

## Appendix I

### Summary slide

#### ER02 – Attraction, Retention and

#### Wellbeing of our employees

Date of meeting: 29<sup>th</sup> June 2022

Safety , Sustainability and Human

Resources Panel

## CONTEXT AND OBJECTIVES

- We are currently facing significant challenges to our ability to attract and retain critical skills. Failure to attract and retain a skilled and engaged workforce represents a strategic risk to delivery and our ability to meet the current and emerging priorities of the organisation.
- In November 2021, Exco agreed to retitle and reposition Enterprise Risk 02 to reflect the current focus on critical skills while retaining our current focus on wellbeing. The new Enterprise risk is titled “*Inability to attract or retain the skills, knowledge and experience required to deliver our organisational priorities and maintain an engaged workforce where employee wellbeing is prioritised*”
- The repositioned risk was reviewed by the Executive Committee in May 2022 and endorsed the preventative and reactive controls and actions described in the paper. The Executive Committee agreed the status of this risk is “requires improvement”.

## SUMMARY

- This pack summarised the identified drivers of this risk, the current ‘business as usual’ controls we have in place and the specific mitigating actions we are taking or plan to take to mitigate the risk.
- Further detail is included in the accompanying ‘ paper and risk template

## ACTION

The Committee is asked to NOTE the paper



# Causes of Risk

Our ability to attract and retain employees is impacted by a number of internal and external factors, some of which are not fully in our control. These are listed on this slide.

There is no single “event” that will cause the risk to materialise, nor is there a way of eliminating the risk entirely. Effective management of the risk is led by programmes of work by the Human Resources, SHE, and local management teams.

- **We are becoming less competitive in the external market** – We are competing for talent in a buoyant employment market which is driving rising salary expectations. Our ability to respond has been limited by our existing reward structure, ongoing financial constraint and controls to recruitment.
- **Rising cost of living** – Cost of living pressures have a direct impact on take home pay and the disposable income of employees. This may lead to increased salary expectations that we are constrained in our ability to meet.
- **Perceptions of Pay Unfairness** – Recent Viewpoint surveys have indicated our people increasingly feel they aren't being rewarded appropriately for the contribution they make, particularly in comparison to other parts of the organisation.(e.g. disparity between pay settlements in London Underground compared with TfL)
- **Pressure of workload** – Pressure of workload has been reported as a recent driver for people choosing to leave .
- **Our skills profile becomes misaligned with our skills requirement** – Future business priorities and Mayoral commitments are likely to require a different set of the skills and expertise than currently held within our workforce.
- **TfL is perceived as a less attractive employer** – Uncertainty about the future may lead prospective employees not to consider TfL as an employer of choice.
- **Age profile** – One in five employees is likely to retire during the next decade. Without a plan to effectively to replace or mitigate the loss of key skills and knowledge, this will lead to resource gaps.
- **Line manager relationships** – The relationship between an employee and their line manager is a key driver of employee engagement. If this relationship is not effective it can be a contributory factor to voluntary exit.
- **Lack of management information** – We do not currently have detailed, centrally held data on different types of leaver and the reason why they are choosing the leave employment..
- **Lead times to recruit** – Current contractual notice periods are not sufficient to complete the recruitment process prior to an individual leaving the organisation. This can lead to a risk to delivery and increased pressure on employees.
- **Organisational change** – Any future organisational change may prompt individuals to seek alternative employment and/or accept voluntary severance if available..
- **Impact of Brexit / changes to immigration rules** – In the event that recruiting specific skill sets from overseas becomes more costly and administratively complex this may affect our ability to attract those employees in the future.

# How We Control this risk

We continue to drive strong alignment between management of this risk and core delivery and support to the business in how we manage, support, and develop our people.

We deliver a range of 'business as usual' policies and processes, permanently in place, that help the organisation control this risk. Controls are distinct from the mitigating actions described on the following slide.

