

SORM
State Office of Risk Management
AGENCY STRATEGIC PLAN

FISCAL YEARS 2017 to 2021

BY

STATE OFFICE OF RISK MANAGEMENT

BOARD MEMBER

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DATES OF TERM

02/01/2021
02/01/2019
02/01/2021
02/01/2017
02/01/2021

HOMETOWN

Lubbock
Cameron
Plano
Irving
Austin

Submitted June 24, 2016

SIGNED:



EXECUTIVE DIRECTOR

APPROVED:



BOARD CHAIR

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MISSION

The State Office of Risk Management will provide active leadership to enable State of Texas agencies to protect their employees, the general public, and the state's physical and financial assets by reducing and controlling risk in the most efficient and cost-effective manner.

PHILOSOPHY

The State Office of Risk Management will act in accordance with the highest standards of ethics, fairness, accountability and humanity for both our customers and our employees. Customer service is a cornerstone of our mission.

VISION

*Prepare. Protect. Persevere.
For the State. For the Nation. For the World.*

AGENCY OPERATIONAL GOALS AND ACTION PLAN

GOAL	OBJECTIVE
1. Risk Management	Assist state entities and institutions of higher education in establishing and maintaining comprehensive risk management programs designed to control, reduce, and finance risk. Implement statewide guidelines and assist state entities in identifying and managing enterprise risks at all levels of operations.

ACTION ITEMS TO ACHIEVE OUR GOAL

- 1.1. Administer guidelines adopted by the board for a comprehensive risk management program applicable to all state entities to reduce property and liability losses, including workers' compensation losses.
1.1.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 1.2. Review, verify, monitor, and approve risk management programs adopted by state entities. Assist a state entity that has not implemented an effective risk management program to implement a comprehensive program that meets the guidelines established by the board.
1.2.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 1.3. Compare each state entity's risk management plan against the Office's risk management guidelines. Issue a written report to each state entity either certifying or not certifying the entity's risk management plan.
1.3.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 1.4. Conduct on-site consultations at a state entity's physical location to identify and expose risk exposures and make suggestions for mitigation of risks. Provide written suggestions on risk prevention and control measures that a state entity can implement to prevent or reduce claims and losses.
1.4.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 1.5. Conduct training sessions that address issues related to property, liability, or workers' compensation exposures or losses.
1.5.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 1.6. Assess state entities actions in regards to implementation of the Office's recommendations to control or correct conditions that could lead to injuries. Evaluate the results of implementation of state entity's risk management plans.
1.6.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.

- 1.7. Implement the risk management guidelines of ISO 31000 internally in anticipation of statewide promulgation.
 - 1.7.1. *Actions taken to fulfill this core statutory mission occur on an on-going basis.*
- 1.8. Extend cloud-based risk management information system to include solutions for enterprise risk management, pre-loss environmental, health, safety and loss prevention initiatives, corrective action plans, and full claim life-cycle.
 - 1.8.1. *The Office anticipates the extension will be completed on or before August 31, 2021.*

HOW OUR GOAL OR ACTION ITEM SUPPORTS EACH STATEWIDE OBJECTIVE

1. **Accountable to tax and fee payers of Texas**

The Office receives no General Revenue appropriations, carries no reserves, and is financed wholly through interagency contract. The funding program allocates an assessment, similar to a premium, to all participating entities based on relevant factors as identified by the Board. To date, this methodology has substantially reduced the total cost of the program to the taxpayers of the State.

2. **Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions**

The Executive Director of the Office serves as the state risk manager and is responsible for supervising the development and administration of a system of risk management for the state. The Office maintains guidelines called *Risk Management for Texas State Agencies* (RMTSA), which provide essential information state entities may reference to develop and implement a comprehensive risk management program to reduce property and liability losses, including workers' compensation losses. The guidelines are intended to provide both general and specific direction to state entities to assist them in establishing and maintaining an entity-specific risk management program.

The Office prepares ongoing and special reports for the Texas Legislature, state entities, and the public regarding the status of the statewide risk management program. These reports address many issues including insurance coverage purchased for state entities, identification of those state entities that have performance concerns or have not complied with the reporting requirements, and making recommendations for efficiencies and cost-saving measures.

3. **Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve**

The Office is structured to emphasize its statutory, mission-essential functions and continuously adjusts its risk management program to enhance the effectiveness of identifying risks to covered state entities. The Office has selected the ISO 31000 standard and has trained all relevant staff on the principles, framework, and processes within the standard.

The Office reviews and evaluates state entity risk management programs, manuals, financial statements, employee handbooks, and additional supporting documentation during a risk management program review (RMPR). A written report is submitted to the entity head and

entity risk manager and the entity, who are asked to prepare and submit an action plan to address the findings and recommendations. The Office assists the state entities in implementing action items by providing resources and expertise. Additional on-site consultations (OSCs) are also conducted to assist the entity with implementation of their action plan, or to provide technical assistance, information, education, or training, and address specific exposures or losses.

4. Providing excellent customer service

Customer service is a cornerstone of our mission. The Office provides free resources like a checklist state entities can use to document identified occupational exposures, questionnaires, and a vulnerability survey that includes questions pertaining to the physical security of a state entity's physical location. Dedicated risk management professionals are available to client entities at all times and travel to client locations as scheduled or as requested. The Office also sponsors multiple seminars and training opportunities for client entities.

5. Transparent such that agency action can be understood by any Texan

The Office's internet site provides dynamic, media-rich content to both clients and the general public, including all required and special reports, financial information, educational materials, news and updates, videos, guidelines and rules, and other detailed information regarding agency operations.

OTHER CONSIDERATIONS RELEVANT TO OUR GOAL OR ACTION ITEM

1. The Office is governed by a six-member Risk Management Board of Directors, appointed by the Governor. Members of the board must have demonstrated experience in insurance and insurance regulation, workers' compensation, and risk management administration. Detailed information regarding the qualifications and experience of the Board of Directors is available at the Office's website at <https://www.sorm.state.tx.us/about-us/meet-the-board-of-directors>.
2. Administration of the Office overseen by the State Risk Manager, who serves as Executive Director of the Office. The Deputy Executive Director oversees daily operations of three divisions, managed by qualified Division Chiefs. Detailed information regarding the qualifications and experience of the Executive Management Team is available at the Office's website at <https://www.sorm.state.tx.us/about-us/executive-management-team>.
3. Through training and recruitment, the Office has significantly increased the number of staff with education, professional certification, and expertise in health and safety, risk management, and related fields; worker's compensation insurance and claim management; property, casualty, and liability insurance and claim management; and continuity of operations planning and testing.

GOAL	OBJECTIVE
2. Risk Retention	Administer the statutory Self-Insured Government Employees Workers' Compensation Insurance Program for 127 state entities and 122 community supervision and corrections departments, covering approximately 187,500 individual employees. The Office employs professional claims adjusters that handle all aspects of work-related injury claims as required by law and policy. Excluding workers' compensation, there are no other statutory retention programs.

ACTION ITEMS TO ACHIEVE OUR GOAL

- 2.1. Provide covered injured employees with access to prompt, high-quality medical care within the framework established by Workers' Compensation Act.
2.1.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 2.2. Provide appropriate income benefits and medical benefits in a manner that is timely and cost-effective.
2.2.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 2.3. Minimize the likelihood of disputes and resolve them promptly and fairly when identified. Ensure injured employees have access to a fair and accessible dispute resolution process.
2.3.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 2.4. Encourage the safe and timely return of injured employees to productive roles in the workplace.
2.4.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 2.5. Adopt rules as necessary to collect data on lost time and return-to-work outcomes of each state entity to allow full evaluations of successes and of barriers to achieving timely return to work. Monitor and evaluate return-to-work information reported by each state entity to determine outcomes over time for each state entity.
2.5.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 2.6. Take maximum advantage of technological advances to provide the highest levels of service possible to system participants and to promote communication among system participants.
2.6.1. The Office intends to extend the cloud-based risk management information system to include comprehensive functionality for claims administration, claims management, return to work guidelines and activities, and integration with other solutions. The Office anticipates the extension will be completed on or before August 31, 2021.

HOW OUR GOAL OR ACTION ITEM SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas

Costs incurred by the Office in administering the workers' compensation insurance program are funded through the assessment allocations, discussed above. This funding is used to pay medical and income benefits, medical cost containment services, and other costs directly related to reducing claim payments and risk. Additionally, when a state employee's injury is caused by a liable third party, the Office is entitled to recover expenses for medical and income benefits. The Office recovers over half a million dollars of taxpayer funds annually through subrogation.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions

Each state entity designates a claims coordinator to interface directly with the Office, ensuring efficiency. The Office's Claims Operations Department performs the initial investigation of each reported injury and determines compensability, following any claim through to conclusion to ensure each injured state employee receives the medical and income benefits due under the Texas Workers' Compensation Act. The Office provides state employees access to a certified worker's compensation health care network to ensure access to health care with primary and specialty medical providers who are familiar with workers' compensation injuries. The Office also contracts with a pharmacy benefit manager, ensuring cost-savings and prompt services for required medications.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve

The Office is consistently placed in the High Performer category by the Division of Workers' Compensation. The Office works to reduce overall medical and indemnity costs through improved claim handling practices, education, and training. The Office continuously evaluates its policies and processes and implements change as needed to meet internal and external needs.

4. Providing excellent customer service

Customer service is a cornerstone of our mission. The Office trains claim coordinators on handling claims and provides access to the Office's electronic claims management system. Adjusters maintain regular contact with injured state employees, employers, and medical providers through email and telephone. An active call center provides additional access to a live person during the Office's business hours.

5. Transparent such that agency action can be understood by any Texan

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GOAL	OBJECTIVE
3. Risk Transfer	Administer the Statewide Insurance Purchasing Program, procuring and negotiating insurance programs tailored for the unique exposures and liabilities of the State, and encouraging continuing competition to ensure best value. The Office currently sponsors four lines of insurance (property; directors' and officers'; automobile; and volunteer) with other lines under active review by the Board.

