Navigating the retirement track

Workforce challenges in rail and transit agencies

Rail and transit agencies are grappling with an array of challenges that are fundamentally transforming their operational and financial frameworks. The workforce, a pivotal element of these agencies, is rapidly aging, with 43 percent of transit employees over the age of 55. This demographic shift is further complicated by a critical labor scarcity, as 96 percent of transit agencies report significant workforce deficits. These issues are not merely numerical; they are intrinsically linked to the future viability of transit services and the well-being of the millions of passengers they serve.

Understanding the workforce challenges

The workforce challenges confronting rail and transit agencies are complex.

> A survey conducted by the American Public Transportation Association (APTA) revealed that
>
> A large number of transit employees are contemplating retirement in the next 5 years.
>
> **43%** of transit workers are over the age of 55. Nearly twice the proportion found in the wider transportation industry.
>
> American Public Transportation Association. (2023)[1]

As longtime employees depart, they carry with them years of experience and specialized skills, crucial for the upkeep and operation of intricate transit systems. This knowledge deficit is compounded by the underinvestment in training, with transit agencies dedicating less than 1 percent of payroll to this, in contrast to the 4 percent to 6 percent norm in other sectors.

The competition for talent is another significant challenge. Many transit workers are leaving for more lucrative opportunities in other sectors, citing concerns over compensation, work schedules, and job safety. While transit jobs were once appealing for their stability and pension benefits, today's workforce seeks flexibility and engaging work environments, making it increasingly difficult for transit agencies to compete with private sector employers.

Strategic workforce planning and organizational design

In response to these challenges, transit agencies are advised to adopt a more strategic and employee-focused approach. A key strategy is to concentrate on strategic workforce planning and organizational design. Ensuring that the agency is equipped with the appropriate structure and skills for future requirements is essential. This necessitates a comprehensive evaluation of existing workforce capabilities, and a well-defined vision of the skills needed to address future demands, particularly in advanced technologies and security.

The adoption of advanced technologies, such as artificial intelligence (AI), chatbots, route optimization tools, and mobile apps, has created a demand for new and advanced skills. High turnover and retirements lead to significant knowledge loss, making it imperative for transit agencies to invest in continuous training and development programs. By doing so, agencies can ensure that their workforce remains up to date with the latest technological advancements and operational best practices.

[1] Workforce shortage synthesis report (Report No. APTA Workforce-Shortage-Synthesis-Report-03.2023). American Public Transporation Association.

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Enhancing employee engagement and performance management

Employee engagement and performance management are also critical components of a comprehensive workforce strategy. Enhancing job satisfaction and performance through effective management practices can lead to a more motivated and productive workforce. This includes setting clear performance goals, providing regular feedback, and implementing reward and recognition programs.

The transit industry is beset by a high rate of employee turnover, a challenge often exacerbated by insufficient engagement and recognition. By cultivating a positive work environment and acknowledging the efforts of their staff, transit agencies can enhance retention rates and alleviate the strain on resources and service delivery. To ensure the maintenance of service levels and the fulfillment of rider needs, addressing this issue through robust engagement and performance management is imperative.

KPMG insights indicate that an overwhelming

84%

of transit agencies are facing big problems due to a lack of workers, which makes it hard for them to provide services.

TransitCenter. (2023)[2]

Strengthening partnerships and benchmarking

Transit agencies cannot tackle workforce challenges alone. Building strong partnerships with workforce development offices and labor organizations is crucial for expanding the talent pool for critical positions. These alliances provide access to specialized training programs, apprenticeships, and initiatives tailored to the industry's needs.

Additionally, benchmarking against both peer and non-peer agencies offers valuable insights into best practices and innovative workforce strategies. By analyzing metrics like vacancy and turnover rates, organizational structures, and successful workforce strategies, transit agencies can identify areas for improvement and adopt proven solutions.

This collaborative and data-driven approach empowers agencies to proactively adapt to the evolving demands of the workforce.

Integrating workforce requirements into procurement processes

A critical strategy is the integration of workforce requirements within procurement processes. This includes the establishment of quantifiable workforce objectives within contracts, such as compulsory apprenticeships or on-the-job training benchmarks. By implementing these measures, transit agencies can ascertain that their contractors and partners are in accord with their workforce development objectives, thereby enhancing the overall preparedness and proficiency of the workforce.

Procurement teams can inscribe workforce requisites into contracts, mandating that contractors take responsibility for the training and development of their employees. This approach not only fosters a more adept and prepared workforce but also guarantees a consistent and dependable talent pool for the agency. By harmonizing internal and external initiatives, transit agencies can cultivate a more robust and flexible workforce, better positioned to confront the demands of the future.

Next steps for transit agencies

The obstacles confronting transit agencies are formidable, yet not unconquerable. By embracing a comprehensive and strategic approach to workforce management, agencies can mitigate the risks associated with the retirement wave and labor shortages. Strategic workforce planning, enhanced employee engagement, and effective partnerships are just a few of the key strategies that can help transit agencies align their workforce with their operational goals.

To progress, transit agencies must concentrate on harmonizing internal endeavors; evaluating the efficacy of their programs; and delivering focused, quantifiable change. The future resilience and efficiency of transit services hinge on these actions.

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