TfL ethnicity pay gap report 2019

TRANSPORT
FOR LONDON
EVERY JOURNEY MATTERS
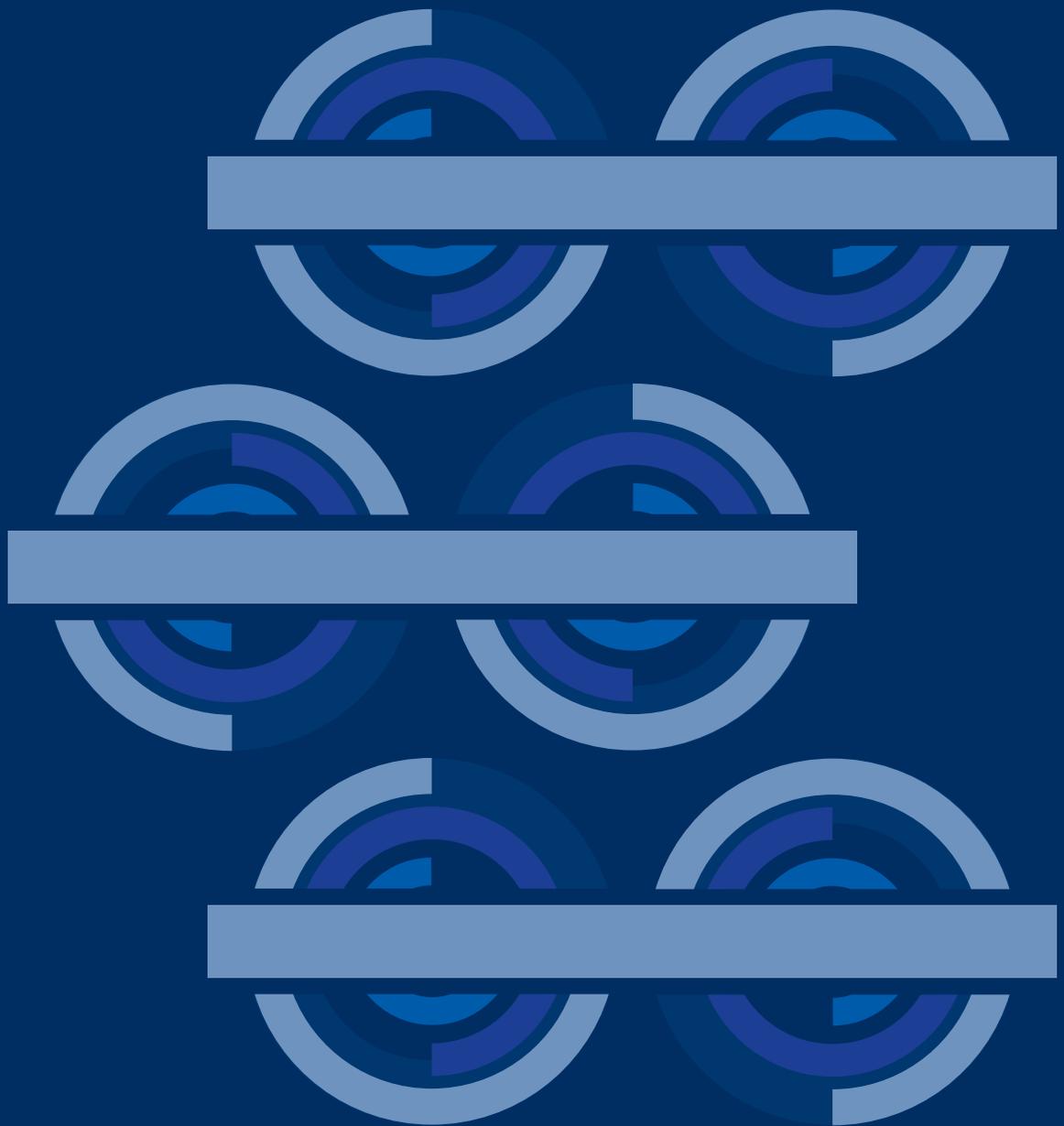
About Transport for London (TfL)

Part of the Greater London Authority family led by Mayor of London Sadiq Khan, we are the integrated transport authority responsible for delivering the Mayor's aims for transport.