ACTION ITEMS TO ACHIEVE OUR GOAL

- 3.1. Maintain and review records of property, casualty, or liability insurance coverages purchased by or for a state entity. Administer the program for the purchase of surety bonds for state officers and employees.
3.1.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 3.2. Purchase insurance coverage under any line of insurance other than health or life insurance, including liability insurance for a state entity. Phase in, by line of insurance, the requirement that a state entity purchase coverage only through the Office. Authorize the purchase of a line of insurance under a policy not sponsored by the Office.
3.2.1. Actions taken to fulfill this core statutory mission occur on an on-going basis.
- 3.3. By June 1, 2016, consolidate information on state-owned real property into a single database accessible by the legislature and all state entities and institutions of higher education.
3.3.1. This action item has been completed.
- 3.4. Produce an updated Insurable State Assets Interim Study by August 31, 2016. Report insurable state asset interim study findings and recommendations to support an enterprise approach to reserve-based insurable asset management. Develop a statewide strategy that will ensure all real property owned by the state is adequately insured.
3.4.1. This statutory obligation will be accomplished by the August 31, 2016, deadline.
- 3.5. Extend the cloud-based risk management information system to include solutions for policy and premium management, certificate of insurance management, modeling programs during renewal, and integration with claims to evaluate various retention options.
3.5.1. The Office anticipates the extension will be completed on or before August 31, 2021.

HOW OUR GOAL OR ACTION ITEM SUPPORTS EACH STATEWIDE OBJECTIVE

1. Accountable to tax and fee payers of Texas

The Statewide Property Insurance Program is designed to provide state entities the ability to transfer the financial burden resulting from property damage and loss. The program allows each entity to customize its policy to fully insure currently uninsured and underinsured buildings, personal property, as well as boiler and machinery coverage. This program provides

elective terrorism coverage for state owned property and contents. Other insurance lines similarly provide opportunities for risk transfer and fiscal responsibility with taxpayer funds.

2. Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions

The Office focuses on the identification of hazard, operational, financial, and strategic risks as both threats and opportunities. The Office assists state entities with measures to protect state resources intelligently and efficiently. Except for the workers' compensation programs, there are no other statutory retention programs. Each state entity makes an individual decision to transfer or retain risk. The objectives of the SORM sponsored bond and insurance programs include consolidating multiple policies from different entities for the same line of coverage into one, supporting higher limits of insurance for a lower premium than the state entities would receive if purchased independently.

3. Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve

The Office is committed to continual improvement of exposure data to ensure it provides the global markets with best-in-class understanding of Texas risks. Through appraisals, the Office has captured secondary windstorm characteristics for the majority of the insurance program's wind exposed entities. The Office has modified annual risk surveys to obtain flood data and elevations on areas of high flood exposure. The Office acquires additional information on state-owned assets through the Continuity of Operations Planning program.

The Board of Directors has authorized the Office to phase in five additional sponsored lines of insurance to serve client entity needs: Builder's Risk, Fine Arts, Extraterritorial Workers' Compensation, Commercial Crime, and Network Security & Privacy Liability (Cyber).

4. Providing excellent customer service

Customer service is a cornerstone of our mission. The Office has developed stratified service and product lines to better serve its participants, emphasizing the unique strategic challenges of institutions of higher education and their leadership as well as the Office's other specialized covered entities. The Office's internet site provides numerous resources related to its insurance program. State entities can obtain information about sponsored lines of insurance, read insurance FAQs, and review a list of program participants. The documentation necessary to obtain an insurance quote is also available on-line. State entities have the ability to report property losses 24 hours a day and the Office provides free templates for claim related documentation and cost estimator tools. The Office's internet site also provides links to ancillary services and resource materials related to loss prevention and risk transfer. The Office's staff routinely consult with clients and provide seminars and other training.

5. Transparent such that agency action can be understood by any Texan

The Office's internet site provides dynamic, media-rich content to both clients and the general public, including all required and special reports, financial information, educational materials,

news and updates, videos, guidelines and rules, and other detailed information regarding agency operations.

OTHER CONSIDERATIONS RELEVANT TO OUR GOAL OR ACTION ITEM

1. HB3750, 84th R.S., requires a Senate and House Select Committee on State Real Property Data Collection, Reporting, and Assessment to, separately or jointly, study several items, including: (1) the potential benefits of maintaining a comprehensive database of all real property owned by the state; and (2) the potential financial loss to the state that could result from the state owning uninsured and underinsured real property.
2. The Office recognizes the need and value of an enterprise-level retention to absorb attritional losses. Expected attritional losses can be identified through inventories, such as HB3750, 84th R.S., which requires the collection of statewide real property data. The Office has recommended the State to carry a retention commensurate with the size and scope of enterprise operations and rely upon (re)insurance for catastrophic events.
3. The committees established pursuant to H.B. 3750, 84th R.S. are required to conduct an appraisal of all or part of the Capitol Complex. The results of the appraisal must ensure that the committees understand and can communicate the potential loss to the State by inadequately insuring the Capitol Complex. The committees have the option of using the services of the Office, including any existing appraisal contracts developed by the Office.

GOAL	OBJECTIVE
4. Continuity of Operations	Administer the Statewide Continuity of Operations Planning program, in cooperation with the Department of Public Safety, Office of Homeland Security, Texas Division of Emergency Management, and Department of Information Resources. Establish policy and standards to ensure expansive continuity planning, testing, training, and exercising across the state enterprise.

ACTION ITEMS TO ACHIEVE OUR GOAL

- 4.1. Develop, maintain, and disseminate a Continuity Planning Crosswalk that combines Texas legislative requirements, FEMA guidance, best practices, and other applicable standards.
 - 4.1.1. *Actions taken to fulfill this core statutory mission occur on an on-going basis.*
- 4.2. Work with each state entity to develop an entity-level continuity of operations plan.
 - 4.2.1. *Actions taken to fulfill this core statutory mission occur on an on-going basis.*
- 4.3. Review continuity plans and provides guidelines and models to state entities. Provide written feedback on continuity plans to state entities to ensure state entities are developing quality continuity plans.
 - 4.3.1. *Actions taken to fulfill this core statutory mission occur on an on-going basis.*
 - 4.3.2. *The Office anticipates that on or before August 31, 2021, all state entities will have quality continuity plans in place and each entity will perform an annual review and update of their continuity plan. Once this occurs, the Office will be able to review and provide feedback on changes to continuity plans in a shorter time frame.*

HOW OUR GOAL OR ACTION ITEM SUPPORTS EACH STATEWIDE OBJECTIVE

1. **Accountable to tax and fee payers of Texas**
 State government must protect the State's citizens and property, ensure economic safety, and provide vital information and essential services. Continuity planning ensures that the most critical government services continue to be available to the people of Texas under any conditions. The recommended standards for the minimum content in Texas state entity continuity plans correspond to FEMA standards, and are available at no cost to government entities.
2. **Efficient such that maximum results are produced with a minimum waste of taxpayer funds, including through the elimination of redundant and non-core functions**
 The State of Texas must be prepared to ensure the continuing performance of critical government functions under all conditions, including emergencies that disrupt normal operations. This capability depends on effective continuity planning that identifies critical functions; identifies the personnel, facilities, and other resources required to continue delivery of those functions; and ensures those resources will be available when needed through coordination with partners and stakeholders.

3. **Effective in successfully fulfilling core functions, measuring success in achieving performance measures and implementing plans to continuously improve**

The Office tracks state entity compliance with the directives in the October 24, 2013, *Texas State Agency Continuity Planning Policy Guidance Letter*. The Office reviews continuity plans to ensure they meet legislative requirements, FEMA guidelines, the Office's guidelines, and other applicable standards; provides guidance; and offers resources. The Office documents entity continuity testing and exercises and continually stresses that continuity planning is a stand-alone, ever-changing plan for state government.

4. **Providing excellent customer service**

Customer service is a cornerstone of our mission. To assist Texas State entities in the development of actionable continuity plans, the Office provides numerous free resources and provides one-on-one electronic or in-person assistance. Up-to-date state, national, and global recommendations for continuity plans and best practices are communicated through the Office's internet site and training, including links to external continuity planning resources, templates, and training opportunities.

The Office developed the Milestone List, which was recognized as a FEMA Best Practices, that contains links to spreadsheets, data sheets, and tables that will help state entities with their planning process. The Office conducts continuity training workshops that include presentations by experts on continuity planning and partners with the Texas Facilities Commission on its web portal, which assists continuity planners in their efforts to secure an alternate facility from which to establish and maintain entity core functions.

5. **Transparent such that agency action can be understood by any Texan**

The Office's internet site provides dynamic, media-rich content to both clients and the general public, including all required and special reports, financial information, educational materials, news and updates, videos, guidelines and rules, and other detailed information regarding agency operations.

REDUNDANCIES AND IMPEDIMENTS

Service, Stature, Rule or Regulation	Describe why the service, statute, rule or regulation is resulting in inefficient or ineffective agency operations	Provide Agency recommendations for modification or elimination	Describe the estimated cost savings or other benefit associated with recommended change
<p>Tex. Gov't. Code §403.039</p> <p>34 TAC §20.225(a)(8)</p> <p>28 TAC §133.10</p>	<p>Tex. Gov't. Code §403.039 mandates each person who supplies property or services to the state for compensation must obtain a Texas Identification Number ("TIN"). The TIN application is processed through the Comptroller.</p> <p>34 TAC §20.225(a)(8) is the Comptroller's regulation requiring all vendors to obtain TIN. This includes health care providers (HCP).</p> <p>28 TAC §133.240 requires most medical bills to be paid within 45 days of the receipt of the bill.</p> <p>TDI-DWC's regulation 28 TAC §133.10 limits the reasons a worker's compensation insurance provider may return a HCP's medical bill. However, a HCP's incomplete, missing, or incorrect TIN application is not a specific basis under §133.10 to return the HCP's bill.</p> <p>Because SORM cannot return the bill to the HCP due to inaccuracies in or missing a TIN application and due to deadline to pay under 28 TAC §133.240, SORM must spend resources on behalf of the HCP to obtain a correctly completed TIN to pay the very same HCP's medical bill pursuant 28 TAC §133.24.</p>	<p>28 TAC §133.10 should be modified or a new rule added to 28 TAC §133 to allow SORM to return bills to the HCP for their failure to submit a correctly completed TIN application.</p>	<p>SORM has an excellent medical payment record. To have the ability to return the provider's bills, SORM would eliminate any risk of paying interest on unpaid medical bill or spending resources researching information to complete a TIN.</p> <p>SORM would no longer work on behalf of the HCP to ensure the HCP's timely payment. The HCP should have the same responsibility as other state vendors to receive payment by submitting correct TIN applications timely.</p>
<p>TIC §1305.101(b)</p>	<p>§1305.101(b) prohibits an in-network provider from performing a required medical examination (RME) for an in-network claimant.</p> <p>By way contrast, an out-of-network health care provider can provide care for an injured employee. An insurance carrier can</p>	<p>Allow in-network doctors to perform an in-network RME for an employee receiving medical care through the network.</p>	<p>Allowing network doctors to perform an RME on a network claim will assist insurance carriers with resolving questions about the appropriateness of medical care being provided to a claimant.</p>

