



Managing staff risk through the Future Footprint Programme

A. Overview

This paper provides a response to the request by the Minister of Science and Innovation, and Associate Minister of Finance, for information about AgResearch's planning and management in relation to staff retention risks associated with the Future Footprint Programme (FFP). The paper covers how AgResearch is mitigating these risks – by maximising the retention of our people through a range of tools and change management approaches; and where this isn't possible by planning sourcing strategies to recruit replacements for those people if it becomes necessary. It also models some possible staff attrition scenarios.

B. Introduction

The key objectives for Future Footprint outlined in the business case submitted 31st October 2012 were:

- a. Improving infrastructure quality and utilisation. Building new, upgrading (to modern standards) and rationalising a number of obsolete facilities that currently restrict our ability to deliver modern science effectively and to attract talent
- b. Catalysing agriculture innovation centres. Delivering better economic growth to New Zealand by collocating and focusing, wherever possible, our considerable research capability and resources into two key agriculture innovation centres with other major stakeholders. This would deliver better innovation to the sector, attract more science talent and industry partners, and realise greater economic growth for agriculture and related sectors.

These remain relevant and since the submission of the business case, the development and interest in innovation hubs has grown significantly, particularly in the value they may deliver to New Zealand both through additional science delivery and technology transfer, growth in agriculture and science graduate numbers, and the opportunity for capital and expenditure synergies. The hubs at Lincoln and Palmerston North, and latterly in the Waikato have gained significant momentum with strong sector support.

People Risks of the Future Footprint programme

The current Future Footprint plan is proposed to see approximately 220¹ staff located into the our campuses at science innovation hubs at Lincoln and Palmerston North over the next 3-4 years, bringing the total numbers of staff at these campuses to around 300. Facilities at Lincoln and Palmerston North will be upgraded, along with the on-going development of the innovations hubs themselves.

While the scale of change is significant with the relocation of these roles to Lincoln or Palmerston North, approximately 530 staff at AgResearch will remain at their current location.

9(2)(b)(ii)

¹ 249 roles are currently planned to relocate however this has been reduced to reflect the number of retirements/resignations likely to occur during the next 3-4 years based on current attrition and retirement rates.

9(2)(b)(ii)

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C. Risk Scenarios

Risks associated with the loss of science staff:

Our risk assessments around the retention of science staff, and 9(2)(b)(ii) have identified a number of risks.

- Loss 9(2)(b)(ii) may impact on AgResearch's *ability to complete research* projects or deliver to timelines.
- Loss 9(2)(b)(ii) may impact relationships and *stakeholder confidence* in AgResearch's ability to deliver research projects.
- There is a risk of *loss of revenue* where research has been closely associated with the area of expertise of an individual scientist who leaves the organisation.
- Where staff chose not to relocate, the loss of experienced staff may result in a *loss of intellectual property (IP), institutional knowledge and research information*.
- There may be *difficulties recruiting* suitably qualified, specialist scientists with the requisite skill and experience in their field.
- There may be an impact on *staff engagement*. Changes within the organisation as AgResearch prepares for and implements the programme will be unsettling for many staff, leading to an impact on engagement and productivity, and *potentially increasing turnover*. Staff who are not able/willing to move, and are facing redundancy may become disengaged, leading to an *impact on productivity* leading up to their redundancy.

9(2)(b)(ii) scenarios have been modelled 9(2)(b)(ii) of all staff relocating - have been considered in regards to retention of staff through the Future Footprint programme. These are shown in the tables below, together with possible costs and recruitment challenges.

Staff Relocation Scenarios

Costs including Redundancy, Recruitment, Outplacement and Attrition
 Projection is at 30 June 2016, based on staff numbers as at 1 October 2013.

No. of people proposed to re-locate	9(2)(b)(ii)
9(2)(b)(ii)	
Grand Total 220	9(2)(b)(ii)

Working assumptions

- Cost assumptions:
 - Redundancy calculations are based on projected costs as at 30 June 2016, allowing for 9(2)(b)(ii) pay increases.
 - Recruitment costs modelled are 9(2)(b)(ii) scientist and 9(2)(b)(ii) non-scientist
 - Total attrition modelled over 3 years 9(2)(b)(ii) non-science 9(2)(b)(ii) scientist/technical

In terms of numbers of staff choosing to relocate we are not able to accurately forecast this now, however over the next 3-6-12 months many of our staff will have the information they need to provide an indication of their intention, which will then allow AgResearch to better understand and plan accordingly.

