
AUDITOR GENERAL

Halifax Regional Municipality

A Performance Review of the Effectiveness of Strategic Workforce Planning at Halifax Regional Municipality[©]

August 2016

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Preamble

Strategic Workforce Planning is defined by the Conference Board of Canada as the “analytic, forecasting, and planning process that connects and directs talent management activities to ensure the organization can execute its business strategy by having the right people in the right place at the right time, at the right cost”.¹ This includes analyzing and forecasting internal and external workforce trends.

Key issues and trends which currently present a risk to Nova Scotia municipalities include, but are not limited to, the following:

- A tightening labour supply due to an aging workforce,
- Generational differences in the workforce,
- Occupational skills shortages and
- Negative perception of public service.²

Halifax Regional Municipality (HRM) likely faces a great deal of risk resulting from these workforce related issues and trends which could potentially have a significant impact on HRM’s service delivery and ability to achieve its strategic goals. The impact of these risks could be significant given HRM’s workforce is its largest expenditure, which was budgeted at 4,229 Full-Time Equivalents (FTEs) and \$318 million for base salaries and benefits for 2015/16. As HRM’s workforce represents its largest investment, it is the view of the Office of the Auditor General (OAG), it must be appropriately managed across the organization to ensure workforce risks are sufficiently mitigated.

¹ Young, M. B. “Implementing Strategic Workforce Planning” *Conference Board of Canada*, (2009) Page 3

² Charlton, P. and Matheson-Coutu, A. “Reality Check: Do You Know Where Your People Are? Attracting the Next Generation of Municipal Government Managers in Nova Scotia” *The Association of Municipal Administrators of Nova Scotia*. September 2006

Objectives

To review whether the Municipality has effective workforce planning programs in place to ensure HRM can achieve its goals and maintain or improve the quality of service delivered to taxpayers.

To review the status of workforce planning at HRM to determine whether key workforce risks have been identified and are being effectively managed at a corporate level.

In order to satisfy these objectives, the OAG developed the following lines of enquiry:

- 1.0 To determine if HRM Administration identifies and addresses key workforce risks and discusses these risks with Regional Council.
- 2.0 To determine if workforce planning strategies are effectively designed to ensure service continuity or improvement at expected outcome levels.
- 3.0 To determine if policies and procedures have been developed to effectively address key aspects of workforce planning and have been adopted throughout the organization.
- 4.0 To determine if workforce planning programs are monitored and evaluated effectively.
- 5.0 To determine if workforce planning metrics and strategies to address identified gaps are adequately reported and discussed with Regional Council.

Scope

The OAG reviewed all workforce planning elements at a high level focusing on their role in mitigating key workforce risks and supporting HRM in reaching its goals as well as maintaining or improving service delivery. The workforce elements include:

- Recruitment
- Retention
 - Training and Development
 - Performance Management
 - Rewards and Recognition
 - Career Advancement
- Succession Planning

The review period covered April 2012 (when workforce reporting from Human Resources began) to present.

The focus of this review was primarily on HRM business units; however, in addition to the OAG's survey of HRM Management, the OAG also developed a survey of Management at Halifax Public Libraries and Halifax Regional Water Commission.

Methodology

- Review of HRM's organizational strategy for a link to workforce planning.
- Meetings with Human Resources (HR) staff to review their approach to supporting workforce planning organizationally.
- Meetings with directors and managers in all business units to understand their view of the organization's workforce planning, their role in workforce planning and the support provided by HR.
- Develop and conduct a survey of Management³ to understand the general views of the organization around workforce planning.
- Review HRM documentation and policies regarding all aspects of workforce planning.
- Benchmark the practices of HRM against other Canadian municipalities on a limited basis.

³ For purposes of the survey, the OAG defined "Management" as any employee with direct reports including directors, managers, supervisors, team leads, etc.

Executive Summary

Organizations and municipalities across Canada are faced with a variety of labour challenges which have the potential to have a significant impact on their ability to meet their strategic goals. Due to the significant investment the workforce represents and the potential impact to the Municipality if workforce risks and challenges are not addressed, the Office of the Auditor General (OAG) engaged in a performance review of workforce planning at Halifax Regional Municipality (HRM) to ensure current as well as future programs and initiatives are effective in managing risk and ensuring continuity or improvement of service delivery.

In order for workforce planning to be effective there needs to be links between programs, budgets and strategic planning. Workforce planning activities need to be aligned with the organizational strategic plan and workforce risks need to be identified and addressed through workforce planning initiatives. In order to manage these risks and execute strategy, leaders in HRM need to know what gaps exist so initiatives can be developed and implemented in order to be effective.