Service, Statute, Rule or Regulation	Describe why the service, statute, rule or regulation is resulting in inefficient or ineffective agency operations	Provide Agency recommendations for modification or elimination	Describe the estimated cost savings or other benefit associated with recommended change
	<p>also request an RME to resolve questions about the appropriateness of medical treatment by an out-of-network doctor.</p> <p>§1305.101(b) limits the ability of an insurance carrier to request an RME in a network claim. Because of the prohibition in §1305.101(b), a network treating doctor must refer the claimant to an out-of-network doctor for a RME. Out-of-network referrals must be approved by the network. There is no incentive for an in-network treating doctor to request an out-of-network review of his own treatment. Likewise, the network is unlikely to approve the referral since it casts doubt on its contracted doctor.</p>		An RME has significant evidential weight to stop unreasonable or unnecessary medical treatment of conditions that may or may not be an extent of the work related injury. As such, an RME can eliminate unnecessary medical expense.
<p>Labor Code §501.001(5)(C)</p> <p>C. Cr. Pro. §14.03</p> <p>C. Cr. Pro. §2.12</p>	<p>The Labor Code and the Code sections listed creates confusion and may unintentionally expand worker's compensation coverage to peace officers when they work a second job off-duty. The original public policy intent was to encourage peace officers to protect the public even if they happened to be outside their normal jurisdiction. However, the imprecise language has been interpreted to cover situations in which a peace officer is injured while performing duties for another employer in a secondary job.</p> <p>By way of example, an officer is "on the job" when affecting an arrest in plain view. (C. Cr. §14.03). However, a peace officer might be working a second a job for a private employer. In this instance, if the officer is injured while affecting an arrest while working for a private outside employer, the state would pay for the injuries sustained.</p>	Conform the law as a non-substantive amendment to define a peace officer as defined C. Cr. Pro. §2.12	<p>Private outside employers who hire peace officers for security would cover the cost of worker's compensation if a peace officer is injured while working for that private outside employer.</p> <p>Currently, these costs are borne by the taxpayer through assessments to other state entities, increasing their costs without the ability to mitigate or require safety enhancements, training, or other risk management efforts.</p> <p>Taxpayer money would no longer subsidize private outside employers when peace officers are injured while on duty and employed by a private employer.</p>
Labor Code §412.053(b)	This statute requires state agency loss and exposure insurance reporting due 60 days <u>before</u> the	Amend the deadline to 60 days <u>after</u> the end of the fiscal year.	Amending the deadline would eliminate gaps or duplication in reporting.

Service, Statute, Rule or Regulation	Describe why the service, statute, rule or regulation is resulting in inefficient or ineffective agency operations	Provide Agency recommendations for modification or elimination	Describe the estimated cost savings or other benefit associated with recommended change
	end of the fiscal year.		
Labor Code §501.021 Labor Code §406.034	<p>Labor Code §501.021 mandates all state employees are entitled to WC coverage.</p> <p>Labor Code §406.034 states an employee can agree, in writing to waive workers' compensation.</p>	Amend Labor Code §406.034 to relate to only private employers by exempting public employees.	<p>Creates better understanding regarding the applicability of worker's compensation law as it is applied to state of Texas employees and avoids the potential for a state employee to waive a right without having an alternative remedy for recovery.</p> <p>Reduces monies spent researching and educating agencies about the prohibition for state employees to opt out.</p>
28 TAC §133.12	<p>TDI-DWC Benefit Review Officers (BRO) will deny Benefit Review Requests when a party challenges the findings of a Designated Doctor.</p> <p>Requests made by a party disputing the certification of medical maximum improvement (MMI) and impairment rating (IR) are denied by a BRO unless an alternate certification from another doctor is present in the case.</p> <p>Pursuant to Texas Labor Code §408.123, an impairment rating and the first certification of MMI becomes final, if not disputed before the 91st day after the date of written notification of the certification provided.</p> <p>Pursuant to Rule 130.12(b)(1), a party may dispute a first certification of MMI only by requesting a BRC or requesting the appointment of a designated doctor.</p> <p>When a designated doctor</p>	Amend 28 TAC §133.13 to require (a) longer period time to challenge a DD report and (b) require an alternate MMI or IR at the time of the request.	<p>Improves clarity in the Benefit Review process.</p> <p>Written rules of mandatory forms, findings, etc. will reduce the man hours and money spent in first requesting a hearing only to refile a second request due to uncoded or unwritten rules.</p>

Service, Stature, Rule or Regulation	Describe why the service, statute, rule or regulation is resulting in inefficient or ineffective agency operations	Provide Agency recommendations for modification or elimination	Describe the estimated cost savings or other benefit associated with recommended change
	<p>provides the first certification of MMI and IR, a party can only dispute the rating by requesting a BRC.</p> <p>SORM must request a BRC to challenge an IR or MMI. There is a good chance that the BRC will be denied if there is no alternate MMI or IR at the time of the request. Though such an alternate MMI or IR is not required by rule.</p>		
Labor Code §501.46	Requires a reporting from the director 10 th day after the date of the termination of the injured employee's incapacity.	This is a remnant of old law. The terms and other reports are antiquated.	It serves no current worker's compensation function due to current law, rules and newer processes.
Labor Code §506.002	<p>State agencies no longer reimburse the general revenue fund for their workers' compensation costs paid by the state. ERS and TRS reimburse SORM for their workers' compensation claims costs but not for SORM's costs in administering those claims.</p> <p>State agencies reimburse SORM directly and are assessed under the current statutory assessment formula.</p> <p>There is no longer a payment code at the comptrollers' office for purposes of workers' compensation payments into GR under §506.002. Appropriations riders ceased to exist in 1997.</p>	This is a remnant of old law. The terms and other reports are antiquated.	It serves no current worker's compensation function due to current law, rules and newer processes.
Labor Code Chapters 412 & 502	The bifurcation of SORM's authority and duties into two chapters is a remnant from before SORM was created in 1997 when State of Texas risk management resided within the Texas Department of Insurance and workers' compensation claims management resided within the Office of the Attorney General.	Combining Labor Code Chapters 501 and 412 would remove some uncertainty over SORM's authority and programs, i.e., clarify whether courts are subject to SORM authority as state agencies despite their jurisdictional geographic boundaries, by revising definition of "state agency" under 412.001 to mirror definition in Chapter 501	Combining these two chapters could also present an opportunity to combine several duplicate-numbered sections of Chapter 412, namely Sections 412.012 – 412.0122 and reduce possible confusion

BUDGET STRUCTURE THROUGH FISCAL YEAR 2017

Agency:	479	STATE OFFICE OF RISK MANAGEMENT
Goal 1:	Short Name:	MANAGE RISK AND ADMINISTER CLAIMS
	Full Name:	Manage Workers' Compensation Costs
	Description:	To manage costs for covered state agencies arising from the risk of loss through the delivery of professional risk management and claims administration services that are customized to specific agency needs.
Objective 1:	Short Name:	RISK MANAGEMENT
	Full Name:	Risk Management
	Description:	To provide guidance and direction to state agencies to assist them in identifying, evaluating and controlling risk and minimizing the adverse impact of loss.
Strategy 1:	Short Name:	RISK MANAGEMENT PROGRAM
	Full Name:	Assist, Review, and Monitor Agencies' Risk Management Programs
	Description:	Establish statewide risk management guidelines, work with agencies to develop programs that meet the guidelines, conduct on-site risk management program reviews, and provide safety evaluations, consultations, and training.
Objective 2:	Short Name:	CLAIMS ADMINISTRATION
	Full Name:	Claims Administration
	Description:	To review and determine eligibility on 100% of the state workers' compensation claims submitted within 15 days of receipt, and pay all approved requests for medical and indemnity benefits as specified under state law.
Strategy 1:	Short Name:	PAY WORKERS' COMPENSATION
	Full Name:	Review Claims, Determine Liability and Pay Eligible Claims
	Description:	Obtain and review all claims for workers' compensation in accordance with state law and administrative regulations, determine eligibility for medical and indemnity benefits, and determine the injured employee's weekly wage and indemnity payment rate.

Goal 2:	Short Name:	WORKERS' COMPENSATION PAYMENTS			
	Full Name:	Workers' Compensation Payments: Estimated and Nontransferable			
	Description:	Workers' Compensation Payments: Estimated and Nontransferable			
Objective 1:	Short Name:	WORKERS' COMP PAY: EST & NONTRANS			
	Full Name:	Workers' Compensation Payments:	Estimated	and	
		Nontransferable			
	Description:	Workers' Compensation Payments:	Estimated	and	
		Nontransferable			
Strategy 1:	Short Name:	WORKERS' COMPENSATION PAYMENTS			
	Full Name:	Workers' Compensation Payments: Estimated and Nontransferable			
	Description:	Workers' Compensation Payments: Estimated and Nontransferable.			

BUDGET STRUCTURE EFFECTIVE FISCAL YEAR 2018

Agency:	479	STATE OFFICE OF RISK MANAGEMENT
Goal 1:	Short Name:	MANAGE RISK AND ADMINISTER CLAIMS
	Full Name:	Manage Claim Costs and Protect State Assets
	Description:	To manage costs for covered state agencies arising from the risk of loss through the delivery of professional risk management and claims administration services that are customized to specific agency needs.
Objective 1:	Short Name:	RISK MGMT & CLAIMS ADMINISTRATION
	Full Name:	Risk Management and Claims Administration
	Description:	To provide guidance and direction to state agencies to assist them in identifying, evaluating and controlling risk and minimizing the adverse impact of workers' compensation, property and other loss.
Strategy 1:	Short Name:	ENTERPRISE RISK MGMT/CLAIMS ADMIN
	Full Name:	Assist, Review, and Monitor Agencies' Risk Management Programs & Provide Workers' Compensation Administration
	Description:	Establish statewide risk management guidelines, and assist agencies in meeting the guidelines; conduct on-site risk management program reviews, safety evaluations, consultations, and training; and administer the state workers' compensation risk pool in accordance with state law and administrative regulation.
Goal 2:	Short Name:	WORKERS' COMPENSATION PAYMENTS
	Full Name:	Workers' Compensation Payments: Estimated and Nontransferable
	Description:	Workers' Compensation Payments: Estimated and Nontransferable
Objective 1:	Short Name:	WORKERS' COMP PAY: EST & NONTRANS
	Full Name:	Workers' Compensation Payments: Estimated and Nontransferable
	Description:	Workers' Compensation Payments: Estimated and Nontransferable
Strategy 1:	Short Name:	WORKERS' COMPENSATION PAYMENTS
	Full Name:	Workers' Compensation Payments: Estimated and Nontransferable
	Description:	Workers' Compensation Payments: Estimated and Nontransferable.

