

CONTEXT AND OBJECTIVES

The Enterprise Risk identified in the colleague space is “*Attraction, retention and wellbeing of our employees*”. This risk recognises that if we do not continue to attract and retain employees with the skills and expertise we need and / or we have wellbeing challenges, we will not be able to deliver effectively for London in the future.

SUMMARY

An annual review of the risk is submitted to Exco and the Safety, Sustainability, and Human Resources Panel. The risk has also been reviewed by Colleague ExCo and their feedback has been incorporated into this paper.

ACTION

The TfL risk management framework requires us to identify

- The causes or drivers of the risk
- What controls we have in place to reduce the likelihood of the risk occurring or mitigate its impact
- What planned actions we will take to reduce the likelihood of the risk occurring or mitigate its impact

All Enterprise risks carry a risk status of ‘Well Controlled’, ‘Adequately Controlled’, ‘Requires Improvement’ or ‘Poorly Controlled’

The proposed status of ER02 is ‘*Requires Improvement*’ This status is driven by the nature of the risk and the fact that many of the planned interventions to mitigate and control this risk will impact over the medium term.

Title: ‘Attraction, Retention and Wellbeing of our Employees’ (ER02)

Date of meeting:
22 February 2023

Paper owner: Fiona Brunskill



Context and Background

We cannot deliver for London without attracting and retaining the talent we need to deliver our business plan. This has been heightened by the pandemic, financial constraints and a buoyant employment market.

Over the last 12 months we continue to experience increased levels of employee turnover for critical and specialist skill sets.

A number of initiatives will mitigate and control risk over the medium term. We would not propose to alter the status of this risk before these programmes can demonstrate effectiveness in controlling risk.

Risk: ER02: Attraction, Retention and Wellbeing of our employees

Risk owner: Fiona Brunskill
 Responsible managers: Stephen Field, Laura Davies, Karen Wallbridge, Sue Taylor, Lilli Matson
 Risk Status – Requires Improvement

Historical Context

TfL has historically experienced a low level of employee turnover, driven by the relative stability of public sector employment, competitive levels of pay and benefits

We are beginning to see a higher rate of employee turnover, which is becoming pronounced in areas of the business carrying specialist and critical skills

Current Context

Inflation and rising living costs is driving up salary expectations

A buoyant employment market Although we have experienced higher turnover this does not apply to all roles, some job families have higher rates of turnover and others with lower rates.

Our levels of pay are falling behind market in some areas

We have experienced a reduction in employee our engagement and wellbeing at work index measures

Drivers of Risk

Our ability to attract and retain is impacted by several external (in orange) and internal (in blue) factors, some of which are not fully in our control (orange). These are shown below.

Dynamic Employment Market
Cost of living
Pay (levels of pay against the market & internal pay inequity)
Organisational uncertainty
Age profile of workforce
Our employment offer becomes less attractive
Lack of progression and inability to provide career pathways
Lack of investment in training
Our skills profile becomes misaligned to our skills requirement
Ineffective leadership and people management
Policy, systems and processes impacting agility around resourcing
Lack of management information
Inefficient, bureaucratic and energy consuming processes
Impact of ill health on delivery and other colleagues

Actively controlling our risk

We continue to drive strong alignment between management of risk and our core delivery. We deliver a range of policies and processes, permanently in place, that help the organisation control our attraction and retention risk.

2022 Viewpoint – Highest negative scores

1. I have confidence there is a clear vision for the organisation (41% negative)
2. I believe action will be taken on the results of this survey (37%)
3. Considering the work I do, I believe my pay is fair (34%)
4. I feel involved in decisions affecting my work (32%)
5. Senior Managers are open and honest in their communications with me (30%)



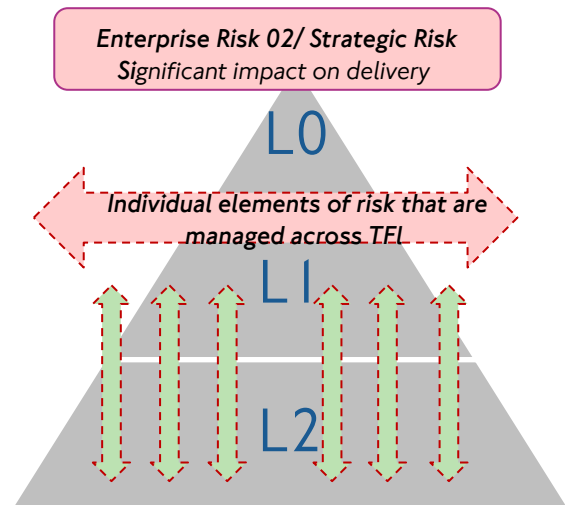
Our core delivery needs to be focused on achieving a number of strategic outcomes

