

**An Assessment of Human Resources
at the Texas Water Development Board**

April 17, 2000

Members of the Legislative Audit Committee:

Overall, the Texas Water Development Board (TWDB) does a good job of managing human resources (HR). The assessment included a review of the traditional HR functional areas of staffing, compensation, training, performance appraisals, and employee relations. In addition, we looked at both employee and management's perception of HR effectiveness, the vision agreement between the Executive Director and the HR Director on the role of HR, how well HR was performing its roles, and the perceptions of the competencies of the HR Director. This served as one of two pilots for a statewide project in which we will review the overall effectiveness and efficiency of human resources (HR) management in Texas state government.

The TWDB has some very good operations HR functions. The agency's compensation practices are innovative and a model for Texas state government. The agency's HR function has served as a change agent by changing or doing away with ineffective methods and procedures and foreseeing and implementing new ones. The agency has also been proactive in participating in and taking corrective action based on the results of The University of Texas Survey of Organizational Excellence. One of the biggest detractors to the agency's overall HR success is employee distrust of HR. Though the agency has a model investigative process and has followed recommended procedures, the result of recent employee investigations has resulted in low employee morale and distrust of HR. The TWDB should continue to work toward building employee trust in HR. HR needs to be positioned so that it can actively assist in the development of the agency's strategic plans.

The State Auditor's Office believes that evaluating how agencies manage their human resources is essential. We know Texas spent at least \$11 billion (25 percent of total appropriated funds) on this area in fiscal year 1998. We developed a process to assess how well state agencies are managing their human resources. We operated under the major assumption that all agencies had some work to do in bringing HR to the proper place in strategic as well as operational management. Executive management needs to recognize the new role of HR: it is the foundation of an agency's ability to achieve its mission and one of the primary functions of management as a whole.

If you have any questions, please contact Kelli Dan, State Classification Officer, at (512) 479-4700.

Sincerely,

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