We have a key role in shaping what life is like in London, helping to realise the Mayor's vision for a 'City for All Londoners'. We are committed to creating a fairer, greener, healthier and more prosperous city. The Mayor's Transport Strategy sets a target for 80 per cent of all journeys to be made on foot, by cycle or using public transport by 2041. To make this a reality, we prioritise health and the quality of people's experience in everything we do.

We manage the city's red route strategic roads and, through collaboration with the London boroughs, can help shape the character of all London's streets. These are the places where Londoners travel, work, shop and socialise. Making them places for people to walk, cycle and spend time will reduce car dependency and improve air quality, revitalise town centres, boost businesses and connect communities.

We run most of London's public transport services, including the London Underground, London Buses, the DLR, London Overground, TfL Rail, London Trams, London River Services, London Dial-a-Ride, Victoria Coach Station, Santander Cycles and the Emirates Air Line. The quality and accessibility of these services is fundamental to Londoners' quality of life. By improving and expanding public transport, we can make people's lives easier and increase the appeal of sustainable travel over private car use.

We are moving ahead with many of London's most significant infrastructure projects, using transport to unlock growth. We are working with partners on major projects like Crossrail 2 and the Bakerloo Line Extension that will deliver the new homes and jobs London and the UK need. We are in the final phases of completing the Elizabeth line which, when open, will add 10 per cent to central London's rail capacity.

Supporting the delivery of high-density, mixed-use developments that are planned around active and sustainable travel will ensure that London's growth is good growth. We also use our own land to provide thousands of new affordable homes and our own supply chain creates tens of thousands of jobs and apprenticeships across the country.

We are committed to being an employer that is fully representative of the community we serve, where everyone can realise their potential. Our aim is to be a fully inclusive employer, valuing and celebrating the diversity of our workforce to improve services for all Londoners.

We are constantly working to improve the city for everyone. This means freezing TfL fares so everyone can afford to use public transport, using data and technology to make services intuitive and easy to use, and doing all we can to make streets and transport services accessible to all. We reinvest every penny of our income to continually improve transport networks for the people who use them every day.

None of this would be possible without the support of boroughs, communities and other partners who we work with to improve our services. We all need to pull together to deliver the Mayor's Transport Strategy; by doing so we can create a better city as London grows.

Contents

Almost a third of our people are black, Asian and minority ethnic

26,587
employees

52.1%
white
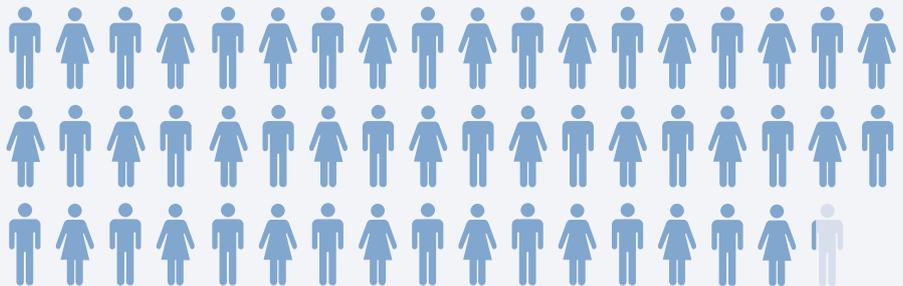
30.5%
black, Asian and
minority ethnic

17.4%
prefer not to
say/unknown

Foreword

London's economic success depends on an accessible and integrated transport system. We need a deeper understanding of our diverse city and what matters to the people that live and work here to deliver this. One of the best ways to achieve this is to have a truly representative workforce.

How valued and respected our staff feel, impacts on how well they can value, respect and include our passengers.

Embracing diversity is not just the right thing to do; it makes business sense. We will harness this diversity by fostering an inclusive culture, behaviours and ways of working to bring safety, performance, innovation and commercial benefits. Addressing these challenges requires an integrated and collaborative approach.

We are committed to becoming an organisation that welcomes people from diverse backgrounds and actively supports their professional development. Our focus is on sustainable change with long-lasting impact, developing scalable initiatives to ensure women and black, Asian and minority ethnic colleagues successfully progress in their careers.