While the OAG found workforce planning is identified as a strategic pillar and 'Right Staffing' identified as a corporate strategic risk, there is no a systematic approach to identifying issues or trends across the Municipality or to ensure workforce planning activities are aligned with the corporate strategy. As a result, the OAG observed inconsistent workforce planning activities across the business units.

In order to gauge HRM Management's attitudes towards the effectiveness of workforce planning at HRM, the OAG developed a Management survey which divided workforce planning into the following key elements:

- Recruitment
- Retention including training and development, career advancement, performance management and rewards and recognition
- Succession Planning

The OAG held meetings with directors around workforce planning to identify trends and develop a context in which to understand survey findings. Examples of what the OAG viewed as key findings through these meetings as well as the survey information are as follows:

- Dissatisfaction with the organization's recruitment process, due to the length of the process as well as concerns around current practices not allowing the best candidate to be hired.

- Diversity identified as a potential issue in recruitment.
- Concern around the organization's ability to attract and retain high performers.
- Dissatisfaction with the types of training opportunities offered by the organization, concerns around tracking training and the lack of a corporate skills inventory.
- Concern around the personal development opportunities available.
- Inconsistent succession planning across business units.
- Concern around the organization's knowledge transfer practices as well as the ability to plan for the future.

The survey also provided the OAG with insight into the awareness and use of current Human Resources (HR) programs and practices supporting workforce planning elements. The OAG found not all survey respondents were aware of all the programs and practices and there was limited uptake on programs which were identified as being key to attracting and retaining high performing individuals. In the view of the OAG, the programs and practices supporting workforce planning are not fully integrated into the business planning process which has led to varying levels of implementation across the business units.

The OAG acknowledges survey information collected only represents a portion of the HRM Management team and a fraction of HRM's overall workforce. However, the information collected in the survey provided a great deal of insight into concerns with HRM's workforce planning activities. The OAG is encouraged to see survey respondents were engaged and the OAG feels the constructive feedback and areas of concern brought forward are representative of areas where significant value and benefits could be achieved through strategic investment.

After reviewing the workforce reporting available, the OAG believes what is currently in place is not a robust enough model to provide timely and meaningful workforce information for HRM Management and Regional Council to effectively identify and address human capital challenges as well as opportunities for the organization.

The OAG believes for performance reporting to be effective there should be reasonable comparisons and targets developed (such as comparisons to actual). The lack of access to timely and meaningful workforce information at an organizational level as well as the inconsistent or absent business unit specific performance reporting causes the OAG to conclude any workforce planning activities are implemented and monitored using limited information.

While the OAG acknowledges HR is currently undergoing a service modernization, the OAG is concerned there is currently neither short nor long-term plans on how to gather and analyze workforce data. The OAG is concerned there is a risk the organization will not be able to fully capitalize on any new technology investment without first having strong programs and controls in place, as technology currently available has not been effectively leveraged.

The OAG believes there is an opportunity at HRM to effectively capitalize on strategic workforce planning using the current support structure by leveraging both the engaged Management team and the technology currently available. Through the development of a clear workforce planning strategy which incorporates supporting programs and practices into the business planning process, the organization can provide clearer corporate direction on priorities and outcomes across the business units.

Summary of Recommendations

The following recommendations are printed verbatim from the detailed findings section of the report. To appreciate the full intent of the recommendations, they should be read in context of the section of the report indicated by the page numbers.

- 1.0.1 The OAG recommends HRM Administration develop, adopt and fully integrate into all operations a formal corporate workforce planning strategy (with defined outcomes) supported by activities which are integrated into the business planning process. (Page 16)
- 1.1.1 The OAG recommends HRM Administration develop and document a process to systematically identify workforce issues and trends at the business unit level and develop and implement strategies to address these issues and trends. (Page 19)
- 2.0.1 The OAG recommends HRM Administration, in consultation with the HR Business Unit and the individual business units, review current positions classification criteria for 'tier two' approvals to ensure it is still relevant. (Page 47)
- 2.0.2 The OAG recommends the HR Business Unit consult with all business units to more clearly define the role of HR in the interview process. (Page 47)
- 2.0.3 The OAG recommends HRM Administration review internal HR consultant job descriptions to ensure they are reflective of clients' needs. (Page 47)
- 2.0.4 The OAG recommends the HR Business Unit, in consultation with all business units, review and clearly define current diversity and inclusion components of the recruitment process. (Page 47)
- 2.0.5 The OAG recommends HRM Administration review all current HRM job descriptions against the actual jobs and update, where necessary, the descriptions to accurately reflect the position requirements to ensure the right skills for the position and the organization are reflected. (Page 47)

