



Texas Real Estate Commission Internal Audit Services

An Internal Audit of:

Human Resource Follow-up

Report #21-002

March 23, 2021

This report provides management with information about the condition of risks and internal controls at a specific point in time. Future changes in environmental factors and actions by personnel will impact these risks and internal controls in ways that this report cannot anticipate.



MJ

McCONNELL & JONES LLP
CERTIFIED PUBLIC ACCOUNTANTS



McCONNELL & JONES LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 24, 2021

To:

R. Scott Kesner, Chair, Texas Real Estate Commission
Bob Leonard, Vice Chair, Texas Real Estate Commission
Jab Fite Miller, Secretary, Texas Real Estate Commission
Jason Hartgraves, Commissioner, Texas Real Estate Commission
Barbara Russell, Commissioner, Texas Real Estate Commission
Rayito Stephens, Commissioner, Texas Real Estate Commission
Thomas (TJ) Turner, Commissioner, Texas Real Estate Commission
DeLora Wilkinson, Commissioner, Texas Real Estate Commission
Micheal Williams, Commissioner, Texas Real Estate Commission
Chelsea Buchholtz, Executive Director, Texas Real Estate Commission

Dear Commissioners and Executive Director:

Attached is internal audit report #21-001 Human Resources Audit. This review was performed as part of the approved FY 2021 Annual Internal Audit Plan.

We assessed the Texas Real Estate Commission's (TREC) Human Resources Division's internal controls and processes to ensure recent changes to hiring, merit pay, salary increases, promotions, and longevity pay are effective and achieving the agency's desired results: reducing employee turnover, enhancing recruiting efforts and outcomes, improving employee retention and morale, and expanding leadership development.

Our review and analysis determined that the Human Resources' process changes to hiring, merit, salary increases, promotions, and longevity pay are effective and achieving the agency's desired results.

Please contact Darlene Brown at 281.740.0017 if you should have any questions about this audit report.

Sincerely,

Odysseus Lanier, CPA

Audit Report Highlights Human Resources

Why Was This Review Conducted?

McConnell & Jones LLP (MJ) serving as the outsourced internal audit function (Internal Audit) for the Texas Real Estate Commission (TREC) performed this internal audit as part of the approved FY 2021 Annual Internal Audit Plan.

Audit Objectives and Scope

To follow up on the internal audit performed in FY 2018 to determine if recommendations were implemented for hiring, merit pay, salary increases, promotions, and longevity pay are effective and achieving the agency's desired results: reducing employee turnover, enhancing recruiting efforts and outcomes, improving employee retention and morale, and expanding leadership development.

The audit scope period was FY 2020.

Audit Focus

This audit focused on the following:

- Compensation administration policies and procedures to address employee retention and morale.
- Current compensation structure's impact on employee retention and attracting new employees.
- Merit increase processes transparency and application.
- Talent acquisition processes for facilitating the identification and hiring of highly competitive positions.
- Leadership training to provide management staff with the tools and methodology needed to direct and motivate staff.
- Compensation analytics.



We wish to thank all employees for their openness and cooperation. Without this, we would not have been able to complete our review.

Audit Conclusions

Overall, the management internal control structure to minimize employee turnover, enhance recruiting effectiveness, increase employee retention and employee morale, and expand leadership development are effective. The changes made to Human Resources (HR) processes are appropriate to managing their risks.

Internal Control Rating

Controls are Effective.

What Did We recommend?

Our assessment did not identify any findings regarding the agency's HR Processes.

We did find four (4) opportunities for improvement for management to consider.

- Continue to address changes to pay policies and procedures with staff. The agency needs to allow staff to vent concerns, so they feel they have been heard. One way to accomplish this is to have small team meetings to discuss concerns with the Executive Director, the Human Resources Director and department directors.
- Consider providing and requiring participation in a soft skills training course or eight minimum hours of management training for all levels of leadership (supervisors, managers, and directors) per year. Required training participation should be based on supervisory and management level. Examples of required training include emotional intelligence, crucial conversations, building effective teams.
- Survey attendees on the benefit of training they received to determine if there is benefit to offering the class to other staff.
- Consider having trainees share what they have learned with their peers during management meetings.

Number of Findings/Opportunities by Risk Rating

Category	High	Medium	Low	Total
Findings	0	0	0	0
Improvement Opportunities	0	0	4	4

INTRODUCTION



McConnell & Jones LLP (MJ) serving as the outsourced internal audit function (Internal Audit) for the Texas Real Estate Commission (TREC), performed an internal audit of the Agency's Human Resources Department. This audit performed as a follow-up to the FY 2018 consulting and advisory services to evaluate the agency's Human Resource processes related to compensation, performance evaluations, retention, recruiting and leadership training.

We performed this audit as part of the approved FY 2021 Annual Internal Audit Plan. This audit was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained meets that requirement.

Pertinent information has not been omitted from this report. This report summarizes the audit objective and scope, our assessment based on our audit objectives and the audit approach.

OBJECTIVE



The purpose of this audit was to assess if recent process changes to hiring, merit, salary increases, promotions, and longevity pay are effective and achieving the agency's the desired results (reducing employee turnover, enhancing recruiting efforts and outcomes, improving employee retention and morale, and expanding leadership development.).

We focused on management's controls and business process changes to hiring, merit pay, salary increases, promotions, and longevity pay.

The scope period was FY 2020.

Our focus for this audit was on:

- Compensation administration policies and procedures to address employee retention and morale.
- Current compensation structure's impact on employee retention and attracting new employees.
- Merit increase process transparency and application.
- Talent acquisition processes for facilitating the identification and hiring of highly competitive positions.
- Leadership training to provide management staff with the tools and methodology needed to direct and motivate staff. Analytics of compensation data.

FINDING VS IMPROVEMENT OPPORTUNITY

We define a finding as an internal control weakness or non-compliance with required policy, law, or regulation. We define an improvement opportunity as an area where the internal control or process is effective as designed but can be enhanced.

CONCLUSION AND INTERNAL CONTROL RATING



We concluded that overall **internal controls are effective**. Exhibit 1 describes the internal control rating.