We are using an evidence-based approach to identify effective strategies to attract, recruit and retain staff from under-represented groups. We are focusing on mid to long-term solutions that consider the full employee lifecycle. This includes proactively diversifying our talent pipeline through apprenticeships and work placements to maximise

opportunities to retain talented black, Asian and minority ethnic staff through mentoring, secondments and leadership programmes. We are also committed to developing our leaders to practice inclusion in all that they do.

In the last year, we have driven an overall increase in colleagues from black, Asian and minority ethnic groups across most roles and grades. This is encouraging but there is still more work to do, particularly when it comes to representation of black, Asian and minority ethnic staff in our operational areas and senior roles.

Mike Brown MVO
Commissioner
Transport for London

The ethnicity pay gap

How we measure the overall difference in the average pay of white and black, Asian and minority ethnic staff.

The ethnicity pay gap is the overall percentage difference in the average pay of white and black, Asian and minority ethnic staff. We calculate this in two ways to give the clearest picture.*

Mean
The difference in average hourly pay between white and black, Asian and minority ethnic employees.

Median
The difference between the middle paid white employee and the middle paid black, Asian and minority ethnic employee.

The mean pay gap summarises the overall pay of white and black, Asian and minority ethnic staff, but it can be skewed by a small number of high or low earners in the group. The median gives a good idea of how much a typical white and black, Asian and minority ethnic employee is paid.

Our workforce
At TfL, 30.5 per cent of our workforce is black, Asian and minority ethnic. This is in comparison to London, where 40 per cent of the population is black, Asian and minority ethnic, with 35 per cent of economically active Londoners coming from black, Asian and minority ethnic communities.** When considering our senior management, 15.7 per cent (of those who have answered questions about their ethnicity) are from a black, Asian and minority ethnic community.*** This compares with 13.8 per cent last year.

We are running a campaign to increase the number of people answering the diversity questions on their personal records. We have therefore also started to calculate what percentage of those from a black, Asian and minority ethnic community make up of our entire senior management population. When those who have not supplied ethnicity information are included, the proportion of black, Asian and minority ethnic senior management is 12.9 per cent.

* Our ethnicity pay gap calculation approach is in line with the Government regulations for calculating gender pay gaps

** ONS Annual Population Survey, July 2016-June 2017

*** At band 4 and above, including Board members

We are committed to employing people from diverse backgrounds

Our results

These results include all operational and non-operational roles

Pay*
Our overall hourly pay rates

£29.54
white median (middle)

£29.07
white mean (average)

9.2%
median (middle) ethnicity pay gap

11.4%
mean (average) ethnicity pay gap

£26.81
black, Asian and minority ethnic median (middle)

£25.76
black, Asian and minority ethnic mean (average)

The under-representation of black, Asian and minority ethnic employees at a senior level, and therefore in higher paid roles, along with the larger proportion of black, Asian and minority ethnic employees in operational areas, is reflected in the overall average hourly pay rates figures shown in the report.

* The figures in this section show the consolidated TfL median and mean ethnicity pay and bonus gap figures based on hourly rates of pay at 31 March 2019

Pay quartiles
Median ethnicity pay gap

Quartile	White		Black, Asian and minority ethnic		Pay gap (%)
	Median hourly pay (£)	Proportion of employees (%)	Median hourly pay (£)	Proportion of employees (%)	
Upper	36.89	74.8	35.03	25.2	5.0
Upper middle	30.13	63.9	30.13	36.1	0.0
Lower middle	25.64	63.9	24.64	36.1	3.9
Lower	18.36	51.9	18.36	48.1	0.0

Mean ethnicity pay gap

Quartile	White		Black, Asian and minority ethnic		Pay gap (%)
	Mean hourly pay (£)	Proportion of employees (%)	Mean hourly pay (£)	Proportion of employees (%)	
Upper	39.42	74.8	36.63	25.2	7.1
Upper middle	30.05	63.9	29.96	36.1	0.3
Lower middle	25.16	63.9	24.73	36.1	1.7
Lower	17.78	51.9	17.68	48.1	0.6

The quartiles rank pay from lowest to highest and divide our employees into four evenly sized groups. Our under-representation of black, Asian and minority ethnic in the higher paid roles is evident in the lower proportion of black, Asian and minority ethnic in the upper quartiles.