- 2.0.6 The OAG recommends, in conjunction with Recommendation 2.0.5, HRM Administration incorporate career advancement opportunities into the job description review to ensure potential career paths are clear and barriers to advancement are removed where possible. (Page 47)
- 2.0.7 The OAG recommends the HR Business Unit, in consultation with all business units, review internal/external programs/practices identified as contributing to the recruitment of high performing candidates and millennials and incorporate best practices. (Page 47)
- 2.0.8 The OAG recommends the HR Business Unit, in consultation with all business units, review current programs and practices which support career development (including mentorship and secondments programs) to ensure the programs' design and goals are able to meet organizational and business unit needs. (Page 47)
- 2.0.9 The OAG recommends HRM Administration make developing a corporate-wide skills inventory a high priority and incorporate a process to track training required, available and taken so it can be used in developing future organizational training and development and ensuring skills gaps are addressed. (Page 48)
- 2.0.10 The OAG recommends HRM Administration, in consultation with the HR Business Unit, review and incorporate best practices into the development and implementation of corporate reward and recognition guidelines. (Page 48)
- 2.0.11 The OAG recommends HRM Administration develop and implement a consistent succession planning process across the organization. (Page 48)
- 2.0.12 The OAG recommends HRM Administration develop a critical positions inventory to be maintained at the corporate level and identify and include hard-to-fill positions in order to ensure the necessary HR strategies and resources are in place to support business units' workforce planning efforts. (Page 48)

- 2.0.13 The OAG recommends HRM Administration incorporate the critical positions identified into succession planning. Strategies should then be developed for filling any gaps between HRM's current and future staffing needs, whether through internal promotion, external hires or job re-design. (Page 48)
- 2.0.14 The OAG recommends, as part of its workforce planning strategy, HRM Administration incorporate specific strategies to support knowledge transfer across the organization. (Page 48)
- 2.1.1 The OAG recommends the HR Business Unit, in consultation with all business units, develop an implementation plan to integrate supporting programs and practices across the entire organization as part of corporate strategic workforce planning. (Page 51)
- 3.0.1 The OAG recommends HRM Administration develop internal and external benchmarks as well as performance targets for workforce planning. (Page 58)
- 3.0.2 The OAG recommends the HR Business Unit work with internal HR consultants and all business units to develop business unit specific workforce reporting, including leveraging information available from and the full capabilities of BrassRing software. (Page 58)
- 3.0.3 The OAG recommends HRM Administration include, in the Workforce Profile, historical HRM data trends and relevant performance targets. (Page 58)
- 3.1.1 The OAG recommends HRM Administration, when developing the next People Plan, align priorities with areas of strategic importance based on a detailed analysis of relevant workforce data. (Page 60)

Detailed Findings and Recommendations

1.0 Workforce Planning Linked to Corporate Strategy

According to the Conference Board of Canada, Strategic Workforce Planning is the “analytic, forecasting, and planning process that connects and directs talent management activities to ensure the organization can execute its business strategy by having the right people in the right place at the right time, at the right cost”.⁴

Workforce planning activities should be linked to the overall corporate strategy of an organization. According to the Harvard Business Review, strategy is generally defined in terms of strategic positioning which is the ability “to achieve sustainable competitive advantage by preserving what is distinctive about a company”.⁵

An organization’s strategy helps to determine which activities it will perform, how individual activities will be configured and how activities relate to one another. Strategy takes the concept of operational effectiveness one step further, from achieving excellence in individual activities to combining these activities into a corporate direction. An organizational strategy allows the entire organization to work together towards a common goal.

Although the Harvard Business Review specifically defines strategy in terms of competition in the private sector,⁶ strategy is just as important in the public sector. Rather than be competitive in the market, public sector organizations, such as government bodies, can use strategy to increase value for money to taxpayers and improve service delivery.