In summary though, based on these scenarios over the next 3-4 years we could need to replace between

9(2)(b)(ii)

D. Risk Mitigation Planning and Management

A key mitigation for any of these risk scenarios is that AgResearch has several years until the planned staff transitions occur. A well-planned and executed retention strategy will enable AgResearch to understand the specific needs and issues of individual staff whose roles are planned to relocate and to respond to these to reduce as many barriers and obstacles to moving as possible, and therefore reducing the percentage of staff who do not relocate.

Correspondingly a well-planned sourcing strategy will maximise our ability to replace staff who do not relocate. We believe that by managing our various initiatives within the sourcing strategy the risks will be managed effectively and largely mitigated.

AgResearch is committed to supporting and assisting staff and managers through the changes resulting from the Future Footprint programme, and we aim to maximise staff retention, 9(2)(b)(ii)

. Where it is clear that staff will not relocate we are planning a proactive sourcing approach to ensure we replace staff in an effective and timely manner.

These approaches have been informed by our research of what organisations should do to maximise success in these situations when looking to move large numbers of staff. Note for example, the approaches we are taking, and the resources we are devoting to this, are significantly different to the often quoted AgResearch Wallaceville closure and resulting staff relocations.

All of the scenarios described in this paper carry the same risks and mitigations. While the different scenarios require the same risk treatment and mitigations, the extent to which one has more weighting or importance over another will depend on the scenario. 9(2)(b)(ii)

Close monitoring of retention and turnover throughout the programme will enable AgResearch to respond appropriately and quickly as required.

Attracting and Retaining Scientists

There are a number of key “pull” factors which attract and retain scientists to an organisation. These factors include:

- **The Science.** Key to attraction and retention of scientists is the challenging, high impact research opportunities, using their capability to focus on science which will make a difference
- **Research environment** – having first class laboratory/research facilities and equipment and working in modern, fresh, well-designed working environments;
- Being part of an **active, vital science community** with **the opportunity to collaborate with respected peers and colleagues** internally and from other institutions on research, share ideas and learn from each other.
- Opportunities for **professional development**
- **Feeling valued.** Being recognised and rewarded for excellence and achievements; being involved in decisions and the change process; the provision of modern fit-for-purpose facilities, laboratories and working environments.
- Assurance that **research funding** is available and secured for their work.

These “pull” factors will be accentuated during the next phase of the project, as we start to collate and sell the vision for the innovation hubs, both collectively and in individual discussions with our staff. We believe the Future Footprint project will positively impact these.

Staff retention is one of the most significant risks for Future Footprint, and we believe AgResearch offers opportunities that are unique and that many of our staff find attractive. The long lead time (3-4 years) until re-location will allow for staff and AgResearch to plan well ahead for the changes. Although we will not be asking staff to finalize relocation decisions until January 2016, we expect that once we have provided staff with all the relocation information they need, we will begin to have a better understanding of their plans over the next 12 months.

As a result we are confident that robust retention management and AgResearch’s commitment to working individually with staff and offering practical assistance and some flexibility will encourage many to stay with AgResearch, and at the same time we will get a clear view of our sourcing needs early.

The Retention Strategy aims to maximise staff retention through the relocation process, 9(2)(b)(ii)

The following covers our current range of initiatives that are focussed on retention.

All Staff

For staff whose roles are planned to relocate, line managers will engage their people and tailor an approach accordingly:

- Hold regular, timely, open and genuine discussions with staff about their individual circumstances, and the impacts of the changes.
- Understand long term plans, thinking regarding relocation, their motivations and reservations, career aspirations and commitment to stay.
- Look to accentuate the upside of large hubs, with particular emphasis on the “pull” factors

- Offer personal and professional support that will assist.
- Provide opportunity for involvement in change initiatives where appropriate.

For staff relocating to a new location, AgResearch will, in addition to its relocation policy:

- Commit to pay their salary from the date the role relocates for two years, either through employment or by way of an equivalent lump sum payment (including severance pay).
- Provide a degree of flexibility around role relocation date.
- Provide a "job finder" service to secure employment for working partners of staff relocating.
- Ensure a range of support and information is available to staff and their families to assist with resettlement.