Bonuses
Proportion of employees who received a bonus
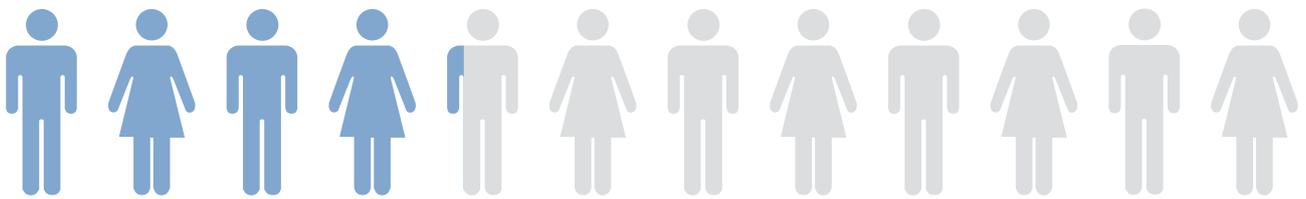
35.5%
white employees
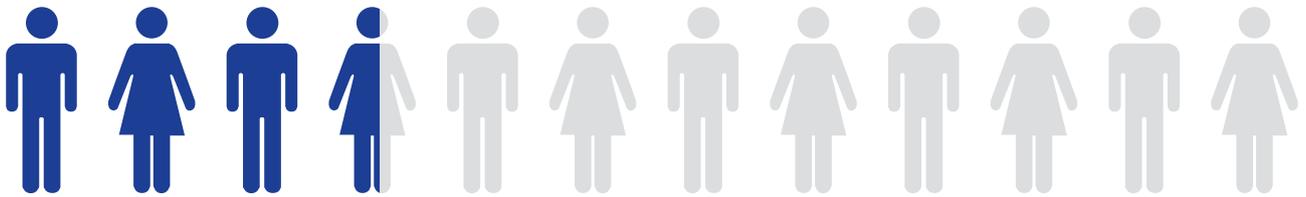
30.2%
black, Asian and minority ethnic employees

Received a bonus

Did not receive a bonus

Bonus gap

38.7%
median (middle)

54.6%
mean (average)

Bonus includes individual performance-related payments (performance awards), Make a Difference scheme vouchers, long-service awards and other one-off payments that employees have been awarded during the year.

The bonus gaps are significantly different from last year, as the performance bonus scheme in London Underground was no longer applicable within the 2017/18 performance year. Around 14,000 people were eligible to receive this payment in previous years.

The bonus figures are impacted by the higher proportion of black, Asian and minority ethnic employees in operational roles who receive only Make a Difference and long-service awards, which are lower in value than the percentage based bonus schemes for non-operational employees.

Non-operational employees

Pay*
Our non-operational hourly pay rates

£29.61
white median (middle)

8.2%
median (middle)
ethnicity pay gap

£27.19
black, Asian and minority
ethnic median (middle)

£30.95
white mean (average)

13%
mean (average)
ethnicity pay gap

£26.93
black, Asian and minority
ethnic mean (average)

Non-operational positions do not have a fixed rate for the role. Within this group, employees' pay is more flexible, with room for rewarding individual contribution and skills, and there is potentially more scope for inequity between different groups of employees.

Example roles are within human resources, finance, engineering, property development and customer contact centres.

* TfL median and mean gender pay and bonus gap figures for non-operational employees based on hourly rates of pay at 31 March 2019

Pay quartiles
Median ethnicity pay gap

Quartile	White		Black, Asian and minority ethnic		Pay gap (%)
	Median hourly pay (£)	Proportion of employees (%)	Median hourly pay (£)	Proportion of employees (%)	
Upper	39.92	80.1	38.33	19.9	4.0
Upper middle	31.73	66.6	31.49	33.4	0.8
Lower middle	26.27	66.0	26.01	34.0	1.0
Lower	18.77	58.2	18.37	41.8	2.1

Mean ethnicity pay gap

Quartile	White		Black, Asian and minority ethnic		Pay gap (%)
	Mean hourly pay (£)	Proportion of employees (%)	Mean hourly pay (£)	Proportion of employees (%)	
Upper	43.98	80.1	40.85	19.9	7.1
Upper middle	31.65	66.6	31.43	33.4	0.7
Lower middle	25.87	66.0	25.68	34.0	0.7
Lower	17.96	58.2	17.74	41.8	1.3