PERFORMANCE MEASURE DEFINITIONS THROUGH FISCAL YEAR 2017

Goal 1:	Manage Risk and Administer Claims / Manage Workers' Compensation Costs
Objective 1:	To manage costs for covered state agencies arising from the risk of loss through the delivery of professional risk management and claims administration services that are customized to specific agency needs.

Outcome Measure 1: Incident Rate of Injuries and Illnesses per 100 Covered Full-Time State Employees

Definition

Number of accepted on-job injuries and illnesses divided by the total number of state employees (measured by full-time equivalents) multiplied by 100. SORM may estimate fourth-quarter FTE data where the actual FTE data is not available at the time the report is due.

Purpose/Importance

This key outcome measure provides an objective measure of the results of implementation of covered state agencies risk management plans and the results of SORM's risk management program. The injury frequency rate is important as it reflects not only the effectiveness of SORM's risk management program identifying risks to covered state agencies, but also reflects covered state agencies actions in regards to implementation of SORM recommendations to control and correct the conditions that lead to injured state employees.

Source/Collection of Data

Workers' compensation claims are opened and entered in the SORM Claims Management System (CMS) as reports of injuries (DWC-1 forms) are filed by covered state agencies. These reported claims are investigated and accepted or denied. The State Auditor's Office Classification Division collects full-time employee data from covered state agencies, which is shared with SORM.

Method of Calculation

Number of reported on-job injuries and illnesses accepted divided by the total number of state employees (measured by full-time equivalents) multiplied by 100.

Data Limitations

The accuracy of this measure is dependent upon injuries being reported promptly and the FTE data being reported accurately to the State Auditor's Office.

New Measure

No

Target Attainment

Lower than target

Calculation Type

Noncumulative

Output Measure 1: Number of Written Risk Management Program Reviews Conducted**Definition**

A risk management program review is a review and evaluation of a covered state agency's written risk management plan and program compared against SORM risk management guidelines. The results of a review is evidenced by a written report issued by SORM whereby the agency's plan is certified or not certified to be in accordance with SORM risk management guidelines.

Purpose/Importance

This output measure of the risk management strategy compares the actual number of risk management program reviews against the targeted number of reviews. It provides documentation that a covered state agency's risk management plan and program meet the requirements of the SORM risk management guidelines.

Source/Collection of Data

SORM database.

Method of Calculation

Summation of the number of complete risk management program reviews conducted. A review is considered complete when the written report has been completed and sent to the agency.

Data Limitations

None

New Measure

No

Calculation Type

Cumulative

Target Attainment

Higher than target

Output Measure 2: Number of On-site Consultations Conducted**Definition**

An on-site consultation is a site visit at a covered state agency's physical location or facility. The consultation provides risk management services to identify and expose risk exposures and to suggest risk prevention and

control measures or techniques that may be implemented by the covered agency to prevent or reduce claims and losses.

Purpose/Importance

This output measure reports the number of covered state agencies provided assistance in the identification and assessment of specific risk exposures and recommendations to prevent or reduce claims and losses.

Source/Collection of Data

SORM database.

Method of Calculation

Summation of the on-site consultation visits conducted for the period reported.

Data Limitations

None

New Measure

No

Calculation Type

Cumulative

Target Attainment

Higher than target

Output Measure 3:

Number of Risk Management Training Sessions Conducted

Definition

The number of training sessions conducted for eligible state agencies. Training sessions address issues relating to property, liability, or workers' compensation exposures or losses.

Purpose/Importance

This output measure compares the actual number of training sessions conducted to the planned number of training sessions.

Source/Collection of Data

SORM database.

Method of Calculation

Training sessions conducted for eligible state agencies are entered in a database. The sessions conducted during the period reported are summed and reported.

Data Limitations

None

New Measure

No

Calculation Type

Cumulative

Target Attainment

Higher than target

Efficiency Measure 1: Cost per Hour of Direct Risk Management Service Provided

Definition

The total cost of the risk management strategy divided by the number of direct hours of risk management services provided. Direct hours are defined as hours spent preparing, conducting, and reporting upon risk management services provided. Non-direct hours include all staff hours charged to leave categories and hours of training received by risk management staff.

Purpose/Importance

This efficiency measure provides information to compare the direct costs of service provided. It is important as it can point to excessive overhead and can be used to compare the governmental cost of risk management services to private sector costs for equivalent services.

Source/Collection of Data

SORM database.

Method of Calculation

Hours of risk management services are categorized by agency and whether the hours are direct or non-direct service. Total costs (expenditures) of the risk management strategy are divided by the number of direct service hours to derive the actual cost per direct service hour.

Data Limitations

Errors could occur in data entry of hours charged. Expenditure data could be subject to potential coding errors or accruals.

New Measure

No

Target Attainment

Lower than target

Calculation Type

Noncumulative

Explanatory Measure 1: Percentage of Total Assessments Collected Used for Claim Payments

Definition

The annual amount of claim costs divided by the total amount collected for workers' compensation payments through annual assessments to covered agencies.

Purpose/Importance

This explanatory measure for the Workers' Compensation Payments strategy indicates the amount (expressed as a percentage) of the total assessments actually necessary for cash basis claim payments for the fiscal year. It provides an indicator of the accuracy of the actuarial projection used to determine the total assessment amount.

Source/Collection of Data

SORM database.

Method of Calculation

Annual net claim cash payments (numerator) divided by the total workers' compensation portion of assessments collected (denominator).

Data Limitations

None

New Measure

No

Calculation Type

Noncumulative

Target Attainment

Lower than target

Goal 1:	Manage Risk and Administer Claims / Workers' Compensation Costs
Objective 2:	To review and determine eligibility on 100% of the state workers' compensation claims submitted within 15 days of receipt, and pay all approved requests for medical and indemnity benefits as specified under state law.

Outcome Measure 1: Cost of Workers' Compensation per Covered State Employee**Definition**

The total cost of the workers' compensation program divided by the number of covered state employees. Total cost includes claims expenditures, cost containment expenditures, and administrative costs.

Purpose/Importance

This outcome measure of the workers' compensation strategy provides the dollar cost of workers' compensation cost per covered state employee. This measure can be used to provide the overall trend of workers' compensation cost when plotted with prior period calculations.

Source/Collection of Data

SORM database, SAO Quarterly Report of Full-Time Equivalent State Employees, OAG budget reports of actual and forecast expenditures.

Method of Calculation

Expenditures for the workers' compensation strategy is divided by the number of full-time equivalent state employees.

Data Limitations

Accuracy of number of full-time equivalent state employees is subject to limitations in accuracy of data reported to the State Auditor's Office. Expenditure data is forecast upon information available at the time of reporting.

New Measure

No

Target Attainment

Lower than target

Calculation Type

Noncumulative

Outcome Measure 2: Cost of Workers' Compensation Coverage per \$100 State Payroll**Definition**

The total cost of the workers' compensation program divided by the dollar amount of payroll processed through the state treasury for covered agencies, multiplied by 100. Total cost includes claims expenditures, cost containment expenditures, and administrative costs.

Purpose/Importance

This measure provides the dollar cost of workers' compensation per \$100 state payroll. This measure can be used to provide the overall trend of workers' compensation cost when plotted with prior period calculations and to provide a comparison to the cost for workers' compensation by the private sector.

Source/Collection of Data

SORM database, annual payroll information from the Comptroller's Office, actual and forecast expenditures from OAG budget reports or database.

Method of Calculation

Expenditures for the workers' compensation (numerator) divided by the dollar amount of state payroll for covered agencies (denominator) multiplied by 100.

Accuracy of number of full-time equivalent state employees is subject to limitations in accuracy of data reported to the State Auditor's Office.

Expenditure data is forecast upon information available at the time of reporting.

Data Limitations

Administrative expenditure data is forecast upon information available at the time of reporting. Because the payroll data is limited to funding processed through the treasury, most local funding and the payroll of county Community Supervision and Corrections Departments will be excluded from the calculation. Because the State administers its workers' compensation on a cash basis, significant changes in cumulative payroll or workers' compensation claims will take six months to two years to be reflected in changes to the cost of workers' compensation coverage, producing fluctuation in the calculated value.

New Measure

No

Target Attainment

Lower than target

Calculation Type

Noncumulative

Output Measure 1:

Number of Initial Eligibility Determinations Made

Definition

The number of claims accepted or denied.

Purpose/Importance

This output measure of the workers' compensation strategy is an indicator of workload during the period reported.

Source/Collection of Data

State Workers' Compensation mainframe report.

Method of Calculation

Summation of claim denials or acceptances made during the period reported.

Data Limitations

None

New Measure

No

Calculation Type

Cumulative

Target Attainment

Lower than target

Output Measure 2: Number of Medical Bills Processed

Definition

Number of medical bills processed includes those bills paid, denied, or returned to the medical provider as incomplete.

Purpose/Importance

This output measure of the workers' compensation strategy is an indicator of workload processed for the period reported.

Source/Collection of Data

SORM database.

Method of Calculation

Sum of medical bills processed during the period reported.

Data Limitations

None

New Measure

No

Calculation Type

Cumulative

Target Attainment

Higher than target

Output Measure 3: Number of Indemnity Bills Paid

Definition

Number of wage replacement payments made.

Purpose/Importance

This is an output measure of the workers' compensation strategy. It provides an indicator of workload during the period reported.

Source/Collection of Data

SORM database.

Method of Calculation

Sum of the number of indemnity payments processed during the period reported.

Data Limitations

None

New Measure

No

Calculation Type

Cumulative

Target Attainment

Higher than target

Efficiency Measure 1: Average Cost to Administer a Claim

Definition

The total cost of the workers' compensation strategy divided by the number of claims administered during the period expenditures were incurred. Total cost includes SORM workers' compensation administrative claim costs but excludes indemnity and medical provider payments.

Purpose/Importance

This efficiency measure of the workers' compensation strategy provides an indicator of relative efficiency when compared to the target and prior period reported measures.

Source/Collection of Data

SORM database, actual and projected expenditure reports.

Method of Calculation

The ratio of funds expended per claim administered is calculated by summing the administrative expenditures of the workers' compensation strategy (excluding indemnity and medical payments) and dividing this dollar amount by the number of claims administered during the period.

Data Limitations

Expenditure data (numerator) can be limited by the accuracy of accruals and potential errors in expenditure coding. The accuracy of the number of claims administered (denominator) can be affected by potential errors made in entering claims on the Claims Management System during the period.