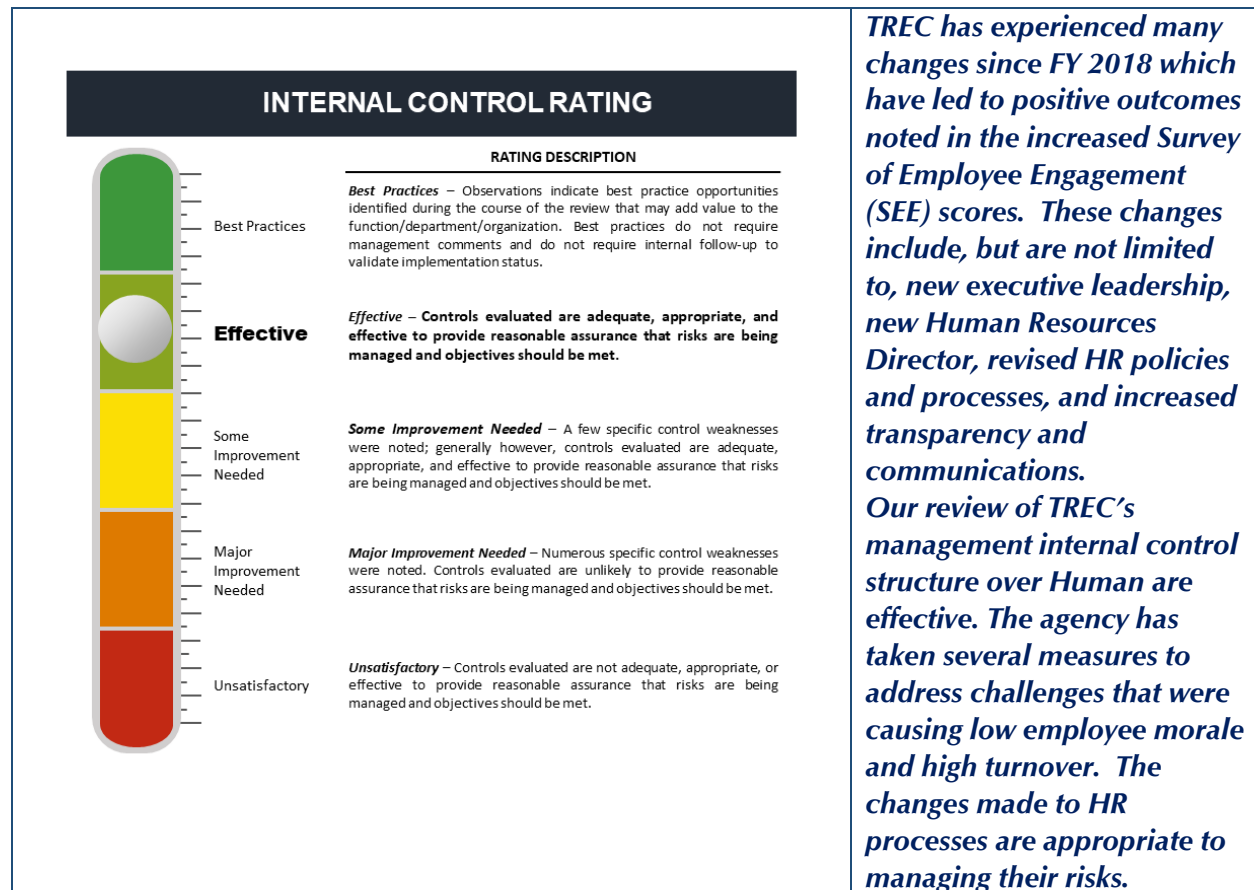


Exhibit 1: Internal control rating description.

FINDINGS AND MANAGEMENT RESPONSE



Our assessment resulted in no findings or reportable recommendations.

We identified four (4) improvement opportunities for management to consider.

1. Continue to address changes to pay policies and procedures with staff. The agency needs to allow staff to vent concerns, so they feel they have been heard. One way to accomplish this is to have small team meetings to discuss concerns with the Executive Director, the Human Resources Director and department directors.
2. Consider providing and requiring participation in a soft skills training course or eight minimum hours of management training for all levels of leadership (supervisors, managers, and directors) per year. Required training participation should be based on supervisory and management level.

Examples of required training include emotional intelligence, crucial conversations, building effective teams.

3. Survey attendees on the benefit of training they received to determine if there is a benefit to offering the class to other staff.
4. Consider having trainees share what they have learned with their peers during management meetings.

BACKGROUND

TREC's Human Resources department is tasked with processes related to compensation, performance evaluations, retention, recruiting, and leadership training.

TREC has experienced many changes since FY 2018 which have led to positive outcomes noted in the increased Survey of Employee Engagement (SEE) scores. These changes include, but are not limited to, new executive leadership, new Human Resources Director, revised HR policies and processes, and increased transparency and communications.

The agency's leadership desired a follow-up on FY 2018 advisory and consulting services project to evaluate recent changes to the Human Resource processes to determine if they have led to the agency being in better position.

Business Objectives, Risks, Findings and Management Response



This section of the report provides a summary of applicable business objectives, risks, and controls in place to ensure that TREC's Human Resources processes and controls are effective in managing their risks over employee turnover, recruiting, employee retention, employee morale, and leadership development.

Each table also includes our assessment of internal controls for the respective business risk, our recommendations to address deficiencies noted, or opportunities to enhance current controls and management's response.

1 BUSINESS OBJECTIVE: COMPENSATION ADMINISTRATION POLICY

Business Objective	Compensation administration policies and procedures are current toward increasing employee retention and morale.
Business Risk	Compensation administration policies and procedures may not be current or effective towards increasing employee retention and morale.
Management Controls in Place	<ul style="list-style-type: none"> • Texas Real Estate Commission Employee Handbook is reviewed and updated at least annually and incorporates compensation administration. • The agency's Executive Director holds town halls with staff and has promised transparency.
Control Tests	<ul style="list-style-type: none"> • Reviewed the Texas Real Estate Commission Employee Handbook that was effective January 1, 2020 and updated April 1, 2020. • Surveyed non-management employees regarding morale.

1 BUSINESS OBJECTIVE: COMPENSATION ADMINISTRATION POLICY

	<ul style="list-style-type: none"> Conducted analytics on employee retention.
Control Assessment / Findings	Controls are effective.
Recommended Actions	None.
Management Response and Action Plan	None required.

2 BUSINESS OBJECTIVE: COMPENSATION STRUCTURE

Business Objective	To ensure the agency's compensation structure is effective in increasing employee retention and attracting new employees.
Business Risk	The compensation structure may not be effective in increasing employee retention and attracting new employees.
Management Controls in Place	<ul style="list-style-type: none"> Directors are able award merit increases based on employee performance to reward high performers and hopefully improve their retention. The agency performs routine salary reviews to determine if any equity adjustments are necessary.
Control Tests	<ul style="list-style-type: none"> Interviewed key process owners. Reviewed samples of performance/merit approval for merit increase. Conducted data analytics on employee retention.
Control Assessment / Findings	Controls are effective.
Recommended Actions	None.
Management Response and Action Plan	None required.

3 BUSINESS OBJECTIVE: MERIT INCREASE PROCESSES

Business Objective	To ensure that the merit increase processes are transparent and evenly applied.
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3 BUSINESS OBJECTIVE: MERIT INCREASE PROCESSES

Business Risk	The merit increase processes may not be transparent or evenly applied.
Management Controls in Place	<ul style="list-style-type: none"> • The agency implemented changes to a once-a-year merit increase policy along with annual increases and communicated these in multiple employee meetings and messaging to address transparency. • Performance evaluations are conducted by the employee's manager, submitted to HR for review, equally reviewed by the Chief Financial Officer (CFO), HR Director and authorized by the Executive Director. • In an effort to maintain transparency, a salary increase memo is required along with justification for the increase. For transparency, the memo is routed through the division director, HR, Finance, and Exec Director and back to the employee.
Control Tests	<ul style="list-style-type: none"> • Interviewed key process owners. • Reviewed samples of performance/merit approval for merit increase. • Reviewed the agency's salary actions flowchart. • Conducted an electronic survey of non-management employees. • Conducted data analytics.
Control Assessment / Findings	Controls are effective.
Recommended Actions	None.
Management Response and Action Plan	None required.