Line managers will also mitigate business risk by:

- Developing and implementing succession planning activities in the next 3-6 months.
- Documenting processes and procedures and ensure up to date desk files are maintained

9(2)(b)(ii)

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Currently our approach to this is planned as follows.

Type of Risk	Further options to minimise business risk
Short term business risk	9(2)(b)(ii)
Long term business risk	9(2)(b)(ii)

Retention Manager role

To manage the retention strategy we have appointed a full time person, who will be integral to successfully working the strategy. This full-time role is responsible during the project for implementing and managing the retention strategy. The role works closely with the programme team, line managers, and Executive team and will include:

- Meeting regularly with impacted staff and their leaders to understand their individual concerns and needs.
- Reporting regularly on progress, 9(2)(b)(ii)
- Identifying ways to remove or reduce barriers to staff relocating.
- Ensuring individual plans are in place.
- Working with line managers to provide support and assistance around retention management.
- Monitoring and tracking retention risks.
- Assisting with formulating appropriate responses to risks and issues as they arise including tailored packages where appropriate.

Transitional Relocation Support

9(2)(b)(ii)

Flexible Relocation Dates

Where possible and appropriate, AgResearch will offer flexibility around timing of relocation. This will be considered on a case by case basis to accommodate staff's personal circumstances. Consideration will be given to requests for both early and delayed moves, with a commitment to facilitate these wherever

possible. Flexibility assists both the employee, but also AgResearch in terms of its planning and risk mitigation. We are retaining capacity at all our campuses to provide this flexibility.

Considerations for flexibility will include:

1. **9(2)(b)(ii)**
2. Ability to perform role in proposed location.
3. Availability of suitable accommodation in new location.
4. Family circumstances (e.g. Children finishing school or coinciding move with school term dates).
5. Proximity to retirement and opportunities for succession planning.
6. Stage of science programme and delivery milestones.

Change Management Support

All staff will attend and/or be offered change management workshops which will provide them with tools and resources to assist them navigate the impact of the Future Footprint changes. Change Leadership programmes and coaching support have been developed and already delivered to assist line managers lead, coach and hold meaningful discussions with their people through the next few years of significant change. The staff programmes have commenced and are being offered from October 2013.

Staff Engagement

AgResearch will continue to conduct its annual staff engagement survey. The survey monitors progress on and identifies issues around staff engagement. Action plans are developed at an organisational, group and team level to manage issues identified and continually improve staff engagement.

In the 2013 survey a number of questions related to the Future Footprint Project were included. The scores from these questions will provide a benchmark for comparison in future years and an indicator of the impact of Future Footprint on engagement. The results will inform action plans and initiatives to maintain or improve engagement.

Throughout the programme, "pulse" surveys will be used as required to identify hot spots and emerging engagement issues or to monitor progress. These short, online surveys ask key questions from the annual survey, and can be used across the organisation or in groups/teams as needed to identify progress and issues, and action/intervention required.

Knowledge Management

While not a retention strategy, to mitigate the loss of institutional knowledge and IP from the organisation where staff do not relocate, and to assist staff newly recruited, AgResearch will expand its knowledge management plans to include:

- Increased use of desk files to assist individuals moving into new roles.
- Documenting processes and procedures to ensure easy access to information and smooth transition for new staff.
- The development of electronic document management approaches to ensure effective storage and accessibility of information.

- The development of an updated Knowledge Management Strategy for the longer term to ensure gains made during the Future Footprint Programme are embedded and built upon for the future.

E. Sourcing Strategy

While we believe we have a comprehensive retention approach planned, we also know we will not be successful in relocating all staff. In addition, independent of the Future Footprint initiative we know from our workforce demographics, with 13% of staff over the age of 60, and 41% over the age of 50, we have some large recruitment needs.

Therefore we need, and are planning a well-structured, robust and innovative approach to sourcing staff, thus ensuring we minimise the impact of staff choosing not to relocate, and/or leaving AgResearch, and meeting the demographic challenges.

As mentioned above we expect to have a clearer understanding of our staff's intentions in the next 6-12 months. This will give us an early indication of the sourcing needed to be implemented over the next 3-4 years. We have a number of initiatives planned as inputs to the sourcing approach and will finalise the series of initiatives in early 2014, and commence their implementation.