New Measure

No

Target Attainment

Lower than target

Calculation Type

Noncumulative

HISTORICALLY UNDERUTILIZED BUSINESS PLAN

Outcome	2014	2015	2016	2017	2018	2019
Goal: Increase the use of Historically Underutilized Businesses						
% of the total dollar value of agency procurements awarded to HUBS for Special Trade Construction	N/A	N/A	N/A	N/A	N/A	N/A
% of the total dollar value of agency procurements awarded to HUBS for Professional Services	23.60%	23.60%	23.60%	23.60%	23.60%	23.60%
% of the total dollar value of agency procurements awarded to HUBS for CPA defined Other Services	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
% of the total dollar value of agency procurements awarded to HUBS for Commodities	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%

COMPARISON TO STATEWIDE HUB PROCUREMENT GOALS

A. Fiscal Year 2014-2015 HUB Expenditure Information

Procurement Category	Statewide HUB Goals	Total HUB Expenditures FY 2014		Total Expenditures FY 2014	Total HUB Expenditures FY 2015		Total Expenditures FY 2015
		HUB%	HUB\$		HUB%	HUB\$	
Heavy Construction	11.2%	N/A	N/A	N/A	N/A	N/A	N/A
Building Construction	21.1%	N/A	N/A	N/A	N/A	N/A	N/A
Special Trade Construction	32.7%	N/A	N/A	N/A	N/A	N/A	N/A
Professional Services	23.6%	100.0%	\$19,470	\$19,470	100.0%	\$27,270	\$27,270
Other Services	26.0%	2.40%	\$39,788	\$1,656,709	45.84%	\$656,825	\$1,432,895
Commodities	21.0%	74.65%	\$2,573	\$6,281	45.97%	\$112,592	\$244,908
Total Expenditures		8.50%	\$153,155	\$1,861,968	46.72%	\$796,688	\$1,705,074

B. Assessment of Fiscal Year 2014-2015 Efforts to Meet HUB Procurement Goals

Attainment:

The agency exceeded two of three, or 67% of the applicable statewide HUB procurement goals in FY 2014. The agency exceeded three of the three or 100% applicable statewide HUB procurement goals in FY 2015.

Other Services:

SORM has been authorized by the Legislature to procure statewide insurance contracts which state agencies and universities may utilize in order mitigate risk and save taxpayer dollars. This has presented a challenge to the agency as the Insurance industry's business practices do not readily lend themselves to subcontracting opportunities.

The purchase of an insurance policy is an intangible product, unlike purchasing a commodity or a service. Most policy services are conventionally provided internally in the insurance industry. This, coupled with the scope of exposures presented by the State of Texas, does limit the number of available markets and thus subcontracting opportunities.

SORM's Cost Containment, Director's and Officer's, Property, and Volunteer Insurance contracts are the largest that the agency awards. All were awarded to Non HUB vendors performing the work without subcontracting. There are a limited number of HUB vendors who may submit bids as Prime contractors for large insurance contracts.

“Good Faith” Efforts:

The SORM attained an overall HUB percentage of 8.50% in FY 2014 and 42.76% in FY 2015. SORM's written purchasing procedures require solicitation of HUB vendors and include HUB Subcontracting Plans for purchases over \$100,000 over the term of the contract including any renewals.

In order to meet the requirements of TAC Rule §20.13 SORM developed its own HUB goals consistent with the Disparity Study findings and the agency's unique purchasing requirements.

Outreach:

Distributed literature and bid opportunities at HUB outreach events.

Developed and maintained ongoing communication with organizations that serve small, minority, and women-owned businesses and informed them of bid opportunities.

Assisted HUBs by distributing bid and Pre-Bid conference information with the intent of finding partners with Prime vendors.

Other:

SORM has an InterAgency Contract to receive HUB coordination services through the OAG's HUB Program coordinator and the OAG's Purchasing Department to comply with HUB requirements. SORM recognizes that the services provided by the OAG HUB Program (including Mentor Protégé Program) are conducted on a daily basis for the benefit of SORM.



WORKFORCE PLAN

Fiscal Years 2017 to 2021

Workforce Plan Contents

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WORKFORCE PLANNING

I. Overview

The State Office of Risk Management serves as a full-service risk manager and insurance manager and administers the workers' compensation insurance program for state employees. The Office balances considerations for the rights and needs of its clients and the state worker with the protection of the legitimate interests of the citizens of the State of Texas.

The Office is administratively attached to the Office of the Attorney General. The Supply and Demand Analysis in this report does not reflect the significant contribution in administrative support (payroll and benefits administration, budgeting IT services, etc.) made by the OAG.

II. Strategic Goals and Objectives

Strategy - Risk Management Program

The Office establishes statewide risk management guidelines; works with state entities to develop programs that meet the guidelines; conducts on-site risk management program reviews; sponsors various lines of insurance coverage to assist clients in financing their identified risks and provides additional assistance when requested.

Strategy - Pay Workers' Compensation

The Office manages all claims for workers' compensation in accordance with state law and administrative regulations, determines eligibility for medical and indemnity benefits, and determines the injured employee's weekly wage and indemnity payment rate.

III. Anticipated Changes in Strategies

The Office does not anticipate changes in its mission, strategies, or goals in the next five years. The Office intends to focus on its ability to assist client state entities in all areas of risk management, risk retention, risk transfer, and continuity of operations planning.

IV. Workforce Profile

The Office is authorized 121.6 full-time equivalent (FTE) positions.

Workforce Skills

The professional workforce skills that are critical to the mission and goals of the Office include the ability to successfully:

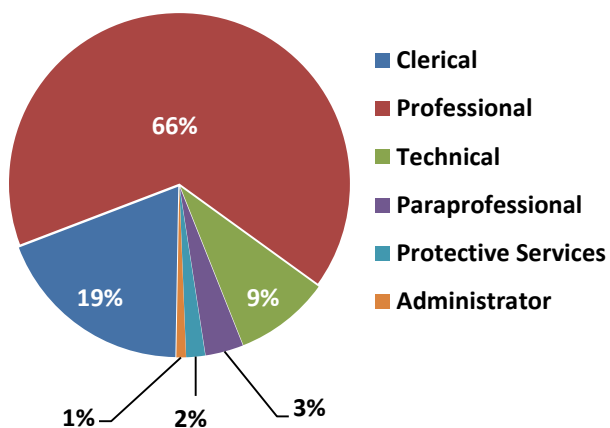
- Review and provide assistance with risk management programs
- Identify risk exposures and make mitigation recommendations
- Consult with and train state entities on how to address issues related to property, liability, or workers' compensation exposures or losses
- Administer workers' compensation claims and related medical, disability, and indemnity
- Maintain and review records of property, casualty, or liability insurance coverage purchased by or for a state entity
- Administer the program for the purchase of surety bonds for state officers and employees
- Manage property, casualty, and liability insurance contracts, losses and claims
- Develop and maintain Continuity of Operations Plan
- Review continuity plans and provide guidelines, models, and assistance

Agency staff must also have knowledge and skill in the following areas:

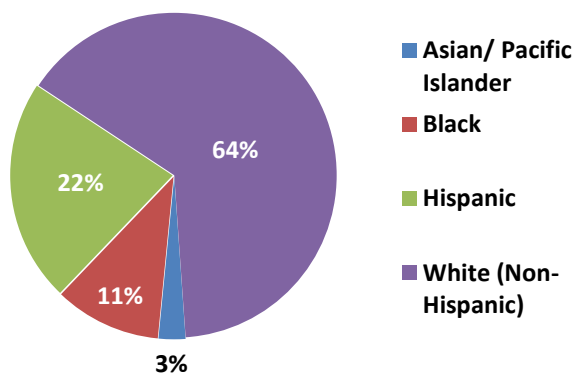
- Communication
- Customer service
- Problem solving
- Time management
- Research and analysis
- Application of relevant laws and regulations
- Negotiation and dispute resolution
- Proficiency in using current technologies, including computer hardware and software

Workforce Demographics

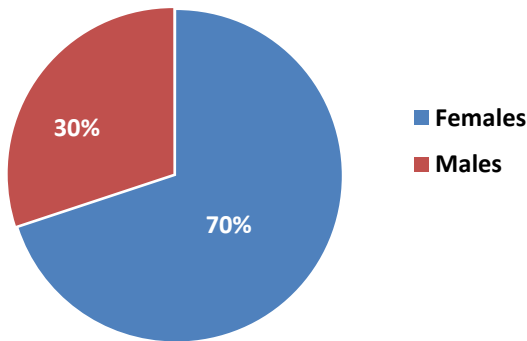
EEOC Classification



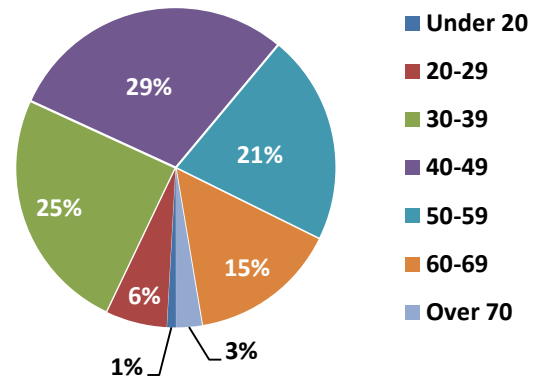
Ethnicity



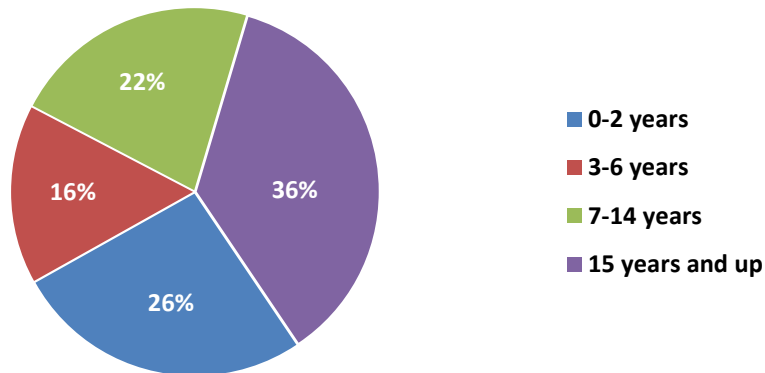
Gender



Age



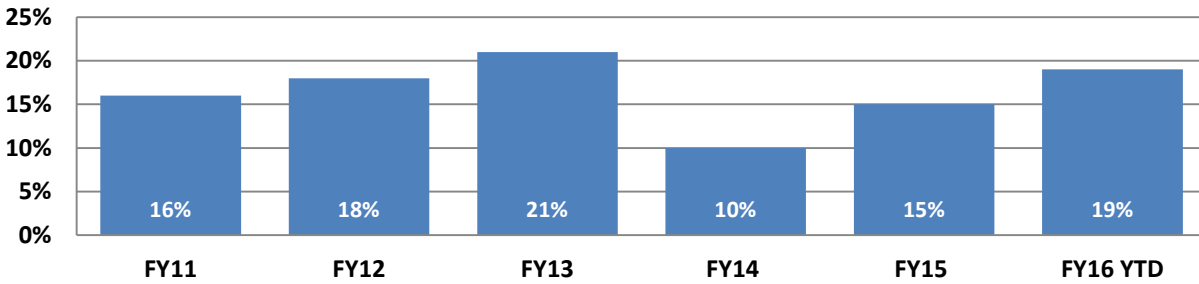
Tenure



Employment Trends

The Office's turnover rate has remained relatively steady. The Office anticipates turnovers will continue due to economic factors beyond its immediate control. Employee salaries remain non-competitive with the private market and employees overwhelmingly see pay and benefits as the biggest obstacle to continued employment with the Office. In addition, the Office has several categories of employees with specialized training and skills that are prized in the private and public market. Adequate funds are needed to maintain salary parity with other positions performing similar work. Salary level analyses are ongoing and adjustments are under consideration to reduce turnover.