4 BUSINESS OBJECTIVE: TALENT ACQUISITION PROCESSES

Business Objective	To ensure that the agency's talent acquisition processes facilitate the identification and hiring of highly competitive positions.
Business Risk	TREC's talent acquisition processes may not facilitate the identification and hiring of highly competitive positions.
Management Controls in Place	<ul style="list-style-type: none"> • HR worked with directors to change the way candidates are screened. • "Above market" compensation is considered to secure and retain great talent. • HR uses the Texas Tribune to view open jobs and assess /compare salaries of state employees in the same classification as their own.

4 BUSINESS OBJECTIVE: TALENT ACQUISITION PROCESSES

	<ul style="list-style-type: none"> Salary recommendations for highly competitive position is sent to the Finance Department for review and approval. This allows for verification that funding is available to proceed with the various actions. HR staff review all job descriptions and the State Auditors Office (SAO) position description to ensure they are using the current classification and salary range.
Control Tests	<ul style="list-style-type: none"> Interviewed key process owners. Reviewed “Desk Audit Recommendation” requesting audit/ review of compensation for vacant Programmer V position. Request was approved by the Executive Director. Conducted an electronic survey of non-management employees. Conducted data analytics.
Control Assessment / Findings	<p>Controls are Effective. <i>Opportunity for Improvement.</i></p> <ul style="list-style-type: none"> Internal Audit conducted an anonymous survey of non-management staff. Results of 21 questions identified: <ul style="list-style-type: none"> 15 areas that exceeded benchmark levels. Two (2) areas that met benchmark levels. Four (4) areas that were below benchmark levels. All were related to pay. Analysis of (1) TREC’s average salaries by position title, compared to (2) Statewide, (3) Similar Agencies, and (4) Article VIII positions. These four groupings showed: <ul style="list-style-type: none"> 15 (24 percent) of TREC’s average salaries were the lowest of the four groupings; one (1) of these salaries were for a position deemed critical. 20 (32 percent) were the highest of the four groupings; six (6) of these salaries for a position deemed critical.
Recommended Actions	<p><i>Opportunity for Improvement.</i></p> <p>Continue to address changes to pay policies and procedures with staff. The agency needs to allow staff to vent their concerns, so they feel they have been heard. One way to accomplish this is to have small team meetings to discuss concerns with the Executive Director, the Human Resources Director and department directors.</p>
Management Response and Action Plan	None required.

5 BUSINESS OBJECTIVE: LEADERSHIP TRAINING

Business Objective	To ensure that leadership training provides management staff with the tools and methodologies needed to direct and motivate staff.
Business Risk	Current leadership training may not provide management staff with the tools and methodologies needed to direct and motivate staff.

5 BUSINESS OBJECTIVE: LEADERSHIP TRAINING

Management Controls in Place	<ul style="list-style-type: none"> • Leadership is provided budget authority and ability to select their own training based on their needs. • The agency utilizes the University of Texas LBJ School of Public Affairs for training to assure cost-effective quality.
Control Tests	<ul style="list-style-type: none"> • Interviewed key process owners. • Deployed an electronic survey of non-management employees. • Conducted data analytics.
Control Assessment / Findings	<p>Controls are Effective. <i>Opportunities for Improvement.</i></p> <ul style="list-style-type: none"> • Internal Audit's anonymous survey of non-management staff identified four (4) out of four (4) areas that exceeded benchmark levels for management performance. This reflects positively on TREC.
Recommended Actions	<p><i>Opportunities for Improvement.</i></p> <ul style="list-style-type: none"> • Consider providing and requiring participation in a soft skills training course or eight minimum hours of management training for all levels of leadership (supervisors, managers, and directors) per year. Required training participation should be based on supervisory and management level. Examples of required training include emotional intelligence, crucial conversations, building effective teams. • Survey attendees on the benefit of training they received to determine if there is a benefit to offering the class to other staff. • Consider having trainees share what they have learned with their peers during management meetings.
Management Response and Action Plan	None required.

APPENDIX 1: DATA ANALYTICS

TREC Survey of Employee Engagement (SEE) Scores

Figure A1 provides TREC’s Survey of Employee Engagement (SEE) scores from 2009 through 2019. TREC’s SEE analysis color coding legend for this figure is as follows.

Description	Score	Code
Areas of Concern	< 325	<div style="background-color: yellow; width: 20px; height: 15px; display: inline-block;"></div>
Acceptable Range	325 – 375	<div style="background-color: white; width: 20px; height: 15px; display: inline-block;"></div>
Areas of Strength	375+	<div style="background-color: #c6e0b4; width: 20px; height: 15px; display: inline-block;"></div>

Construct	Topics / Years	2009	2011	2013	2015	2017	2019
1	Supervision	390	383	393	413	383	400
2	Team/Workgroup	325	364	381	397	383	403
3	Pay	245	248	260	286	298	316
4	Benefits	349	376	382	387	401	412
5	Physical Environment	340	384	392	416	414	417
6	Strategic Issues	356	390	394	415	397	400
7	Community / Diversity	333	343	351	389	356	397
8	Information Systems	270	269	302	354	365	388
9	Internal Communications	324	324	348	383	361	380
10	Employee Engagement	355	370	380	406	386	409
11	Employee Development	296	342	361	381	370	412
12	Job Satisfaction	352	355	374	389	375	405

Figure A1: TREC SEE Scores 2009 through 2019

Source: Summarized from Texas Real Estate Commission’s Tracking of Survey of Employee Engagement Report for Respective Years

Figure A2 provides TREC’s SEE Levels of Employee Engagement scores for 2017 and 2019 compared to Nationwide Data.

	2017		2019	
Category	TREC	Nationwide Data	TREC	Nationwide Data
Highly Engaged	24%	30%	29%	30%
Engaged	21%		36%	
Moderately Engaged	40%	50%	26%	50%
Disengaged	15%	20%	8%	20%

Figure A2: TREC Employee Engagement Compared to National Averages

Source: Survey of Employee Engagement Report for Respective Years

TREC Salary Comparisons to Statewide, Similar Agencies, and Article VIII

Figure A3 provides a synopsis of the comparison of TREC’s average salaries to other salary groups for like positions.

Salary Group	Total Positions w/ Lowest salaries		Total Positions w/ Highest salaries	
	#	%	#	%
TREC	15	24%	21	33.9%
<i>Critical positions</i>	1		6	
Statewide	13	21%	19	30.6%
Similar	5	8%	19	30.6%
Article VIII	29	47%	3	4.8%
Total Positions	62	100%	62	100%

Figure A3: Synopsis of TREC’s comparison for like positions to other Salary Groups.

Source: Texas Real Estate Commission’s Salary Comparison Chart 02-21



Figure A4 compares TREC’s average salaries to other salary groups for like positions.