With this in mind, the Office of the Auditor General (OAG) reviewed Halifax Regional Municipality’s (HRM) ‘Plan on a Page’ (Appendix A) which outlines HRM Administration’s approach to supporting Regional Council’s strategic direction for the Municipality represented by Council priority areas.⁷ HRM’s Plan on a Page outlines the organization’s mission, values and strategic pillars and links them to Council priority areas. HRM’s mission is as follows: “We take pride in providing high-quality public service to benefit our citizens. We make a difference”.⁸ This mission is supported by the values which are: respect, collaboration, diversity and inclusion, integrity and accountability. The strategic pillars support both the mission and the values. The strategic pillars

⁴ Young, M. B. “Implementing Strategic Workforce Planning” *Conference Board of Canada*, (2009) Page 3

⁵ Porter, M. E. “What Is Strategy?” *Harvard Business Review* 74, no. 6 (1996): Page 1

⁶ Ibid.

⁷ Halifax Regional Council defines these priority areas in relation to service delivery and resource allocation, where they would like to make the most impact.

⁸ Halifax Regional Municipality “Making a Difference: Our Values, Behaviours and Conduct in the Workplace”

are:

- Financial Responsibility,
- Our People,
- Health and Safety and
- Service Excellence.

The 'Our People' strategic pillar aligns directly with strategic workforce planning. The 'Our People' strategic pillar outlines "our success is our people" and includes the following key elements of, what the OAG believes to be, strategic workforce planning:

- Retaining and attracting top talent,
- Having strong and effective leaders,
- Being a learning organization and
- Providing a positive workplace culture.

According to HRM's budget documents, Council priority areas are designed to be guides for immediate and long-term investments and efforts and are, in theory, supported by these strategic pillars.

According to the Harvard Business Review, in order for a strategy to be effective it must be clearly defined and communicated to staff at all levels of the organization.⁹ At the HRM corporate level, as part of business planning, the 'Priority Outcomes Teams' develop outcome plans in support of Council priorities. Staff within the business units are then provided with these outcome plans and instructed to incorporate them into their Business Unit Plans, which are presented to Regional Council during budget deliberations.

The OAG is pleased the organization has identified strategic workforce planning as a strategic pillar at the corporate level. Based on this, and the research indicating "the workforce planning cycle starts by reviewing the performance requirements of an organization's strategic plan and identifying the core or strategic skills and competencies needed for success",¹⁰ the OAG expected an overall HRM corporate workforce planning strategy, including alignment with the strategic goals of the organization. Given the intended structure of the business planning process, the OAG also expected to see outcomes which have been incorporated into each business unit's business plan.

⁹ Porter, M. E. "What Is Strategy?" *Harvard Business Review* 74, no. 6 (1996): 61–78.

¹⁰ Cotton, A. "Providing Cutting-Edge Knowledge to Government Leaders: Seven Steps of Effective Workforce Planning" Human Capital Management Series, *IBM Center for The Business of Government*, Page 14

Unfortunately, the OAG was informed by the Director of Human Resources (HR), HRM does not currently have a corporate workforce planning strategy. HRM's multi-year People Plan is intended to be "a foundational strategy for the Plan-on-a Page 'Our People' pillar". However, the most current version of the People Plan is the plan for 2012-2014 and HR has included the goal of creating the next People Plan in each business plan since the 2014/15 plan. Currently HR is "working from an interim plan for 2015". While the OAG is pleased the organization has a process to address Council priorities with strategic initiatives, the 'Our People' strategic pillar is broad and lacks a current supporting strategy. It is the view of the OAG, the business units are provided with limited direction on how to approach workforce planning in support of the 'Our People' strategic pillar.

Staff in HR have developed a Workforce Planning Toolkit and have indicated plans to develop a corporate workforce planning strategy through the 'HR modernization initiative'.¹¹ Part of the Workforce Planning Toolkit is a guidebook, created in 2009, titled 'HRM Workforce Planning: A Guide to Preparing a Mission Ready Workforce' which is intended to aid the business units in the workforce planning process. The guidebook includes:

- forming a workforce planning team,
- defining the business unit's mission,
- workforce planning data collection,
- how to conduct diagnostic interviews,
- how to perform an analysis of the current state of the workforce,
- how to plan for future workforce needs and
- how to incorporate everything into a workforce plan.

While many of these activities align with steps in a typical workforce planning cycle, this guidebook has not yet been fully implemented. Staff in HR indicated they have just started to explore what workforce planning would look like at the business unit level. The guidebook is available to the business units, however, there does not appear to be any consistent integration from the suggested workforce planning activities into the business plans. The OAG is concerned about the effectiveness of this guidebook as it is a workforce planning tool which has existed for seven years but does not appear to be consistently used.