Bonuses*
Proportion of employees who received a bonus
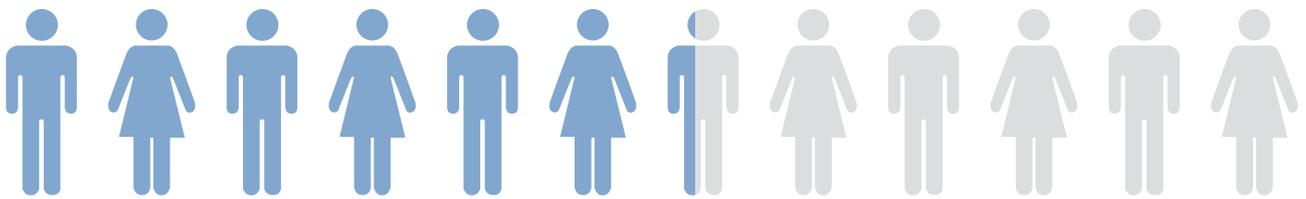
54%
white employees
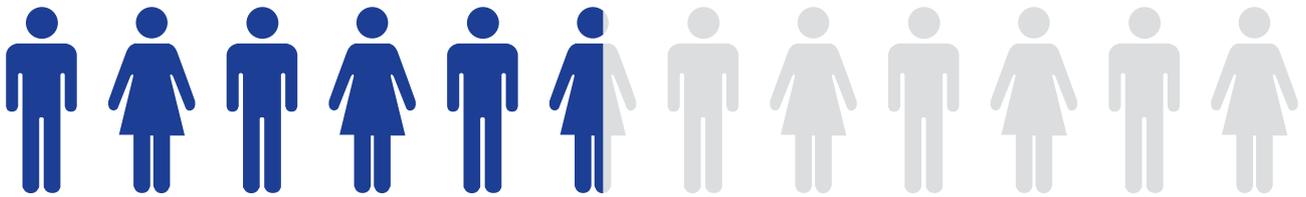
47.4%
black, Asian and minority ethnic employees

Received a bonus   Did not receive a bonus

* Paid in the 12 months up to 31 March 2019

Bonus gap

19.7%
median (middle)

47.5%
mean (average)

The mean bonus gap is influenced by the higher proportion of white employees
in senior management roles compared to the higher proportion of black, Asian and
minority ethnic employees in lower grade roles.

Headcount

12,355
employees

56.6%
white
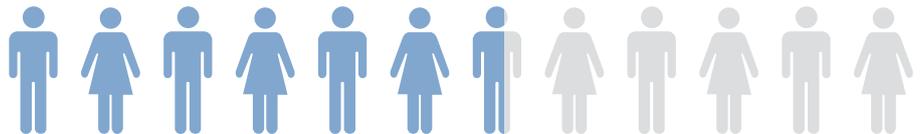
27%
black, Asian and
minority ethnic

16.4%
prefer not to
say/unknown

Operational employees

Pay*
Our operational hourly pay rates

£28.96
white median (middle)

£26.98
white mean (average)

8.3%
median (middle)
ethnicity pay gap

7.9%
mean (average)
ethnicity pay gap

£26.56
black, Asian and minority
ethnic median (middle)

£24.84
black, Asian and minority
ethnic mean (average)

Operational roles include those of spot rate or fixed rate roles as part of the operational staff pay structure. This includes station supervisors, train operators, customer service assistants, track operatives, Dial-a-Ride drivers, bus stations controllers and pier controllers.

By definition this is the same rate of pay for the role irrespective of ethnicity therefore no differentials exist within each job.

* TfL median and mean gender pay and bonus gap figures for operational employees based on hourly rates of pay at 31 March 2019

Pay quartiles
Median ethnicity pay gap

Quartile	White		Black, Asian and minority ethnic		Pay gap (%)
	Median hourly pay (£)	Proportion of employees (%)	Median hourly pay (£)	Proportion of employees (%)	
Upper	31.42	68.8	31.37	31.2	0.2
Upper middle	30.13	62.7	30.13	37.3	0.0
Lower middle	24.50	60.1	23.29	39.9	4.9
Lower	18.36	46.7	18.36	53.3	0.0

Mean ethnicity pay gap

Quartile	White		Black, Asian and minority ethnic		Pay gap (%)
	Mean hourly pay (£)	Proportion of employees (%)	Mean hourly pay (£)	Proportion of employees (%)	
Upper	33.04	68.8	32.49	31.2	1.6
Upper middle	29.62	62.7	29.74	37.3	-0.4
Lower middle	24.53	60.1	23.99	39.9	2.2
Lower	17.67	46.7	17.58	53.3	0.5