Class Title	Is a critical position	Diff btwn lowest & highest salaries in \$	Diff btwn lowest & highest salaries in %	TREC compared to highest salaries \$	TREC compared to highest salaries %
Customer Service Representative III	Yes	\$ 4,702	11.71%	\$ (1,340)	3%
Customer Service Representative IV	Yes	\$ 9,449	20.15%	\$ (5,496)	12%
Customer Service Representative V	Yes	\$ 4,774	10.05%	\$ (4,774)	10%
Administrative Assistant III		\$ 2,840	7.51%	\$ (1,189)	3%
Administrative Assistant V		\$ 2,534	5.27%	\$ -	0%
Executive Assistant I		\$ 10,911	18.49%	\$ (4,349)	7%
License & Permit Specialist I	Yes	\$ 4,228	11.16%	\$ -	0.00%
License & Permit Specialist II	Yes	\$ 5,794	14.30%	\$ -	0.00%
License & Permit Specialist III	Yes	\$ 5,085	11.42%	\$ (2,536)	5.69%
License & Permit Specialist IV	Yes	\$ 5,258	10.07%	\$ -	0.00%
Programmer V	Yes	\$ 17,597	17.29%	\$ (6,356)	6.25%
System Analyst II	Yes	\$ 4,907	8.92%	\$ (136)	0.25%
Systems Analyst IV	Yes	\$ 7,862	10.81%	\$ (1,038)	1.43%
Systems Analyst V	Yes	\$ 6,259	7.45%	\$ (2,604)	3.10%
Web Administrator V	Yes	\$ 9,340	9.52%	\$ -	0.00%
Systems Administrator V	Yes	\$ 18,958	19.60%	\$ -	0.00%
Systems Administrator VI	Yes	\$ 6,928	6.89%	\$ -	0.00%
Document Services Tech IV		\$ 1,056	2%	\$ (1,056)	2%
Education Specialist I		\$ 2,298	5.35%	\$ (2,298)	5.35%
Education Specialist II		\$ 9,691	17.03%	\$ (9,691)	17.03%
Education Specialist III		\$ 5,551	9.32%	\$ (5,551)	9.32%
Education Specialist IV		\$ 12,326		\$ (10,526)	



Class Title	Is a critical position	Diff btwn lowest & highest salaries in \$	Diff btwn lowest & highest salaries in %	TREC compared to highest salaries \$	TREC compared to highest salaries %
Education Specialist V (PT)		\$ 16,954	21.53%	\$ (16,954)	21.53%
Accountant II		\$ 8,331	17.95%	\$ (3,165)	6.82%
Accountant III		\$ 5,852	11.37%	\$ (403)	0.78%
Accountant V		\$ 8,637	13.59%	\$ (8,637)	13.59%
Accountant VII		\$ 12,312	12.77%	\$ -	0.00%
Budget Analyst V		\$ 4,994	5.70%	\$ -	0.00%
Investigator IV		\$ 6,650	11.68%	\$ -	0.00%
Investigator V		\$ 10,188	15.93%	\$ (3,203)	5.01%
Investigator VI		\$ 14,458	18.81%	\$ -	0.00%
Project Manager IV		\$ 31,457	27.74%	\$ -	0.00%
Program Specialist I		\$ 5,054	10.68%	\$ (3,345)	7.07%
Program Specialist II		\$ 5,776	10.68%	\$ (3,843)	7.11%
Program Specialist VI		\$ 5,344	6.89%	\$ (405)	0.52%
Program Specialist VII		\$ 7,686	8.47%	\$ (6,705)	7.39%
Program Supervisor III		\$ 6,158	10.22%	\$ -	0.00%
Program Supervisor IV		\$ 7,139	12.14%	\$ (3,586)	6.10%
Program Supervisor VI		\$ 9,336	12.02%	\$ -	0.00%
Director I		\$ 4,758	4.84%	\$ -	0.00%
Director II		\$ 6,275	5.75%	\$ (2,475)	2.27%
Director III		\$ 8,681	7.11%	\$ (5,690)	4.66%
Director IV		\$ 15,047	10.75%	\$ -	0.00%
Director VI		\$ 14,091	8.59%	\$ (14,091)	8.59%
Human Resources Specialist III		\$ 13,633	22.88%	\$ -	0.00%