ANNUAL TURNOVER RATES



Classification	FTE	FY14 Turnover	Percentage	FY15 Turnover	Percentage
Claim Adjuster	27	6	22%	8	30%
Insurance Manager	4	2	50%	1	25%

Retirements do not currently account for the majority of separations, however, the future impact of retirements is in active review. 32% of the Office's workforce, including seven key personnel, are currently eligible to retire and/or can retire in the next 2 to 5 years. With retirements, the Office would lose substantial institutional knowledge and expertise.

V. Demand Analysis – Future Workforce Profile

Workforce Skills – Projected

As the risk management, risk transfer, and continuity of operations programs grow in response to client demand and legislative direction, the Office will need additional staff with expertise and experience in these areas.

The Office plans to expand its training services for state employees through an online learning management system. Developing course curriculums and producing self-directed training such as podcasts, webinars, and videos, will require staff with advanced knowledge and skills.

Anticipated Workload Changes

Long-term demand for the Office's services is expected to increase. The Office's workload and staffing needs will intensify as participation in the Office's programs increases.

Programming and technology staff will be required to implement and maintain the new cloud-based solutions the Office will put into operation to improve the effectiveness and efficiency of critical business functions.

Technology

The Office plans to expand its use of a cloud-based risk management information system to include solutions for enterprise risk management, pre-loss environmental, health, safety and loss prevention initiatives, corrective action plans; full claim life-cycle; comprehensive functionality for claim administration, claim management, and return to work guidelines; document management, and policy and premium management, certificate of insurance management, modeling programs during renewal, and integration with claims to evaluate various retention options.

VI. Gap Analysis

Transferring the majority of the Office's business functions to a new system will improve work quality, efficiency, and customer service. To ensure the continuity and quality of services, staff will have to quickly master each component of the new system.

As business functions are transferred to a new system, changes must be made to processes and procedures. Evolving technology will continue to automate processes, requiring fewer employees with filing, data entry, and general clerical skills and more staff with the skills to fully make use of the system enhancements.

VII. Strategy Development**Recruiting**

The competition to hire and retain employees with training and experience in enterprise risk management, business continuity, advanced commercial insurance, and workers' compensation claim administration is an on-going challenge. The Office utilizes a variety of initiatives to attract candidates.

The Office's internet site lets candidates learn about the organization, its mission, and its programs. Showcasing actual employees in videos emphasizes the importance of the Office's employees. When employment opportunities are posted, the Office highlights intangible benefits such as the culture and values of the organization. The Office also provides insight into the characteristics of the ideal candidate because it recognizes the importance of hiring people with the right traits and identifying cultural fits.

The Office has simplified the application process. Candidates can easily find and apply for open positions on its internet site. During the process, the Office keeps in touch with candidates. Interviews are friendly and relaxed. Candidates are interviewed by a mixture of future managers and peers. The Office contacts each individual who is interviewed to inform them of the outcome of the hiring process.

To broaden the potential pool of applicants, the Office advertises in trade journals, general

online job sites and industry specific online job sites. The Office evaluates applicants on their ability to perform in the future. Candidates with a variety of work experience are considered because experience in other fields can translate to the open position.

Additional initiatives, including social media campaigns, training programs, and networking and outreach initiatives, are under active consideration.

Succession Planning

The Office relies on its staff to carry out its missions and provide services necessary to achieve organizational goals. Knowing the difficulty it faces with recruitment, the Office must prepare for eventual vacancies through an inward focus. Succession planning includes a review of critical leadership roles and essential skills the Office requires to fulfill its mission. Pinpointing gaps in knowledge or skill creates an opportunity to develop competency and skills through training and experience. The Office carefully evaluates individual job performance to identify high-performers with leadership potential who can move into progressively higher roles.

The Office has implemented the Leadership Roundtable, an educational forum that is designed to create the next generation of managers. Participants include staff who exhibit leadership characteristics and traits but are not currently in managerial or supervisory roles. The goal of the Leadership Roundtable is to create an environment where senior leadership can train and mentor successors who will be ready to take the reins when management positions become available. In conjunction with the Executive Council and the implementation of an agency-wide Open Door Policy, communication through all levels of the organization is in active development.

The Office is creating a new department where entry-level employees will be responsible for customer service needs and become familiar with the tasks and responsibilities associated with workers' compensation claim adjustment. As entry-level employees gain experience, they will assume greater responsibilities. The goal is to train individuals in-house so they can be promoted to adjuster positions.

Employee Development and Training

Curbing turnover at lower and mid-level positions is critical to the future of the Office. The Office employs a talent management approach to workforce planning, recruitment, training, career development, and performance management. Training opportunities for staff are a high priority in this initiative. To further career development, the Office provides in-house training and opportunities for staff to attend workshops and seminars to develop expertise and skills. The Office is re-evaluating and revising its career development plan. The Office continues to concentrate on leadership development.

The Office uses the ISO 31000 risk management process enterprise-wide. The process provides a collaborative framework to discuss thoughts and ideas about risk and risk mitigation. The process captures risk and opportunity data from diverse stakeholders. ISO

31000 facilitates continuous improvement processes, helps identify resources, and establishes accountability.

A project is underway to determine whether the Office will incorporate 360 Feedback as an evaluation method to give accurate and timely feedback to employees on their current work performance and how the employee functions in the work environment with co-workers.

Work/Organization Change

The Office will continue to seek ways to improve processes and maximize resources. However, the inability to attract and retain qualified staff is an enormous impediment to performing the core operational functions of the Office. The time the Office must spend on posting jobs, selecting candidates, conducting interviews, and training new staff is time the Office cannot spend on its essential business functions.

The Office is evaluating the new Department of Labor Overtime Regulations, which will have a profound financial impact on the Office, individual state entities, and the State as a whole. The options for addressing and controlling the cost of the new regulations do not provide any viable solutions for the Office or the State. It is a given the overtime regulations will increase the costs incurred by the Office in administering the risk management program and workers' compensation programs. The Office will be obligated to maintain the same services yet the Office carries no reserves and is financed wholly through interagency contracts with participating state entities. Therefore, the only mechanism available to increase the Office's financial resources is an increase in the assessment allocations that are paid to the Office by participating entities. Creating additional costs for participating entities, which will also be experiencing and addressing the staffing financial consequences associated with the overtime rules, is not a suitable or equitable solution.



CUSTOMER SERVICE REPORT FY14 – FY15

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REPORT ON CUSTOMER SERVICE

The State Office of Risk Management (Office) was created by the 75th Texas Legislature to provide risk management services to state agencies and to administer workers' compensation claims for state employees. The Office is committed to providing the best possible customer service to state agencies and their employees.

The Office's customer service initiatives are aligned with statutory objectives, including preventing injuries, paying workers' compensation benefits, and controlling costs. The Office strives to provide customers with the best products and services, especially in helping state agencies reduce their injury risks, helping state employees with their workers' compensation claims, and helping state agencies keep risk management and workers' compensation costs to a minimum.

The Office provides several methods for customers to supply feedback about the Office's operations and services. Methods used to measure customer satisfaction include internet-based surveys and survey distribution following an onsite visit. This report will review and evaluate the previous two years' service and identify potential changes in the way the Office gathers and responds to information regarding customer service. It is important for the data the Office collects to be relevant, timely, and meaningful, and that once areas are identified for improvement there is appropriate follow-through.

Inventory of External Customers

The Office has two strategies for providing services as mandated by enabling legislation. These strategies and the customers they serve are:

- Risk Management Strategy – The external customers served by the risk management strategy include all state agencies with the exception of the University of Texas System, Texas A&M University System, Texas Tech University System, Texas State University System, and the Texas Department of Transportation. This strategy includes the State Insurance Purchasing Program and Continuity of Operations Program (COOP).
- Workers' Compensation Strategy – The external customers served by the workers' compensation program include injured state workers, medical providers, and state agencies (including statewide Community Supervision and Corrections Department programs), excepting the University of Texas System, Texas A&M University System, and the Texas Department of Transportation. Certain other parties may be served depending on specific entitlements pursuant to statute.

Information Gathering Methods

Information on risk management, health and safety issues, the insurance program, and health and safety training opportunities for state employees is made available on the Office's website. The Office's Risk Management Information System (RMIS) is a web-based

interface used by a diverse group of external and internal customers, including state agency Risk Managers, Workers' Compensation Claims Coordinators, and state employees.

Online Customer Service Surveys are used to assess customer satisfaction and implement ongoing improvements. Responses to surveys and online inquiries also provide opportunities to improve services and recognize staff for positive performance.

The Office offers online health and safety training videos on its website. The Office's On-line Training Registration System includes an electronic, post-class course evaluation. Attendees are provided a certification of course completion after a brief survey is completed online. Comments about course availability, usefulness of the class to the customer, and the effectiveness of the instructor, along with requests for additional training, are tracked and classes are developed and offered in response to training requests.

Questionnaires are distributed to agencies covered under the risk management program following each risk management review, field office visit, and after any insurance or risk management conference or symposium. Questionnaires provide for customer assessment of the quality of the services offered as well as provision for any comments customers may wish to add.

The Office conducts Claims Coordinator training twice a year to ensure state agency Claims Coordinators understand the employer's obligations in a workers' compensation claim. As with all training conducted or facilitated by the Office, attendees are asked to complete a course evaluation.

