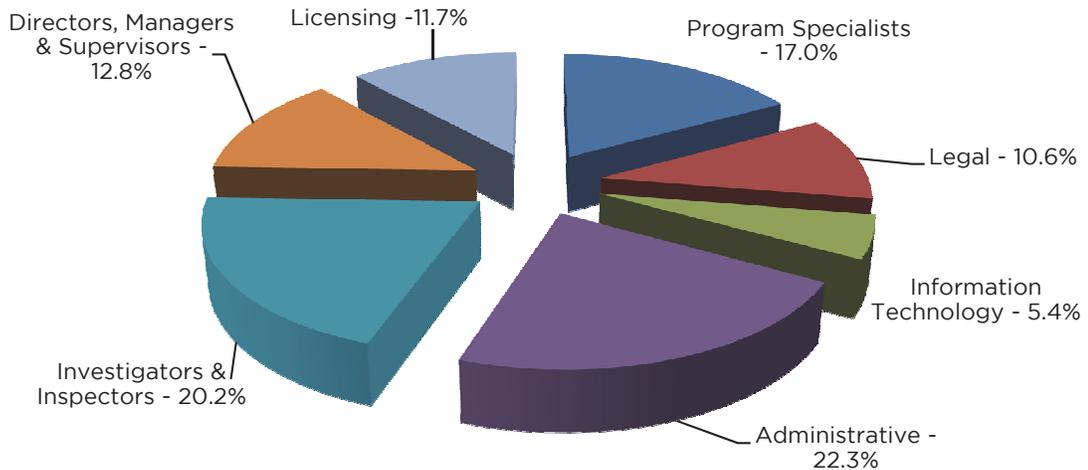
TDLR’s recognition as one of the top 25 mid-sized employers in 2010 and 2011 by the Austin American-Statesman demonstrates our level of success in providing a satisfying work environment for our employees. TDLR also recently earned the Progress Level Award from the Quality Texas Foundation, which recognizes companies and agencies that demonstrate sound, balanced approaches to organizational management and performance.

D. RETIREMENT ELIGIBILITY

TDLR reviews the reasons employees leave the agency. In 2011, nearly 24 percent of the employees who left the agency left due to retirement. This rate is likely to increase as more than a quarter of TDLR’s workforce will be eligible to retire within the next five years.

Retirement Eligibility by Job Category (through fiscal year 2017)

E. CRITICAL WORKFORCE SKILLS



TDLR relies on each employee to achieve the agency’s mission and goals. Our employees’ critical workforce skills include:

- leadership, mentoring, and project management;
- solving problems, anticipating trends, and explaining statutes, rules and policies;
- technical knowledge of regulated industries;
- quality **customer service**;
- expert inspection and investigation techniques;
- effective **communication**, with specialists providing both bilingual and plain language skills;

- legal and financial analysis;
- capable recruiting and hiring of a dedicated workforce;
- prudent fiscal and accounting services;
- professional partnerships with private sector vendors, municipalities and state agencies; and
- expertise in information technology, telecommunications, and social media.

TDLR’s Future Workforce Profile

TDLR’s vision is to be the leader in public service, customer satisfaction, and **innovation**. We have a proven track record of success, both streamlining transferred agencies (the Barber, Cosmetology, Polygraph Examiners, and Property Tax Professionals) and implementing newly assigned programs (Licensed Breeders, Licensed Court Interpreters, and Service Contract Providers). At a time when consolidating government agencies or responsibilities can provide solutions to current budgetary and operational issues, our successes demonstrate to the Legislature that they can continue to assign and transfer licensing programs to us with confidence.

TDLR’s regulatory responsibilities and licensee population have dramatically increased over the past ten years. As illustrated in the table below, the number of licensees to employees has more than doubled in this time. This is not another example of “big government” but a demonstration of TDLR’s ability to manage increased responsibilities with more efficient use of staff and resources. But no matter how efficient, every organization has a tipping point. In order for TDLR to effectively administer new programs, we will need additional employees and appropriations to match the growth of our agency.

Licensees to Employees Fiscal Years 2001 - 2013

YEAR	STATUTES REGULATED	LICENSEE POPULATION	EMPLOYEES	NUMBER OF LICENSEES TO EMPLOYEES
2001	16	105,904	144.5	733
2003	19	136,785	149.0	915
2005	21	257,079	184.5	1,393
2007	23	532,720	251.0	2,122
2009	25	604,616	379.5	1,593
2011	29	640,195	401.7	1,594
2013	28	655,000*	392.2	1,670*
* estimated				

Expected Functional Needs

Compliance

- Specialists and inspectors whose unique skills and industry knowledge are critical to ensuring compliance with regulatory requirements.

Customer Service

- Experienced and knowledgeable staff with strong interpersonal, technological, and bilingual skills to meet the increase in volume and complexity of contacts, along with expanded social media outreach.

Enforcement

- Investigators, attorneys, and legal assistants will be required to effectively resolve the increasing number of consumer complaints in a timely and efficient manner.

Licensing

- Personnel with the knowledge and analytical skills to review applications to handle a growing number of license types and licensees.

Information Technology

- Programmers to develop and implement new software and other innovative technologies to scale down the work for Compliance, Customer Service, Enforcement, and Licensing divisions and allow the agency to continue to leverage our limited resources.

“I like that management encourages me to meet with future salon owners and discuss the Texas Cosmetology Laws and Rules. This enables owners to keep their customers and employees safe and well-informed.” -
Fernando Reyes, Compliance Inspector, El Paso - TDLR start date: February 1, 2012

Expected Workforce Changes

Expanding Responsibilities

- As the economy in Texas slowly improves, the agency expects an increase in licensees, inspections, and complaints. This growth will increase the workload for our Compliance, Customer Service, Enforcement, and Licensing divisions. Identifying efficiencies and training personnel across functional areas and programs will continue to be a priority.