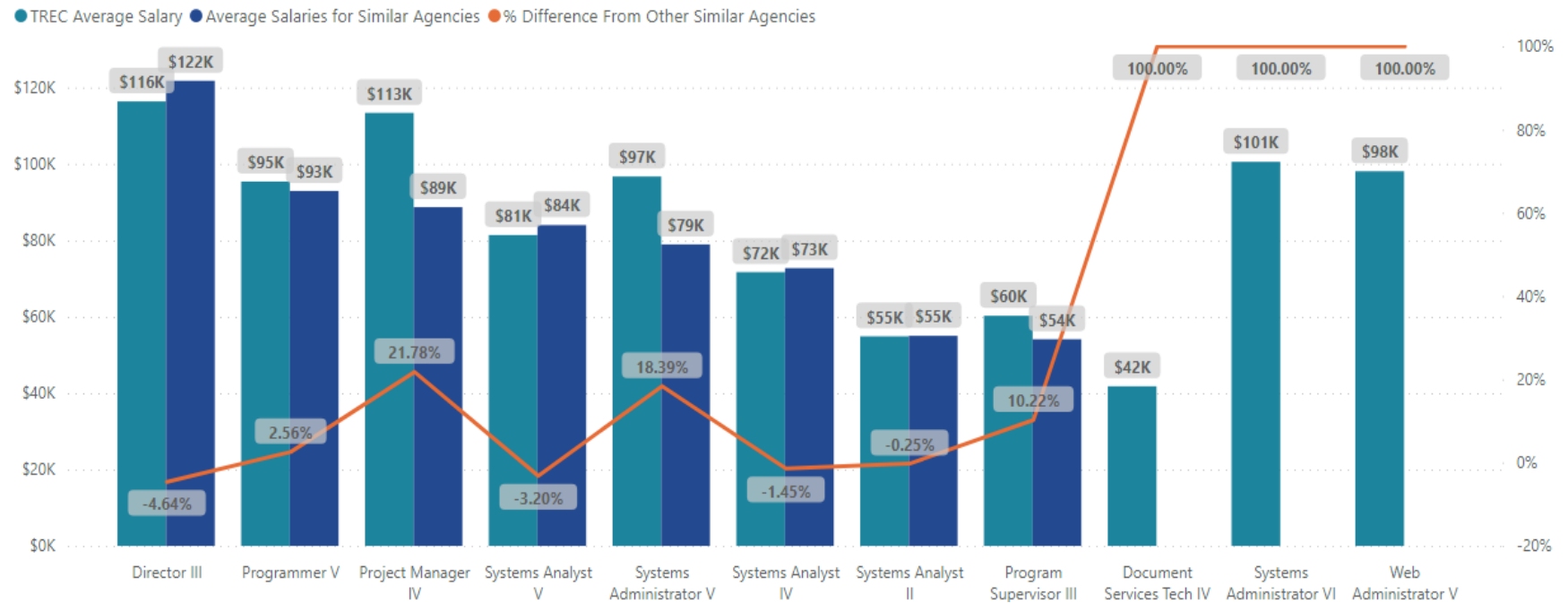


Class Title	Is a critical position	Diff btwn lowest & highest salaries in \$	Diff btwn lowest & highest salaries in %	TREC compared to highest salaries \$	TREC compared to highest salaries %
Human Resources Specialist VI		\$ 14,298	15.58%	\$ (1,765)	1.92%
Management Analyst III		\$ 3,900	5.47%	\$ (3,900)	5.47%
Inventory & Store Spclst III		\$ 4,488	11.08%	\$ (4,488)	11.08%
Contract Administration Mgr I		\$ 14,530	15.29%	\$ -	0.00%
Contract Spclst V		\$ 29,297	32.44%	\$ (29,297)	32.44%
Appraiser III		\$ 3,599	5.32%	\$ (1,722)	2.54%
Appraiser IV		\$ 3,345	4.18%	\$ -	0.00%
Attorney III		\$ 4,637	5.57%	\$ (221)	0.27%
Attorney IV		\$ 12,182	11.86%	\$ (8,691)	8.46%
General Counsel II		\$ 24,851	20.37%	\$ -	0.00%
General Counsel III		\$ 16,840	12.92%	\$ (340)	0.26%
General Counsel IV		\$ 10,799	6.78%	\$ (9,261)	5.81%
Legal Secretary III		\$ 6,224	13.90%	\$ (6,224)	13.90%
Legal Assistant II		\$ 9,167	17.66%	\$ -	0.00%
Legal Assistant III		\$ 8,007	14.41%	\$ (8,007)	14.41%
Legal Assistant IV		\$ 8,912	14.03%	\$ (8,912)	14.03%
Legal Assistant V		\$ 18,837	21.60%	\$ (18,837)	21.60%
Executive Director		\$ 30,611	17.30%	\$ (1,925)	1.09%

Figure A4: Comparison of TREC's salaries to other Salary Groups for like positions.

Source: Texas Real Estate Commission's Salary Comparison Chart 02-21

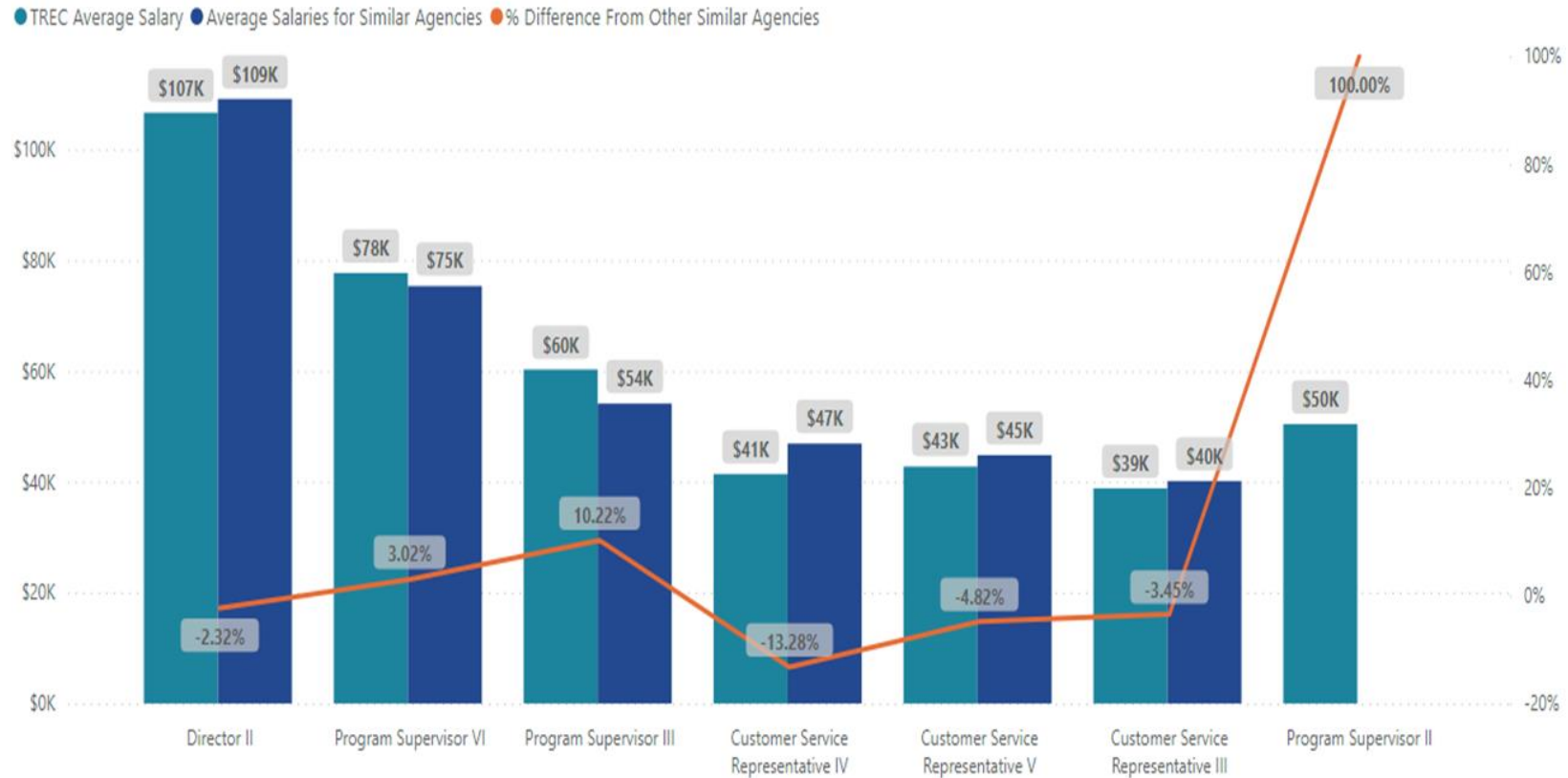
IT Department Average Salary Comparison to Similar Agencies



* Some of the positions were not given a “Similar Agency Average Salary” to compare.

** Data source: Salary Comparison Chart 02-21.xlsx file provided by TREC.

Customer Service Department Average Salary Comparison to Similar Agencies



* Some of the positions were not given a “Similar Agency Average Salary” to compare.

** Data source: Salary Comparison Chart 02-21.xlsx file provided by TREC.

Licensing Department Average Salary Comparison to Similar Agencies



* Some of the positions were not given a “Similar Agency Average Salary” to compare.

** Data source: Salary Comparison Chart 02-21.xlsx file provided by TREC.



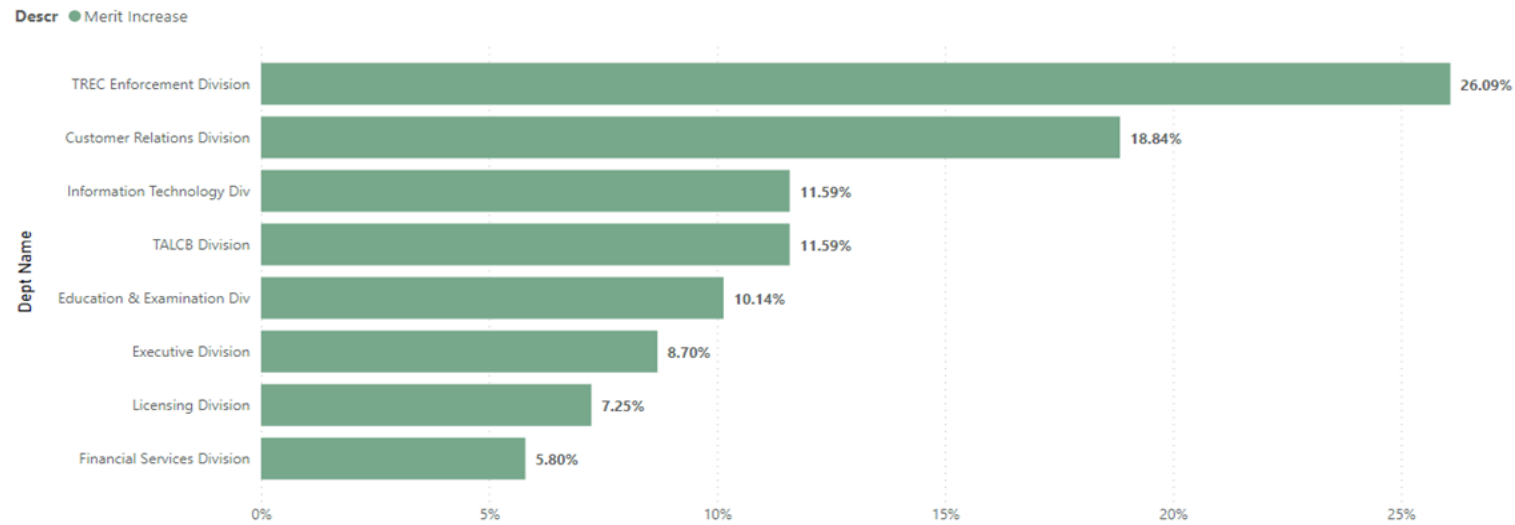
Comparison of Promotion Salaries to TREC Position Average, Similar Agency & Statewide