Bonuses*
Proportion of employees who received a bonus
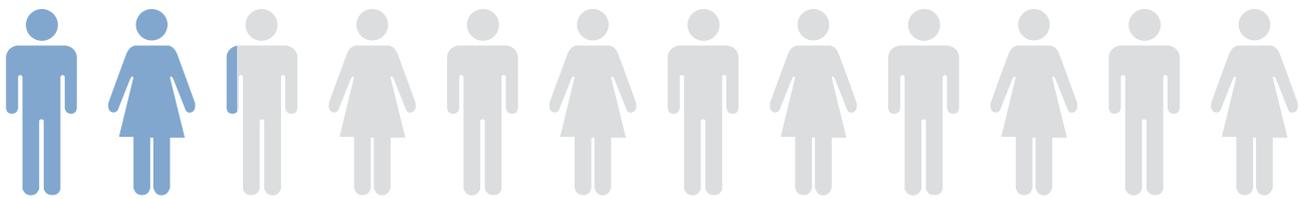
16.7%
white employees
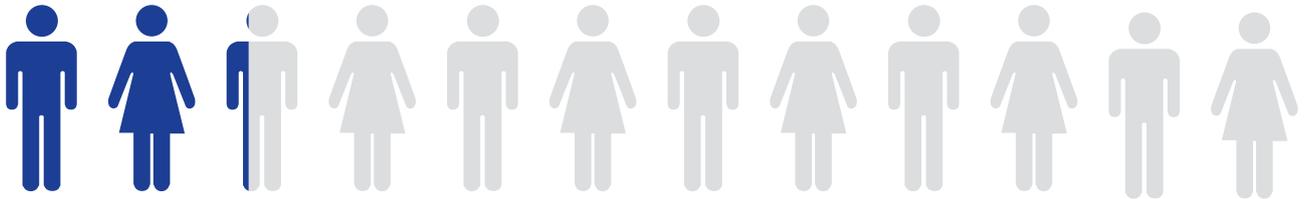
18.2%
black, Asian and minority ethnic employees

Received a bonus   Did not receive a bonus

* Paid in the 12 months up to 31 March 2019

Bonus gap

50%
median (middle)

3.5%
mean (average)

As no operational performance based bonus was paid within London Underground, the bonus figures are significantly different to previous years. The bonus values are representative of the values of recognition and long-service awards paid to this population, which are of lower values.

Headcount

14,232
employees

48.3%
white
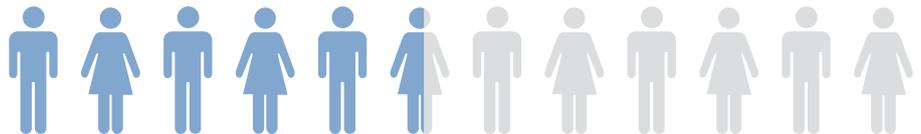
33.5%
black, Asian and minority ethnic

18.2%
prefer not to say/unknown

What this means

It has been positive to see that the overall representation of black, Asian and minority ethnic employees has increased in 2019 compared to 2018. The table below shows this trend has been consistent across most non-operational roles. We are particularly proud of the increase in black, Asian and minority ethnic employees represented at Board level, which had declined in 2018.

In 2019, our median ethnicity pay gap was 9.2 per cent, which is a slight decrease from 9.3 per cent in 2018. However, our mean ethnicity pay gap has increased to 11.4 per cent from 10.7 per cent. This is largely due to an increase in black, Asian and minority ethnic employees recruited into lower paid operational roles, as well as the overall under-representation of black, Asian and minority ethnic employees at a senior level and higher paid roles. Since last year there has been a decline in the proportion of black, Asian and minority ethnic employees at Director and Grade 5 levels.

Earlier this year, we ran a successful diversity data disclosure campaign, which led to an increase in the number of staff answering questions about their ethnicity on our HR system. We are pleased that this has improved the quality of our workforce data. This has had a slightly negative impact on our mean ethnicity pay gap.