Individuals with Technical and Industry Expertise

- We rely on employees with unique skills in technical areas such as air conditioning, architectural barriers, boilers, electrical, elevators, industrialized housing and buildings, water well drilling, and weather modification. Competition from the private sector makes it difficult to retain technical employees and significantly decreases the availability of skilled and experienced applicants.

Information Technology

- Increased use of business technology makes it vital to attract and retain employees proficient in developing and maintaining network and information systems. Competition from other employers and the scarcity of the required skills creates a challenge to attract and retain these individuals who are so critical to our success.

Pending Retirements

- The increased number of retiring employees who possess vast program knowledge demands constant refinement of the agency's succession planning to attract qualified employees.

Cost Savings from Flexible Hours and Workspace

- Advances in technology continue to make it more feasible for flexible hours and work from home opportunities. Cost-saving benefits both employee and employer by reducing employee commutes and cost of lease space.

F. INCREASE IN NUMBER OF EMPLOYEES NEEDED

As demonstrated in the past, future staffing needs will be determined by the size and number of programs sent to TDLR. Our employee-to-licensee ratio remains the lowest among all Texas regulatory agencies. This ratio demonstrates our ability to deliver premier service in a cost-effective and prudent manner in these challenging economic times. While we are prepared to implement any new responsibilities given to us, future efficiencies will depend upon receiving the necessary staff and appropriations.

Gap Analysis

A. ANTICIPATED SHORTAGE IN STAFFING LEVELS

The agency has identified the following gaps between anticipated needs and current workforce:

- The number of applicants qualified to administer technical programs such as Air Conditioning and Refrigeration, Architectural Barriers, Boilers, Electricians, Elevators, Industrialized Housing and Buildings, Water Well Drillers, and Water Well Pump Installers has declined significantly as fewer applicants possess the necessary skills and experience. Additionally, the higher pay and stronger benefits offered in the private sector compound the challenge of hiring and retaining technically skilled employees.
- More than a quarter of our workforce is or will become eligible for retirement within the next five years. Approximately 14 percent of our directors, managers, and supervisors, who possess highly specialized skills, leadership ability, and technical knowledge will be eligible for retirement.
- Recent budget constraints have limited TDLR's ability to offer and maintain competitive salaries; these constraints impact recruiting and retention.

“Each week the Licensing division creates a list of people who demonstrate a core value in action. Applying the core values, to not only our licensees but to our co-workers as well, makes for a pleasant work environment.” - *Mitzy Jimenez, Program Specialist, Austin - TDLR start date: June 1, 1992*

B. ANTICIPATED SHORTAGE OF SKILLS

Based on our workforce assessment, we anticipate a shortage of skills in the following areas:

- leadership, mentoring, and project management;
- technical knowledge of regulated industries;
- solving problems, anticipating trends, and explaining statutes, rules, and policies;
- expertise in information technology, telecommunications, and social media;
- critical program areas;

- effective **communication**, with specialists providing both bilingual and plain language skills; and
- professional partnerships with private sector vendors, municipalities, and state agencies.

A large number of employees identified as eligible for retirement are in management positions and positions requiring critical program knowledge. We continue to focus on these key positions in our succession planning to ensure successful administration of programs without interruption, including training, mentoring, cross-training for technical program positions, and leadership development.

TDLR understands that change is constant, and motivates employees to welcome transition. We develop strategies to advance our goals through coaching, **communication**, critical thinking, leadership, and project management. As the agency's responsibilities grow, so does the need for training across functional areas. A competent, well-trained workforce is vital for the continuity of services and successful program implementation.

TDLR continues to focus on recruiting and retaining bilingual employees in positions requiring customer interaction. The department uses retention contracts to retain bilingual employees. In fiscal year 2011, 12 percent of our staff received bilingual retention contracts. Additionally, to increase bilingual skills, TDLR implemented a Rosetta Stone pilot project.

With TDLR's increasing reliance on technology and scarcity of qualified personnel, employees with specific information technology skills are also offered retention contracts.

Strategy Development

The following goals outline how TDLR will address its anticipated workforce gaps. Meeting these goals will allow us to maintain a capable, committed, and empowered workforce.

Retirements create a significant loss of valuable experience and technical knowledge.

Goal: Develop future leaders to maintain leadership and service quality.

Rationale: Directors, managers, and staff who possess vital technical knowledge are eligible for retirement over the next five years.

Action: Management will identify opportunities for succession training and involvement in special assignments such as legislative analysis, program implementation, and strategic planning to develop core leadership competencies. The Executive Office plans to continue sending program managers to the Governor's Executive Development Program training.

Budget constraints limit our ability to attract and retain the best employee for each job.

Goal: Attract and retain qualified employees.

Rationale: TDLR is hindered in its ability to hire and retain qualified employees who contribute to our continued success.

Action: Seek appropriations to fund competitive salaries, benefits, merit increases and retention bonus contracts. Expand flexible work schedules, telecommuting opportunities, employee recognition, and the wellness program. Explore soft-dollar initiatives to further enhance TDLR's work environment to attract and retain the best employees.

Improving critical and future workforce skills.

Goal: Enhance the skills of our workforce.

Rationale: A capable workforce is critical to the agency's mission.

Action: Train employees on new technologies, industry practices, and rule and statutory changes; cross-train employees; offer specific training using online resources and educational tools to better serve our licensee population; and use brainstorming sessions, surveys, and follow-up meetings with employees to identify training needs.