Succession Planning

Succession planning has not been a particular strength in AgResearch, and line managers are currently developing plans

We will also identify other roles where a succession plan is required (e.g. roles where staff will retire in the next few years and are unlikely to relocate) to develop appropriate succession plans. These plans are expected to be completed in the next 3-6 months.

We have in the last few months been successful in recruiting two international scientists, 9(2)(b)(ii)

Recruitment Planning

AgResearch will be developing and implementing a strategic recruitment plan to recruit for the vacancies resulting from staff who do not relocate.

We will be working with a selected set of recruitment and specialist search agencies to plan well in advance our approach to the various categories of staff we will need to recruit. e.g. corporate support, scientists and technicians.

Some science roles will not easily be replaced in New Zealand, and will require a worldwide search. The Future Footprint plans and development of larger innovation hubs will we believe help this recruitment. We believe this offers a competitive and attractive employment choice for scientists. It is our intention to develop an innovative and effective recruitment strategy and targeted campaigns to capture their attention – from both a professional and lifestyle perspective.

We intend to take a proactive approach to recruiting – building on existing international networks and relationships and establishing others to support recruitment of specialised capability; establishing a comprehensive database of potential candidates early in the Future Footprint programme, and making contact with these people early. We see this as part of our long term succession planning and attraction approach, rather than an initiative which is solely focussed on managing the loss of staff through relocations associated with Future Footprint. In this way, even if suitable roles are not vacant as a result of Future Footprint relocations, AgResearch will have a candidate database for future succession planning and vacancies.

PhD and Postdoctoral Students

AgResearch staff supervise approximately 90-100 PhD students and we see this group as a key stream to provide potential recruits for science roles where staff do not relocate too. Recently AgResearch has been increasing the number of PhD students and Postdoctoral researchers in the organisation. They are a rich stream of talent that historically has been underutilised by AgResearch. We plan to review our approach to PhD and Postdoctoral candidates to ensure there is a strategic approach to fostering this stream of science talent to address the recruitment needs. Again as mentioned earlier our workforce demographics mean this is a requirement regardless of the Future Footprint project.

Retraining of Science staff

Historically AgResearch has not, and scientists have not seen, retraining as an appealing or viable option. We believe this is a missed opportunity so will be looking to review this approach and identify whether we can utilise this more effectively. It can be applied to staff who do not wish to relocate, and to staff who may wish to relocate, but do not have the current skills. We also have a number of scientists with legacy skills that are potentially time bound.

Collaboration across CRIs/Universities

We have engaged with CRIs and universities on infrastructure and staffing, and as we get clearer on staffing moves in the next 3-4 years we will look to collaboratively leverage opportunities to share or transfer staff where it makes sense.

Sourcing Manager role

To manage the sourcing strategy we will appoint a full-time person. This full-time role will be responsible during the project for implementing and managing the sourcing strategy. The role works closely with the programme team, line managers and external providers. Their responsibilities will include:

- Establishing partnerships with recruitment partners, specialist firms targeting our various needs in recruiting to replace staff who do not relocate.
- Developing innovative target campaigns.
- Building a database of global science talent – 9(2)(b)(ii)
- Ensuring our “job finder” service to secure employment for working partners of staff relocating is implemented successfully.
- Coordinating and resourcing the PHD/post doc
- Current Staff retraining

F. Conclusion

We have identified the possible people related risks that need to be well managed during the next 3-4 year period of Future Footprint. Relocating up to 220 people is a significant challenge and we have planned our resourcing and our approach to this carefully.

In terms of the 220 people,

9(2)(b)(ii)

We are focussing significant effort into the successful retention and relocation of as many staff as possible.

Particular retention strategies include tailoring our approach and incentives for

9(2)(b)(ii)

following best practice change management methodologies, providing leaders with training and on-going coaching in leading effective change, and providing dedicated project resources focused on retention.

We also recognize that we will need to source new staff and have plans underway to establish a robust sourcing approach including robust succession planning 9(2)(b)(ii) specific search and recruitment strategies, upping our focus on PHD, post docs and staff retraining, and providing a dedicated resource focused on sourcing.

Lastly we have time (3-4 years) and flexibility to use to our advantage in planning and to mitigate the people related risks. We are retaining and have capacity at all campuses which will provide flexibility both for our staff, but also for AgResearch if needed to move people early or conversely to extend tenure at current locations if needed.

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