	2017 proportion of black, Asian and minority ethnic (%)	2018 proportion of black, Asian and minority ethnic (%)	2019 proportion of black, Asian and minority ethnic (%)	Change 18 to 19 (%)
Board	18.8	16.7	19.0	2.3
Director	7.0	8.5	6.4	-2.1
Band 5	7.6	9.4	7.2	-2.2
Band 4	14.4	15.1	18.1	3.0
Band 3	26.3	26.9	27.9	1.0
Band 2	34.5	35.3	36.3	1.0
Band 1	43.1	44.6	46.9	2.3
Graduates	25.4	24.6	29.7	5.1
Apprentices	30.9	34.6	37.0	2.4

The proportion of black, Asian and minority ethnic staff employed in lower paid grades has increased over the past year, including at the graduate level. We are pleased the proportion of black, Asian and minority ethnic graduate employees increased by 5.1 per cent since 2018. We have since invested considerable time in reviewing and improving our approach to recruitment and selection to increase these numbers further and will continue to monitor this.

Our operational population represents more than half (53.5 per cent) of our total workforce. Our analysis shows a 5.2 per cent increase in black, Asian and minority ethnic employees working in operational roles since 2018. However, black, Asian and minority ethnic staff are more likely to be employed in the lower paid grades.

Occupational segregation can also be seen through analysis of our new hires and promotions between 2018 and 2019. Of all black, Asian and minority ethnic employees hired into operational roles, 78.48 per cent went into customer services assistant roles, while less than 10 per cent went into train operator and engineering roles. In comparison, of all white employees hired into operational roles, 53.06 per cent went into customer services assistant roles, and more than 40 per cent went into train operator and engineering roles.

The overall increase in black, Asian and minority ethnic employees demonstrates the effectiveness of the interventions that have been put in place over the past year. However, we still have work to do to.

The majority of our action plan comprises medium to long-term activity to create sustainable change and improve our ethnic diversity. We will continue to use evidence-based decision making to design and deliver our interventions and embed inclusive practices across the entire employee lifecycle to diversify our talent pipeline and maximise opportunities to retain talented black, Asian and minority ethnic staff.

Closing the pay gap

Over the past 12 months, we have put in place a significant number of sustainable and scalable activities to increase the representation of black, Asian and minority ethnic staff in our organisation. This is aligned with our ambition to create a more diverse and dynamic organisation, which is more representative of London.

Our scorecard
Our scorecard sets targets to improve the overall representativeness of our organisation and senior management, and the inclusiveness of our workplace shown through the Inclusion Index in our staff engagement survey.

Our senior leaders' performance award relies on progress in meeting our scorecard targets and sees us place diversity and inclusion on the same footing as other priorities, including safety, reliability, customer satisfaction and finances.

Diversity and inclusion dashboards
Over the past year, we have published quarterly dashboards to provide further diversity and inclusion data and insight to our senior managers. There are 60 local dashboards that enable us to focus our activity in the right areas and see how effective our actions are in different parts of our organisation. The measures we use cover each stage in the employee lifecycle for several characteristics covered by the Equality Act. The dashboards are driving local accountability and actions, while demonstrating our commitment to improving transparency. Managers are supported with a new One Stop Shop, which provides tools to target diversity and inclusion activity in a way that will improve dashboard metrics.

Disclosure campaign
We used behavioural science to test different ways of asking staff to disclose their diversity data, which has improved the ethnicity data of our workforce.

Impact assessments
From July to December 2018, we reviewed our existing equality impact assessment methodology, in partnership with teams across the organisation and our staff network groups. A new process, forms, guidance and training is now being rolled out.

In July 2019, we launched a new People Impact Assessment tool to consider and minimise any potential impacts on staff during times of change. The tool uses diversity data to better manage the impacts during and post transformation.

London Underground inclusive culture team
This new team has identified London Underground specific diversity and inclusion barriers. We are now trialling new initiatives, including work experience pilots, a review of secondment opportunities and targeted recruitment campaigns.

We want our staff to feel empowered to be the best they can be in their careers

Recruitment

Our specific targeted recruitment campaigns in Engineering, Finance and Tech and Data have seen real progress.

One of the most successful campaigns was for full-time customer service supervisors, which is a promotion from the customer service assistant role, where 72.7 per cent of hires were from black, Asian and minority ethnic communities. This was an internal campaign and represents an increase in the proportion of black, Asian and minority ethic hires by 23.9 per cent from the last full-time recruitment campaign for this role in 2014.