TREC Promotions for 2019-2020	Annual Salary for Promotion	% Difference Between TREC Annual Promotion Salary Paid & Company Average	% Difference From Promotion Salary to Similar Agency Salary	% Difference Between Promotion Salary and Statewide Salary
Administrative Assistant V	\$48,060.	0.00%	3.40%	0.75%
Customer Service Representative IV	\$41,400.	0.00%	-13.28%	-1.71%
Customer Service Representative V	\$41,400.	-3.26%	-1.61%	-14.79%
Customer Service Representative V	\$44,100.	3.06%	-8.24%	-7.76%
Director II	\$102,000.	-4.51%	-6.94%	-0.78%
Director III	\$108,000.	-7.78%	-12.77%	-5.01%
Document Services Tech IV	\$44,145.96	5.34%	N/A	2.94%
Document Services Tech IV	\$39,434.04	-5.97%	N/A	-8.65%
Education Specialist I	\$40,200.	-1.19%	N/A	-6.91%
Education Specialist II	\$45,000.	-4.89%	-26.42%	-13.21%
Education Specialist III	\$54,000.	0.00%	-6.98%	-10.28%
Legal Assistant IV	\$54,600.	0.00%	-14.25%	-16.32%
License & Permit Specialist II	\$39,300.	-3.07%	14.29%	-1.01%
License & Permit Specialist II	\$40,500.	-0.01%	11.68%	1.99%
License & Permit Specialist III	\$42,000.	0.00%	-0.95%	-6.04%
Program Specialist I	\$43,500.	-1.14%	1.41%	-8.83%
Program Supervisor III	\$50,000.04	-20.53%	15.64%	-10.64%
Program Supervisor III	\$64,136.04	6.04%	-8.21%	13.75%
Program Supervisor V	\$56,000.04	0.00%	-12.50%	-12.48%
Program Supervisor VI	\$69,000.	-12.55%	-9.15%	-5.37%
Systems Analyst II	\$54,864.	0.00%	-67.26%	5.66%
Systems Analyst V	\$77,700.	-4.76%	-22.67%	-0.05%
Web Administrator V	\$98,100.	0.00%	23.23%	4.33%

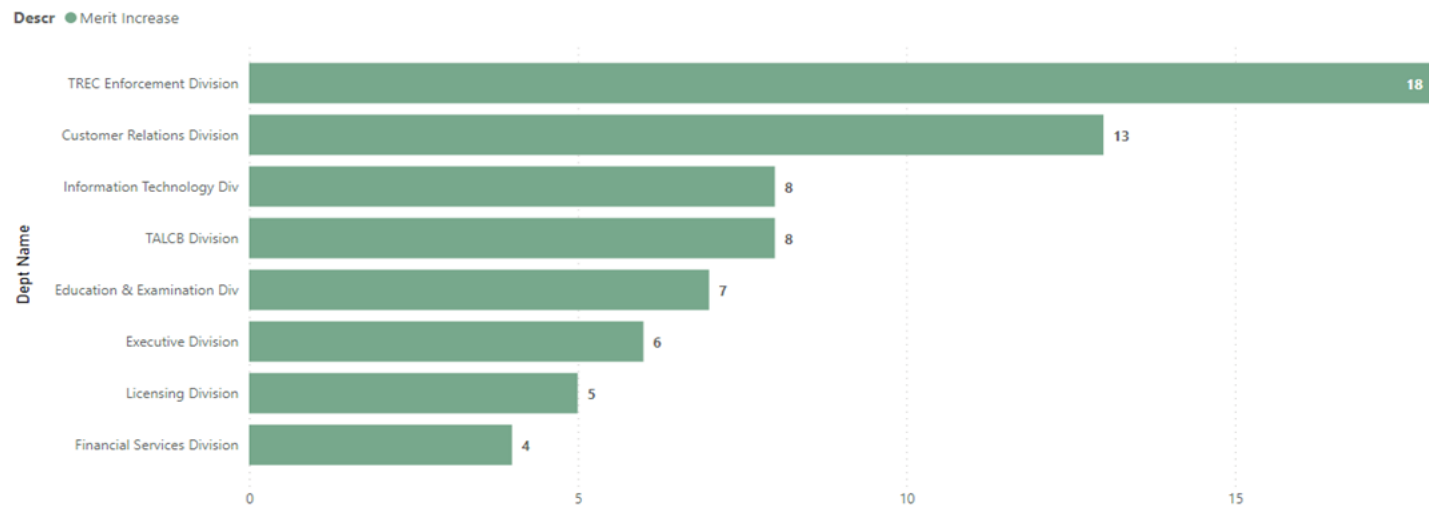
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	Above	
	Not Available	
	No Difference	

Source: Salary Comparison Chart 02-21.xlsx file provided by TREC.

