

Date: 27 March 2014

Item 8: TfL's Leadership and Succession Planning

This paper will be considered in public

1 Summary

- 1.1 The purpose of this paper is to provide an update of the current and proposed future activities which form TfL's Leadership and Succession programme.
- 1.2 A number of these activities are evolving and are dependent on future organisation design, workforce planning and integration of a new HR technology platform to ensure that all people solutions are linked, tracked and measured more effectively.
- 1.3 This paper has been prepared in response to a request for the following information at the Remuneration Committee meeting on 13 January 2014:
- (a) Explain the processes in place, or planned, to develop Directors and senior managers across TfL;
 - (b) Explain the processes in place, or planned, to retain, develop and utilise staff that had completed the apprentice and graduate programme; and
 - (c) Identify the senior operational roles that would be the hardest to fill and how this was being managed; both in terms of retaining the incumbent post holders and developing the next generation of operational leaders.

2 Recommendation

- 2.1 **The Committee is asked to note the actions and activities currently underway and planned.**

3 Director and Senior Management Development

- 3.1 There are a number of defined processes in place and planned, to develop Directors and senior managers across TfL. These include:
- (a) catalyst briefings – an opportunity for Directors and Band 5 managers to learn from inspirational leaders;
 - (b) *360plus* – a comprehensive performance feedback process based on our behaviours. Each Director's results are benchmarked against the 360 outcomes for senior leaders in other organisations;

- (c) Executive Education with Cass Business School – a bespoke programme for all TfL Directors consisting of five modules delivered over nine months. A related programme for other senior managers is proposed;
- (d) Learning by Doing – projects assigned to Directors by the TfL Leadership Team to inform them on issues which are as yet unresolved but which require preparation and for which progress can be made over the next 2-3 years;
- (e) coaching with an external executive coach; and
- (f) access to external programmes such as Common Purpose, the Oxford Transport Leaders Programme, GLA sponsored Young Leaders Programme, Women’s First, and the public Services LGBT Leadership Programme.

4 Apprentices and Graduate Programme

4.1 All graduates, once in substantive posts, are developed and managed under the same framework as other employees. In May 2013, a graduate tracking system and reporting mechanism was introduced, which analyses the performance, progression and retention of alumni graduates. A number of interventions have either been put in place or are in the process of being implemented as a result of this. These include:

- (a) MD and Director ‘drop-in’ sessions with ex-graduates to understand experiences and views on how their career has taken shape;
- (b) introduction of Director ‘Champions’ to champion graduate talent at a senior level;
- (c) mapping graduates to career paths, providing visibility of career options for both ex-graduates and managers to enable informed career and development discussions;
- (d) design of a final year graduate development centre to help inform decisions on roles once they are no longer on the scheme; to identify and prepare continued development plans and to help graduates in the transition from the scheme with particular focus on providing skills and self career management;
- (e) introduction of improved HR technology, providing greater visibility of graduate talent for ease of identification and tracking;
- (f) changes proposed via the new Resourcing Policy enable roles to be filled by ‘talent’ and support development moves without the need to advertise all roles. This change in policy will provide the foundation to introduce a more active talent management approach for ex-graduates when this is prioritised; and

(g) Managing Essentials¹ and a focus on performance management will support the up skilling of line manager capability in people and performance management. They will have a positive impact on ex-graduates, as they are in part reliant on an effective management capability to support them through their career

4.2 As with graduates, all apprentices upon completing their programme and appointment to substantive posts, are developed and managed under the same framework as other employees. An extensive review of apprentices has been undertaken across the organisation, resulting in a number of recommendations which will be presented to the Rail and Underground and Surface Boards and the TfL Leadership Team in March and April 2014.

5 Senior Operational Roles – Identification, Criticality, Retention and Development

5.1 In TfL, we recognise that there are a number of roles in the organisation which can be hard to fill. These fall in to three main categories: senior specialist roles, mission critical roles and roles requiring scarce skills. Many, especially at Director level, fall into more than one of those categories.

5.2 In general, as people move in to senior leadership roles, specialisms become less important and the ability to communicate, inspire and lead effectively becomes more apparent. However, some of our senior roles do require the job holder to be a specialist and these roles can be the hardest to fill. Examples would be senior level engineering leaders and ‘professional discipline heads’ in functions such as signalling and finance for which specific fellowships or charterships, are required.

5.3 We also have mission critical roles. These are not confined to leaders and executives but lie at the core of conducting everyday business and are central to our long term strategy. These include command and control roles, service control, engineers and planners.

5.4 There are also roles in TfL which require skill sets that are scarce and for which we are in competition for a small pool of potential candidates with our supply chain, Network Rail and major infrastructure projects such as High Speed 2 and Crossrail. Some of these roles will also be critical to our organisation and / or be specialist senior roles. These include commercial managers, project engineers and transport planners.

5.5 At the Director level, all roles are hard to fill as all fall into one of these categories, if not all three. In addition at this level, total compensation packages for a high percentage of these roles fall below 85% of the market median rate. This adds to the recruitment challenge. Almost all external Director level posts typically carry Long and Medium term Incentive plans, as well as milestone or retention bonuses at the highest levels. In addition, in non public sector organisations, equity options, top hat pension and healthcare arrangements, cars or car allowances are the expected contracted remuneration together with significantly higher performance awards.

¹ Managing Essentials is a common toolkit for people managers across TfL which is currently being piloted

- 5.6 Workforce Planning is the mechanism for ensuring that all of these type of roles are identified across the organisation; for understanding the gaps, building interventions to retain and develop internal skills and developing talent pipelines of potential internal and external candidates to meet future need in the short, medium and long term.
- 5.7 Complementary pieces of work are also underway, such as Role Families and a focus on developing the skills we need for the future through work with schools, skills councils (such as the National Academy for Railway Engineering), skills share schemes, apprentices and graduates.

List of Appendices to this Report:

None.

List of Background Papers:

None.

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