The Office believes that a collaborative effort with client agencies will result in an overall improvement in the return-to-work of injured state employees and a reduction in the cost of risk to Texas state agencies. The Claims Department also works closely with client agencies and their claims coordinators to track and manage workplace injuries and their return-to-work efforts.

The Claims Department interacts with injured state employees through email and by telephone. This personal contact ensures realistic expectations are set and prepares the injured state employee for return-to-work as soon as practical.

The Office provides customers with access to the Nurse Case Management Team, a group of nurses skilled in medical case management. While this unit was initially developed to work with medical providers in return-to-work efforts for injured state employees, a valuable by-product of the close communication between the Office's nurses and the medical providers is the exchange of information.

The Office's toll-free telephone line and website provide additional channels for customer feedback at all times. Customer inquiries and comments regarding the Office's services can also be submitted through the Office's website and RMIS.

The Office's online Compliment/Complaint Form is another available avenue for communication and is available to all customers. The system requests relevant information such as the name and contact information of the customer, date and time of the compliment/complaint, the resolution, and the date and time of the response. In FY14 and FY15, we received 13 complaints and 4 compliments. Per Office procedure, responses are provided within 5 business days.

The Office has created an intranet portal that allows employees to anonymously submit questions to executive management. Responses, which are available to all staff, are posted by the Executive Director.

Survey Results

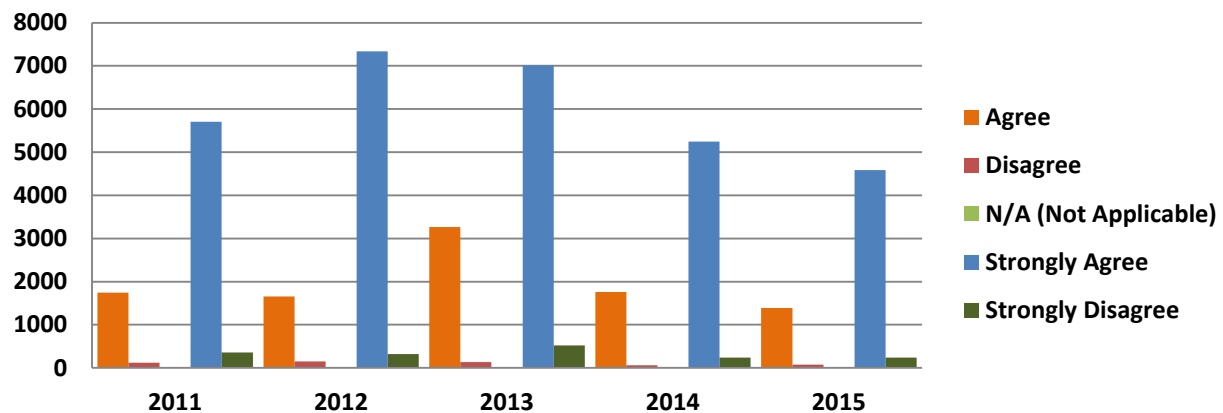
Activity on RMIS stayed consistent during FY14 and FY15. This increase is attributed to ongoing system enhancements, such as the Online Property Programs, that allow customers the opportunity to enter and retrieve data securely and submit reports online. One way for RMIS to track the increase is to show the number of hits from our website. During the last biennium, 39,826 hits were logged for FY14 and 38,411 for FY15.

Health and Safety Training Surveys

In FY14, 7310 training and outreach participants responded and in FY15, 6300 training and outreach participants responded to the following questions:

Question	Strongly Agree	Agree	Disagree	Strongly Disagree	Not Applicable	Average
I am satisfied with the overall length of the class.						
I am satisfied with the scope of the information.						
The information provided will be useful.						
I am satisfied with the quality of the presentation						
The training provided met my expectations.						
I had the opportunity to ask questions or discuss issues.						
Would you attend future SORM training classes in your region?						
Would you recommend attending future SORM training to your agency management and co-workers?						
Did the instructor clearly convey the information in an easy-to-understand manner?						
Have you attended any SORM training class prior to this event?						

The following chart provides survey results regarding the Office's outreach and training efforts during the last two biennia.



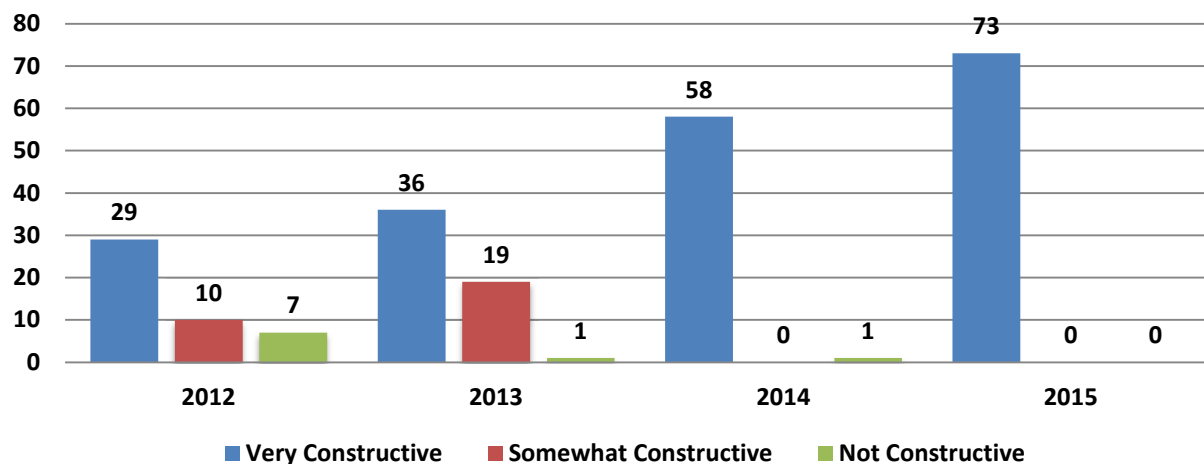
Risk Management Surveys

Each year, the Risk Management Department is required to perform 29 state agency risk management program reviews (RMPR) and conduct 229 on-site consultations (OSC) with state agencies. In FY14, the Office conducted 29 RMPRs and 246 OSCs. In FY15, the Office increased the number of OSCs from 246 to 296. At the conclusion of each of these visits the customer is given a Customer Service Quality survey to complete and mail back to the Office.

In FY14, 28.4% of state agencies responded to the following survey questions and in FY15, 29.2% of state agencies responded:

Question	Very Constructive	Somewhat Constructive
The visit was constructive and beneficial.		
Recommendations generated are helpful for your agency in identifying risk exposures and controlling losses.		
What risk management and/or insurance services would meet the needs of your agency?		
What type of training services would your agency find beneficial?		

The following chart shows survey results regarding the Office's customer service quality.



Claims Coordinator Training Surveys

The Office conducts Claims Coordinator training twice a year to ensure state agency claims coordinators understand the employer's obligations in a workers' compensation claim. During Claims Coordinator training, the Office's Training Coordinator educates claims coordinators on the employer forms that relate to indemnity benefits. If the Office's Training Coordinator is notified an employer has hired a new claims coordinator, she will reach out on an individual basis.

In FY14, 21 of the 43 attendees provided responses to the course evaluation. In FY15, 25 of the 43 attendees completed course evaluations.

The following chart shows the combined FY 14 and FY15 customer feedback on the Claims Coordinator trainings and the trainer:

Question	Strongly Agree (5)	Agree (4)	Disagree (2)	Strongly Disagree (1)	Not Applicable (0)	Average
I am satisfied with the overall length of the class.	36	10	0	0	0	4.78
I am satisfied with the scope of the information.	36	10	0	0	0	4.78
The information provided will be useful.	40	6	0	0	0	4.87
I am satisfied with the quality of the presentation	41	5	0	0	0	4.89
The training provided met my expectations.	39	7	0	0	0	4.85
I had the opportunity to ask questions or discuss issues.	41	5	0	0	0	4.89
Would you attend future SORM training classes in your region?	46	0	0	0	0	5.00
Would you recommend attending future	46	0	0	0	0	5.00

SORM training to your agency management and co-workers?						
Did the instructor clearly convey the information in an easy-to-understand manner?	46	0	0	0	0	5.00
Have you attended any SORM training class prior to this event?	25	0	0	21	0	3.17

Analysis of Customer Satisfaction Assessment

Focusing on the results of surveys conducted, the Office has identified areas issues for study to improve the process of gathering information from customers. These issues include:

- Enhancing quality assurance to result in better service to our customers.
- Continuing to increase customer use of the Office's website and RMIS through online enhancements.
- Increasing communication with and measuring service satisfaction of medical providers, who have historically been reluctant to return surveys.
- Increasing the number of state agencies that respond to RMPR and OSC surveys to better measure customer service satisfaction.

Strategies for Improvement

Plans for improving customer service operations are presented by strategy and are summarized as follows:

Risk Management Strategy:

- To look into additional online survey tools to add feedback from insurance and COOP visits.
- Improve the coordination and dissemination of risk management topics and issues that are germane to agency risk managers through enhancements to the website.
- Increase the customer base for distribution of instructional videos.

Workers' Compensation Strategy:

- Place more emphasis on communicating with medical providers.
- Place more emphasis on adjusting staff clearly communicating expected outcome and benefits of Return-to-Work with the injured state employees.
- Enhance efforts of the Nurse Case Management Team in communicating with and acting as a liaison between injured state employees and their medical providers.

Additional recommendations under consideration are enhancing the Office's technical operations utilizing Voice Over Internet Protocol (VOIP). This program would provide the Office with the ability to conduct real time surveys.

Further software-based and connectivity solutions are also being considered. These processes would also provide additional customer access, as well as new methodologies for tracking customer service performance measure information for future reporting periods. These and other online enhancements are being researched and evaluated to determine what further efficiencies may be gained through additional technology.