Merit Increases by Division

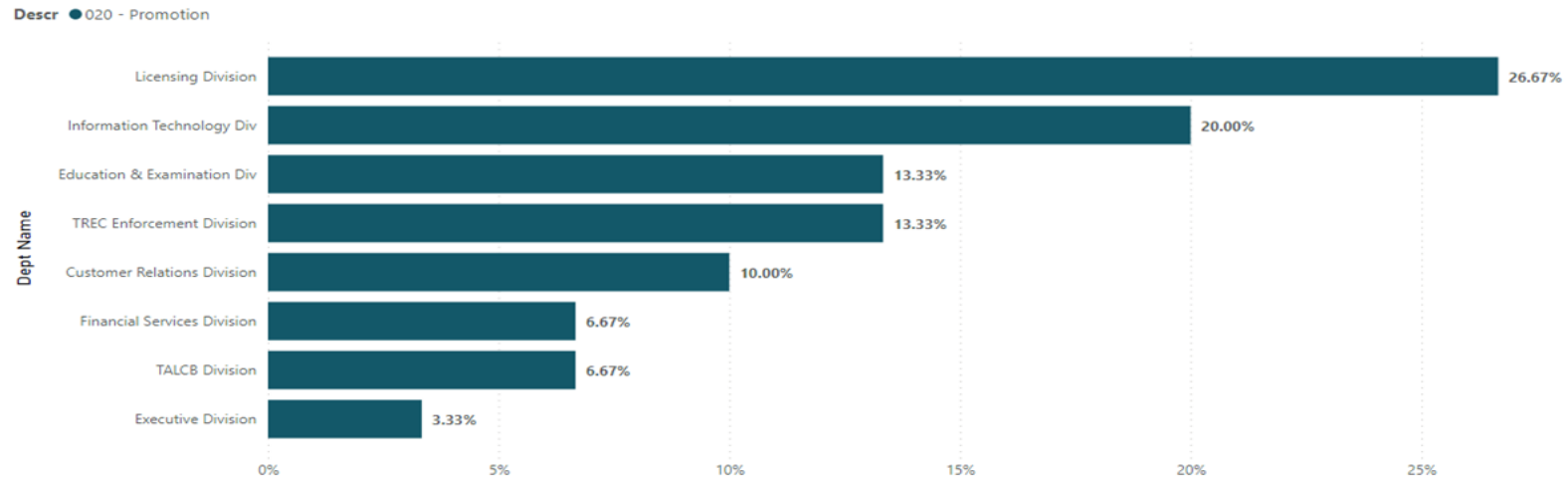


* Percentages are based on employee count.

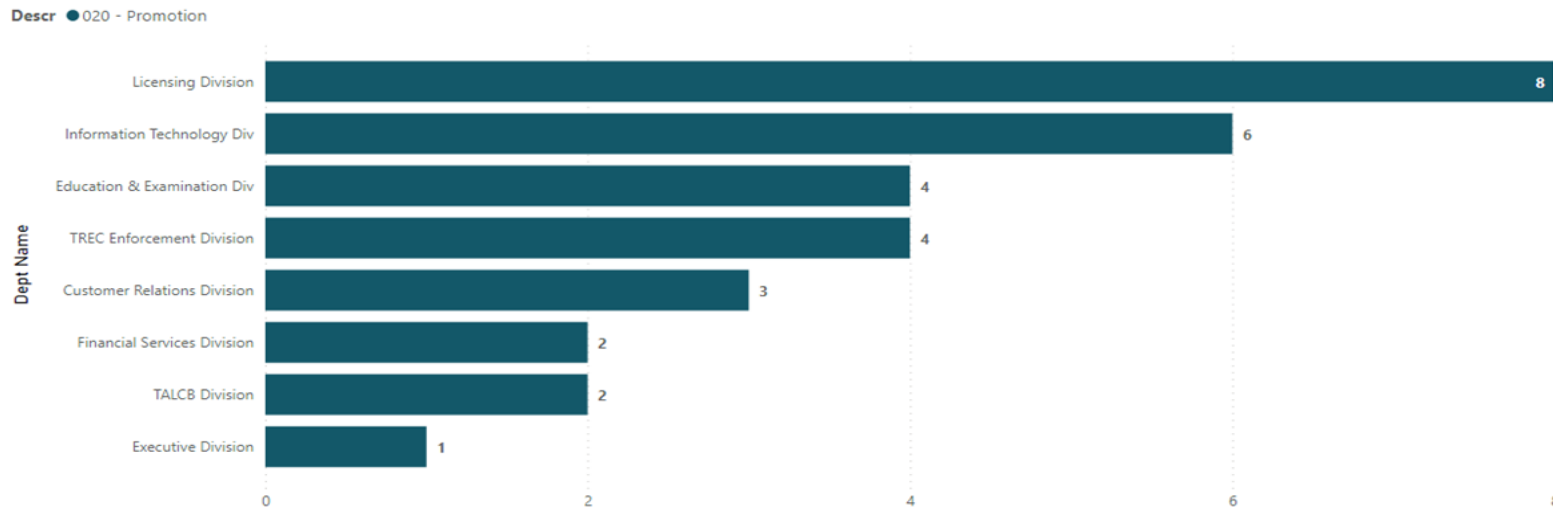


Source: Texas Real Estate Commission

Promotions by Division



* Percentages are based on employee count.



Source: Texas Real Estate Commission's Promotions 2019 - 2021

APPENDIX 2: NON-MANAGEMENT EMPLOYEE SURVEY RESULTS

Texas Real Estate Commission Employee Survey

Surveys sent: 125
Surveys received: 85
Response rate: 68%

Per Korn Ferry blog (<https://www.linkedin.com/pulse/how-ensure-authentic-meaningful-survey-participation-shoobridge/>) in general, if you get more than 70% you can consider that your response rate is very good. Anything between 60% and 70% is good.

Summary	Totals	Percent
Exceed Benchmark	15	71%
Meets Benchmark	2	10%
Below Benchmark	4	19%
	21	100%

According to Culture Amp Blog (<https://www.cultureamp.com/blog/what-is-a-good-survey-response-rate/>) for employee surveys participation rates are generally in the 65-85% range. In small companies or teams (<50) ideal participation rate is 80-90%; for companies/ teams of 500+ ideal participation rate is 70-80%. TREC's participation rate was 68%.

Q1. I am proud to work for TREC.

Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Engagement	
					Benchmark for Question	Low Scores / Red Flags
Strongly agree	50.59%	43	91%	Exceeds benchmark	80-90%	< 70%
Agree	40.0%	34				
Neither agree nor disagree	4.71%	4	4.71%			
Disagree	4.71%	4				
Strongly disagree	0.0%	0	5%			

Q2. I would recommend TREC as a great place to work.

Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Engagement	
					Benchmark for Question	Low Scores / Red Flags
Strongly agree	41.18%	35	89%	Meets benchmark	80-90%	< 60%
Agree	48.24%	41				
Neither agree nor disagree	4.71%	4	4.71%			
Disagree	5.88%	5				
Strongly disagree	0.0%	0	6%			

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Q3. I see myself still working at TREC in two years' time.					Engagement	
	Response		IA Total by		Benchmark for	Low Scores /
Answer Choices	Percent	Responses	Grouping	IA Comments	Question	Red Flags
Strongly agree	49.41%	42	80%	Exceeds benchmark	60-65%	< 60%
Agree	30.59%	26				
Neither agree nor disagree	10.59%	9	10.59%	Need to be prepared for potential losses		
Disagree	8.24%	7	9%			
Strongly disagree	1.18%	1				

Q4. My manager (or someone in management) has shown a genuine interest in my career aspirations.				Development		
Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Benchmark for Question	Low Scores / Red Flags
Strongly agree	41.18%	35	73%	Meets benchmark	65-75%	N/A
Agree	31.76%	27				
Neither agree nor disagree	18.82%	16	18.82%			
Disagree	7.06%	6	8%			
Strongly disagree	1.18%	1				

Q5. I have access to the things I need to do my job well.				Enablement		
	Response	IA Total by			Benchmark for	Low Scores /
Answer Choices	Percent	Responses	Grouping	IA Comments	Question	Red Flags
Strongly agree	52.94%	45	94%	Exceeds benchmark	75-85%	N/A
Agree	41.18%	35				
Neither agree nor disagree	3.53%	3	3.53%			
Disagree	1.18%	1	2%			
Strongly disagree	1.18%	1				