- **Talent Management** - We have a suite of programmes and tool to support our employees develop and progress their career. These include readiness and conversation matters.
- **Reward Management** - We continue to operate a robust and appropriate external salary benchmarking process which allows us to assess the extent our own pay levels are consistent with the external market. Where appropriate, we have begun to develop specific market led responses to reward in areas where we are experiencing acute attraction and retention challenges.
- **Graduate and Apprentice Schemes** - Our graduate and apprentice schemes are an important part of how we meet future resourcing requirements. Our schemes carry a strong brand in the industry, as well as being highly regarded internally. In areas with skills shortages and critical skills, graduates and apprentices enable diverse talent pipelines to help fill these gaps as well as delivering skills needed for the future, two to six years out.
- **Recruitment and Induction** - Onboarding and induction programmes promote our employment offer to new joiners.
- **Learning and Development Offer** - Learning and Development opportunities that support employees to grow their careers.
- **Annual employee survey and action planning** - Activities and initiatives arising from the findings and trends arising from the annual Viewpoint survey.
- **Wellbeing Interventions** - Occupational Health teams deliver a series of initiatives and programmes providing employees with access to mental and physical wellbeing support.
- **Band 5 Exit Interviews:** Exit interviews held with all Band 5 and above leavers.
- **Annual People Planning Activity** - Annual people planning is designed to prioritise activity that effectively mitigates, and controls people risk in local business areas.

# Mitigation Plan

The emerging TfL Colleague strategy will set out our high-level ambitions and articulates how we will deliver our purpose through our people. In conjunction, a refresh colleague roadmap will be developed outlining key deliverables over the next 18 months.

These deliverables will be focused on mitigation of our people risk and form our mitigation plan, by ensuring that our programme of work is focused on how we attrition and retain staff and enhances the employee experience of working here.

- **Reward Strategy** - Our emerging Reward strategy, which will be delivered over the next 18 months, will support the attraction and retention of key skills, and consider how we can adopt a more segmented approach to reward, focusing on rewarding talent with skills critical to our future success and structure our pay and reward offer accordingly.
- **Embedding the Readiness Model** - Over the next 12 months, we will begin to use the outcomes of readiness reviews and career conversations to align with our resourcing strategy. Matching the aspirations of our people with the skills and capability we will need in the future is how we provide career paths and retain key talent.
- **Strategic Workforce Planning** - Over the next 12 months Strategic workforce planning activity will help us to map out what is required in terms of our people by aligning our resourcing strategy with our business strategy. This a key activity to mitigate our risk – particularly in regard to our future skills requirement and the age profile of our workforce.
- **Critical role identification and succession planning** -The identification of critical roles and establishing robust succession plans is an important mitigation to our ability to respond to the loss key individuals and the risks heightened by an aging workforce. Following a successful pilot in T&D, we are now ready to roll out across the organisation.
- **Aligning our Graduate and Apprentice schemes to future resource need** - We are actively establishing new apprentice schemes to meet future skills needs.
- **Defining our Employee Value Proposition** - Work to establish a TfL employee value proposition is currently being scoped.
- **Action on Inclusion** - Action on Inclusion will be published later this year and will set out our approach for delivering our equality objectives and achieving our vision for a more inclusive, diverse, equal organisation for our employees.
- **Learning and Development Strategy** - Our emerging L&D Strategy will seek to ensure our learning offer to employees integrates with our talent strategy and helps develop skills and knowledge.
- **Wellbeing Strategy** - Our Wellbeing Strategy will prioritise interventions which allow employees to flourish and achieve their full potential for the benefit of themselves and their organisation. Wellbeing is part of how we measure engagement and if we do not provide an environment where people can feel well, secure, and able to do their best work they may leave.
- **Knowledge transfer** - By the end of 2022, we will incept a project to facilitate knowledge transfer from employees with key skills and knowledge / those preparing to retire. This will help mitigate loss of corporate memory/score skills and expertise.

- This risk is driven by multiple factors, internal and external to the organisation. The organisation has limited control over some external drivers of risk.
- This requires a comprehensive mitigation plan that addresses multiple and varied drivers of risk.
- Our approach to managing this risk is to ensure strong alignment between risk mitigation and our programme of work. Our emerging colleague strategy and roadmap is focused on activities that will help mitigate risk and support the delivery of business objectives.
- A number of the deliverables within in the mitigation plan have been recently launched and/or will be delivered over the next 12-18 months
- Therefore, the appropriate status for this risk has been agreed as ‘***requires improvement***’
- The risk will be continue to be monitored internally within HR, and within the formal enterprise risk review schedule.