Our strategy was to make the role accessible to all. This involved letting those who do the role tell their story so that it is relatable. We also developed resources to enable people to learn about the process, hear from colleagues and read hints and tips on the assessment process. We believe this encouraged more to apply.

Interview panels

We have continued to use diverse and independent interview panels wherever possible, particularly in transformation related selection. This ensures we bring independence and diversity of thought to our recruitment process.

Anonymised CVs

We ran an anonymised shortlisting pilot place last year, resulting in a significant increase in the percentage of women and black, Asian and minority ethic hires. We will be rolling this programme out across all roles in 2019 once the technical solution has been embedded within our hiring system.

Apprenticeships and graduate programmes

In 2018, 27 per cent of our graduate hires and 35 per cent of our apprentice hires were black, Asian and minority ethic. We have since reviewed and improved our approach to recruitment and selection to increase these numbers further.

To increase our graduate diversity, we will target our work with universities to those who are able to support our commitment to diversity and inclusion. We are also reviewing the selection methodologies and working closely with our London Underground Operational Culture Team to increase the internal applications for the graduate scheme.

For our apprenticeship programme, we will focus on our attraction approach, including creating a new apprenticeship website and deeper engagement with the boroughs. We will also review our selection and assessment methodologies to ensure that they are as bias-free as possible.

Talent projects

Our Press Office black, Asian and minority ethic internship scheme has expanded to include Public Affairs and External Relations, Customer Experience and Travel Demand Management.

Leadership Foundation

We have started work to set up a new Leadership Foundation, which is our new, ambitious approach to improving our leadership using experiential development, peer learning, coaching and work experience, and focusing on solving real business priorities.

Inclusive leadership is crucial to managing different people. Our staff network groups and diversity and inclusion leaders will develop the Inclusive Leadership approach and module.

Mentoring

We continue to take steps to ensure that people from black, Asian and minority ethic communities can access senior, higher paid roles. We are widening access to mentors and coaches, as well as carrying on with targeted development programmes to identify the next generation of leaders from typically under-represented groups. This year, we are running the second year of an inter-company mentoring programme for black, Asian and minority ethnic talent working in technology and data with one of our lead suppliers.

Internal mentoring remains an important tool to develop future leaders. We match people to suitable mentors who have a wealth of knowledge and experience, and who understand the landscape, politics and idiosyncrasies of the business. This gives people a chance to explore individual personal goals and get a different perspective on careers and development opportunities.

Staff network group

The staff network group leadership team has focused on increasing membership and supporting career progression and making career pathways clear. They are also working on upskilling individuals so they are ready for their next move and to help retention. They will also work on ways to improve the inclusivity of workplace culture.

We are working to ensure our recruitment, training and development is fair and unbiased

Plans for 2019/20

We will develop a new Diversity and Inclusion strategy that sets more challenging ambitions and aspirations, which will be governed to enable transparency and monitoring of our actions.

We will set up an Innovation Lab to look scientifically at eliminating bias in our approach to recruitment, performance and development. We will continue to focus on attracting, developing, promoting and retaining the best talent. Our progress will be regularly reported to the Commissioner and Executive Committee.

We will build on the success of existing initiatives to identify the next generation of black, Asian and minority ethnic leaders especially through the Leadership Foundation.

We will use a talent strategy to improve the transparency of career development opportunities for black, Asian and minority ethnic staff, as well as help us deliver our organisational priorities more effectively. This will also enable a more bias-free, fair and consistent approach to managing, developing and deploying our talent. This will give us a greater degree of visibility of our talent pool and ensure higher levels of consistency and engagement. To ensure we prioritise people with high potential for more senior and critical roles, our new approach will also play a key role in developing fairer and bias-free succession plans.

We will fully roll-out anonymous shortlisting and use dashboard coaching to develop our leaders understand how their decisions and actions can impact our ethnicity pay gap.

We will continue working in collaboration with our staff network and community groups to better respond and address issues experienced by staff.

Written statement

We confirm that the data included
in this report is accurate.

Tricia Wright
Chief People Officer

Staynton Brown
Director of Diversity,
Inclusion and Talent

Mike Brown MVO
Commissioner

A diverse workforce is essential for understanding and relating to our customers