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Q6. I have access to the learning and development I need to do my job well.					Enablement	
	Response	IA Total by			Benchmark for	Low Scores /
Answer Choices	Percent	Responses	Grouping	IA Comments	Question	Red Flags
Strongly agree	48.24%	41	87%	Exceeds benchmark	75-85%	N/A
Agree	38.82%	33				
Neither agree nor disagree	8.24%	7	8.24%			
Disagree	3.53%	3	5%			
Strongly disagree	1.18%	1				

Q7. I believe management is transparent.				Engagement		
Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Benchmark for Question	Low Scores / Red Flags
Strongly agree	24.71%	21	72%	Exceeds benchmark	70%	N/A
Agree	47.06%	40				
Neither agree nor disagree	17.65%	15	17.65%			
Disagree	8.24%	7	11%			
Strongly disagree	2.35%	2				

Q8. I feel valued at work.				Engagement		
Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Benchmark for Question	Low Scores / Red Flags
Strongly agree	41.18%	35	82%	Exceeds benchmark	75%	< 70%
Agree	41.18%	35				
Neither agree nor disagree	11.76%	10	11.76%			
Disagree	4.71%	4	6%			
Strongly disagree	1.18%	1				

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Q9. I believe my average coworker is at work is happy at work.				Engagement	
	Response	IA Total by			
Answer Choices	Percent	Responses	Grouping	IA Comments	Benchmark for Question Low Scores / Red Flags
Strongly agree	16.47%	14	69%	Exceeds benchmark	59%* * sum of somewhat happy and very happy
Agree	52.94%	45			
Neither agree nor disagree	21.18%	18	21.18%		
Disagree	8.24%	7	9%		
Strongly disagree	1.18%	1			

Q10. My supervisor (or someone in management) offers me help when I ask for it.				Engagement /Leadership	
Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Benchmark for Question / Low Scores / Red Flags
Strongly agree	64.71%	55	95%	Exceeds benchmark	80% < 70%
Agree	30.59%	26			
Neither agree nor disagree	2.35%	2	2.35%		
Disagree	2.35%	2	2%		
Strongly disagree	0.0%	0			

Q11. TREC leaders take my feedback and suggestions seriously.				Engagement /Leadership	
Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Benchmark for Question / Low Scores / Red Flags
Strongly agree	25.88%	22	75%	Exceeds benchmark	72% < 70%
Agree	49.41%	42			
Neither agree nor disagree	16.47%	14	16.47%		
Disagree	5.88%	5	8%		
Strongly disagree	2.35%	2			

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Q12. I am comfortable voicing my concerns to my supervisor or someone in management.

Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Management Performance Benchmark for Question	Low Scores / Red Flags	
Strongly agree	37.65%	32	85%	Exceeds Benchmark	79%	N/A	Interesting that this is higher than Q11. Is it the diff. btwn leadership & supervisor?
Agree	47.06%	40					
Neither agree nor disagree	4.71%	4					
Disagree	9.41%	8					
Strongly disagree	1.18%	1	11%				

Q13. My supervisor's expectations of me are realistic.

Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Management Performance Benchmark for Question	Low Scores / Red Flags	
Strongly agree	42.35%	36	91%	Exceeds Benchmark	74%	N/A	Interesting that this is higher than Q11. Is it the diff. btwn leadership & supervisor?
Agree	48.24%	41					
Neither agree nor disagree	7.06%	6					
Disagree	1.18%	1					
Strongly disagree	1.18%	1	2%				

Q14. TREC communicates pay policies and procedures to its employees.

Q14. TREC communicates pay policies and procedures to its employees.				Management Performance		
	Response	IA Total by		Benchmark for	Low Scores /	
Answer Choices	Percent	Responses	Grouping	IA Comments	Question	Red Flags
Strongly agree	27.06%	23	68%	Below benchmark	84%	N/A
Agree	41.18%	35				
Neither agree nor disagree	15.29%	13	15.29%			
Disagree	11.76%	10	16%			
Strongly disagree	4.71%	4				

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Q15. My supervisor (or someone in management) answers questions about how my pay is determined.

questions about how my pay is determined.				Management Performance	
	Response		IA Total by		
Answer Choices	Percent	Responses	Grouping	IA Comments	Benchmark for Question
Strongly agree	18.82%	16	64%	Below benchmark	75%
Agree	44.71%	38			
Neither agree nor disagree	25.88%	22	25.88%		
Disagree	8.24%	7	11%		
Strongly disagree	2.35%	2			
					Low Scores / Red Flags

Q16. My supervisor (or someone in management) shares with employees how decisions about their pay are made.

employees how decisions about their pay are made.				Management Performance		
	Response	IA Total by		Benchmark for	Low Scores /	
Answer Choices	Percent	Responses	Grouping	IA Comments	Question	Red Flags
Strongly agree	16.47%	14	56%	Below benchmark	73%	N/A
Agree	40.0%	34				
Neither agree nor disagree	27.06%	23	27.06%			
Disagree	12.94%	11	16%			
Strongly disagree	3.53%	3				

Q17. My supervisor (or someone in management) tells me what I must do to increase my pay.

must do to increase my pay.				Management Performance		
	Response	IA Total by		Benchmark for	Low Scores /	
Answer Choices	Percent	Responses	Grouping	IA Comments	Question	Red Flags
Strongly agree	11.76%	10	41%	Below benchmark	51%	N/A
Agree	29.41%	25				
Neither agree nor disagree	22.35%	19	22.35%			
Disagree	24.71%	21	36%			
Strongly disagree	11.76%	10				

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Q18. How would you rate TREC's culture (the thoughts, ideas, convictions and beliefs of the organization)?

Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Talent Magnet Benchmark for Question	Low Scores / Red Flags
Far above average	17.65%	15	94%	Exceeds benchmark	70%*	N/A
Above average	43.53%	37				
Average	32.94%	28				
Below average	4.71%	4	6%			
Far below average	1.18%	1				

* sum of satisfactory and Very good which would equate to Far above average, above average and average in the survey responses.

Q19. How would you rate TREC's environment (the surroundings, including both physical and air-space of the organization)?

Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Talent Magnet Benchmark for Question	Low Scores / Red Flags
Far above average	14.12%	12	95%	Exceeds benchmark	76%*	N/A
Above average	34.12%	29				
Average	47.06%	40				
Below average	2.35%	2	5%			
Far below average	2.35%	2				

* sum of satisfactory and Very good which would equate to Far above average, above average and average in the survey responses.

Q20. I am happy at work.

Answer Choices	Response Percent	Responses	IA Total by Grouping	IA Comments	Engagement Benchmark for Question	Low Scores / Red Flags
Strongly agree	40.0%	34	81%	Exceeds benchmark	78%	< 70%
Agree	41.18%	35				
Neither agree nor disagree	11.76%	10	11.76%			
Disagree	5.88%	5	7%			
Strongly disagree	1.18%	1				

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Q21. How would you rate your work-life balance?				Engagement	
	Response		IA Total by		
Answer Choices	Percent	Responses	Grouping	IA Comments	Benchmark for Question
Very satisfied	41.18%	35	82%	Exceeds benchmark	78%
Satisfied	41.18%	35			
Neither satisfied nor dissatis	11.76%	10	11.76%		
Dissatisfied	4.71%	4	6%		
Very dissatisfied	1.18%	1			
					Low Scores / Red Flags

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