1. Bringing our Vision and Values to life
2. Making TfL a great place to work for everyone
3. Attracting and retaining the skills we need to deliver now and in future
4. Responding to employee feedback on what it feels like to work here (see 2022 Viewpoint detail in sidebar)

We manage our risk using the Level 0, 1 and 2 structure

- Level 0 – Enterprise / Strategic
- Level 1 - Individual Pan TfL risk drivers
- Level 2 – Local risk drivers

This allows mitigation and improvement activity to be cascaded across individual people plans.



How activities are used to control risk

These are at various stages of implementation

Controls - Activity currently or shortly to be in place that actively mitigate our key drivers of risk

- Reward Management
- Our People Leaders Programme
- Change Programmes – ERP and OtP
- Identification of Critical Roles and Succession Planning
- Strategic Resourcing Group
- Action On Inclusion
- Talent Management:
 - Recruitment, Onboarding and Induction
 - Graduate and Apprentice Schemes
 - Learning and development offer
 - Senior Leadership Programme
- Wellbeing Interventions incl. our Occupational Health Offering
- Exit Process (Interviews and Survey)
- Employee Engagement Survey
- Trade Union Engagement / Pay Settlements

Managing ER02 Priority Actions

The actions identified are all planned delivery over the next 18 months.

These are key deliverable from our colleague roadmap that are focused on mitigation of our people risk, prioritising how we attract and retain staff and enhances the employee experience of working here.

Action	Detail	Expected Delivery
Approach to Change	Ensuring that we place our colleagues at the heart of our approach to change activity is an important mitigation to retention risk. While change can be unsettling, our approach to change has evolved to ensure that we take a pro-active approach to how we communicate and manage the change process. Making sure we are open and honest throughout is key to our people feeling involved and that they have a stake in the process.	Ongoing
Establishing a Strategic Resourcing Group	The Strategic Resourcing Group is a cross functional working group intended to enhance our medium and longer term approach to resourcing. Initial priorities of the group will to the reduction of internal competition, the recruitment of hard to fill and critical roles, harnessing 'Green' skills for the future and counsel on our hire-to-retire process reviews. The terms of reference for this group are included as an appendix.	February 2023
Our People Leaders	Establishing a shared understanding of what it means to be a people leader we aim to improve relationships, drive up levels of engagement, ensure that people feel supported in their careers and ultimately reduce the number of people choosing to leave voluntarily.	February 2023 (March 2024 BAU)
Enhanced Leaver Analytics	Currently, we do not possess robust, centrally held information about why people choose to leave. The new leavers survey will provide this and help us shape our future employment offer. A more consistent approach to exit interviews will allow local leadership teams to shape their people plans to address any trends in leaving reason.	February 2023 (survey) September 2023 (end to end process)
Succession Planning	We are currently working to identify critical roles across the organisation. This will enable us to establish robust succession plans for these roles that are future focused, diverse, inclusive, and transparent, is an important mitigation to our ability to respond to the loss key individuals and the risks heightened by an aging workforce.	October 2023
Employee Value Proposition (Phase 1)	This will be an important tool for recruitment and for articulating what people can expect from a career with us. At a time when we may be restricted in offering salaries at the top of the market, having a clear employee offer is vital to being able to continue to attract and retain people with the skills and talent we need.	September 2023 (phase 1)
Employee Engagement Survey	The opportunity to refresh our employee survey allows us to frame questions on areas that we know can heighten risk of voluntary exit if not well managed. Feedback from our employees allows us to better shape our future employee offer.	Ongoing (new survey 2024)
Reward Strategy	We are beginning to address employee perception of pay unfairness by delivering short-, medium- and longer-term changes to how we approach pay management. This includes revising our pay frameworks to better align to market rates for key skills, and to introduce in role salary progression.	April 2024