Performance Measure Information

Standard Customer Service Performance Measures		Estimated FY 2016 Performance
Outcome	Percentage of Surveyed Customers Expressing Overall Satisfaction with Services Received	Average > 95%
	Percentage of Surveyed Customers Identifying Ways to Improve Service Delivery	Average 50%
Output	Number of Customers Surveyed	± 6,500
	Number of Customers Served <ul style="list-style-type: none"> • State Agencies (±127) • Community Supervision and Corrections Departments (±122) • Claims Coordinators (±90) • Risk Managers (>140) • Continuity of Operations Coordinators (±110) • State Employee Training (±6,000) • Injured State Employees (±7200) • Healthcare Providers (±63,000) 	± 76,000
Efficiency	Cost Per Customer Surveyed	Not Tracked
Explanatory	Number Customer Groups Identified	8
	Number Customer Groups Inventoried	4

Agency Specific Performance Measures		FY 2016 Target
Outcome	Incident Rate of Injuries & Illnesses Per 100 Covered Full-Time Employees	3.6%
	Cost of Workers' Compensation Per Covered State Employee	\$266.63
	Cost of Workers' Compensation Per \$100 State Payroll	\$0.69
Output	Number Written Risk Management Program Reviews Conducted	29
	Number of On-Site Consultations Conducted	229
	Number of Risk Management Training Sessions Conducted	200
	Number of Initial Eligibility Determinations Made	7,600
	Number of Medical Bills Processed	104,000
	Number of Indemnity Payments	26,000
Efficiency	Average Cost to Administer Claim	\$702.61
	Cost Per Hour of Direct Risk Management Service Provided	\$100

SURVEY OF EMPLOYEE ENGAGEMENT

SURVEY OF EMPLOYEE ENGAGEMENT

State Office of Risk Management

Executive Summary

2016

Executive Summary

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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



State Office of Risk Management

State Office of Risk Management

Organizational Leadership:

Stephen Vollbrecht, Executive Director

Benchmark Categories:

Size 3: Organizations with 101 to 300 employees

Mission 1/10 : General Government

Survey Administration

Collection Period:
02/22/2016 through 03/11/2016

Survey Liaison:
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EMPLOYEE ENGAGEMENT

INSTITUTE FOR ORGANIZATIONAL EXCELLENCE

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



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.

15 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 15 breakout categories.

0 Additional
Items

Organizations can customize their survey with up to 20 additional items. These items can target issues specific to the organization. Your organization did not use additional items.

Employee Engagement

86%

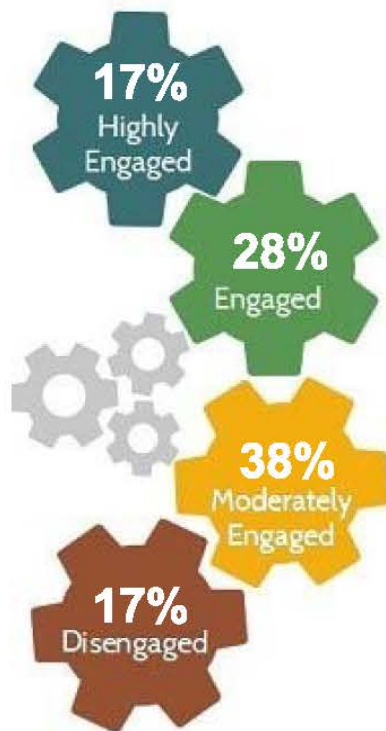
Up 1.5%

Response Rate

The response rate to the survey is your first indication of the level of employee engagement in your organization. Of the 114 employees invited to take the survey, 98 responded for a response rate of 86%. As a general rule, rates higher than 50% suggest soundness, while rates lower than 30% may indicate problems. At 86%, 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 364.**



Levels of Employee Engagement

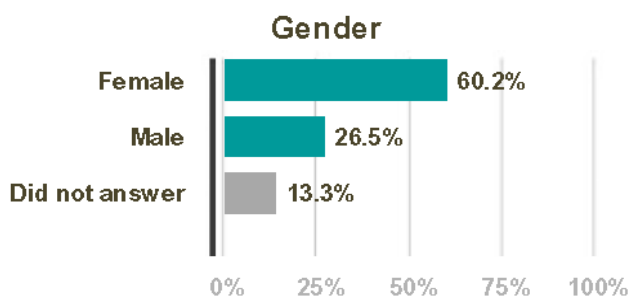
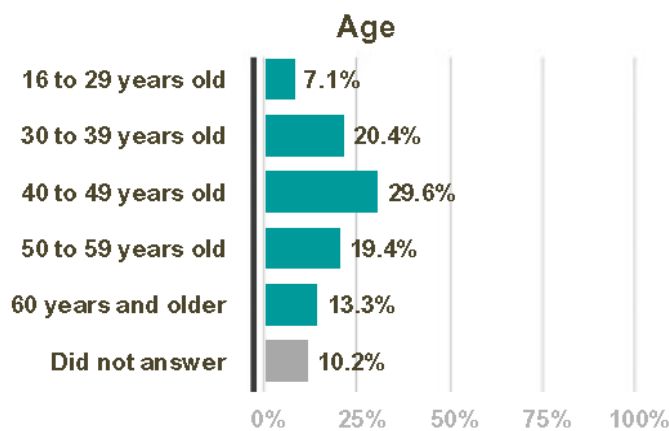
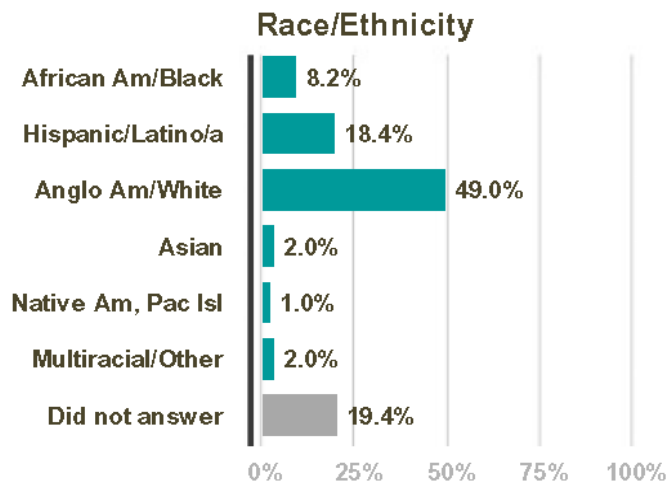
Twelve items crossing several survey constructs have been selected to assess the level of engagement among individual employees. For this organization, 17% of employees are Highly Engaged, 28% are Engaged, 38% are Moderately Engaged, and 17% are Disengaged.

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



29% New Hires (0-2 years)
32% Experienced (3-10 years)
27% Very Experienced (11+ years)
13% Did Not Answer

Each figure represents about 1.1 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. Focus efforts on the factors with the greatest impact on turnover and consider using exit surveys to target specific issues.

11% CAN RETIRE

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

Constructs

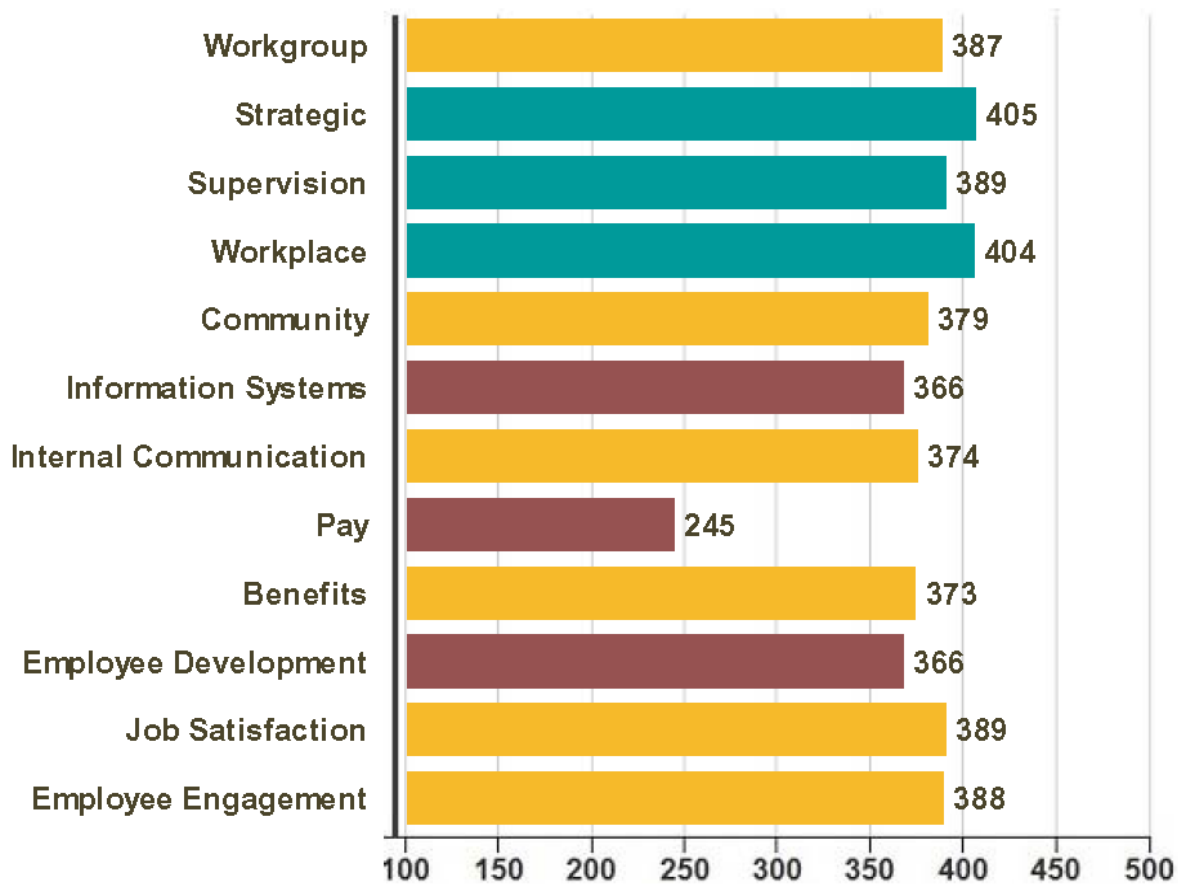
Similar items are grouped together and their scores are averaged and multiplied by 100 to produce 12 construct measures. These constructs capture the concepts most utilized by leadership and drive organizational performance and engagement.

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.

Constructs



Areas of Strength and Concern

Areas of Strength



Strategic

Score: 405

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.



Workplace

Score: 404

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.



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.

Areas of Concern



Pay

Score: 245

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.



Employee Development

Score: 366

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.




Information Systems

Score: 366

The information systems construct captures employees' perceptions of whether computer and communication systems provide accessible, accurate, and clear information. The lower the score, the more likely employees are frustrated with their ability to secure needed information through current systems.

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>15.3%</p> <p>believe the information from this survey 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>13.4%</p> <p>feel that upper management 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>Highest Level of Disagreement</p> 
<p>12.2%</p> <p>feel there aren't enough opportunities to give supervisor feedback.</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>8.2%</p> <p>feel they are not treated fairly 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>5.1%</p> <p>feel workplace harassment is not adequately addressed.</p> <p>While no amount of harassment is desirable within an organization, percentages above 5% require a serious look at workplace culture and the policies for dealing with harassment.</p>	<p>1.0%</p> <p>feel there are issues with ethics 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> 