The OAG found some business units have integrated workforce planning initiatives into their business plan, while others incorporated workforce

¹¹ The HR modernization initiative is the current transformation HR is undergoing with the goal of modernizing the delivery of HR programs and services

planning initiatives into their business unit practices, but do not have these included in their business plans.

As it currently stands, even though many of HR's strategic workforce planning documents have been available for some time, they have not been fully implemented or tied to an overall strategy. They are therefore, in the view of the OAG, of limited ongoing value to the organization. While the OAG understands staff in HR are working towards a fully integrated corporate workforce planning strategy with supporting programs and practices through their modernization initiatives, it is concerning many of the current workforce planning documents act as stand-alone documents and are not clearly integrated into the business planning or budgeting process and therefore not directly linked to organizational strategies.

Even though many of HR's strategic workforce planning documents have been available for some time, they have not been fully implemented or tied to an overall strategy.

Without a link between workforce planning activities and HRM's corporate strategy, there is no systematic process which ensures the largest cost (base salaries and benefits) to HRM is aligned to ensure the success of the organization's strategy. Without corporate direction, workforce planning activities will likely be interpreted and implemented differently across business units in siloed approaches. In the view of the OAG, this could result in a disjointed effort across the organization to support the corporate strategy. Overall, the OAG found limited evidence of workforce planning initiatives being done consistently or effectively.

Without a link between workforce planning activities and HRM's corporate strategy, there is no systematic process which ensures the largest cost to HRM is aligned to ensure the success of the organization's strategy.

Recommendation:

- 1.0.1 The OAG recommends HRM Administration develop, adopt and fully integrate into all operations a formal corporate workforce planning strategy (with defined outcomes) supported by activities which are integrated into the business planning process.

1.1 Workforce Planning Risk

The OAG researched workforce risks likely being faced by HRM. Through research the OAG reviewed a report developed for Nova Scotia municipalities released in 2006 by the Next Generation Project initiative, in partnership with Service Nova Scotia and Municipal Relations, which outlined many of the current issues and trends which could pose a risk to Nova Scotia municipalities' workforces. These issues and trends included:

- A tightening labour supply due to:
 - Aging workforce: government workforces have aged at a faster rate than the overall Canadian workforce.
 - People are retiring earlier.
 - People are having fewer children.
 - Jobs are requiring higher skill levels.
 - Young people are staying in school longer .
- Generational differences in the workforce:
 - Generational groups tend to look for different things from employers, recruitment and retention strategies need a multigenerational approach.
 - Demographic trends result in a need to attract younger workers; need to target young workers with recruitment strategies aimed at their values and motivators.
 - Need for awareness of the motivators of the next generation to retain and train to be the next generation of managers.
 - Mobility of young people could present a retention challenge; young people are much more likely to leave a position which is not fulfilling their expectations. They also are less likely to be married and have children, further increasing their mobility.
- Occupational skills shortages.
- Negative perception of public service.

The OAG also contacted a number of Canadian municipalities who identified similar workforce issues and trends posing a risk to their organization.

As part of HRM's implementation of an Enterprise Risk Management Program, during HRM's business planning cycle (2016/17), staff within business units were directed to incorporate corporate strategic risk considerations into their Business Unit Plans. The OAG is pleased to see this risk implementation as the OAG has continually written about HRM's need for greater risk awareness and management.

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"Right Staffing" is identified as one of the corporate strategic risk considerations identified in this program. The risk statement is defined as follows: "The risk that the municipality does not have the right people in the right jobs at the right costs resulting in substandard service delivery, higher cost for services delivered, compromised decision-making, inappropriate controls, mistreatment of staff, etc."

While it is encouraging to see HRM's risk framework being developed at a corporate level, the "Right Staffing" corporate strategic risk is broad and does not address specific impacts of current issues or trends which could pose a risk to HRM's workforce, such as those identified by the Province of Nova Scotia and other Canadian municipalities. At the time of the OAG review, there was no formal process in which more specific, operational workforce risks could be identified through the Enterprise Risk Management Program.

These more specific, operational workforce risks are being identified, mostly informally, by Management in individual business units. In conversations with the OAG, HRM directors identified issues and trends in line with the OAG's research such as the aging workforce and changes in technology. However, the issues and trends identified varied across the business units, which could have different impacts given the business units' varied workforce demographics.

Management in some business units have developed either formal or informal strategies to address workforce risks specific to their business unit. In other business units, Management feels they do not have the capacity to fully develop and implement strategies to mitigate the workforce risks they have identified within their business unit. It is also the view of the OAG, without a systematic approach to identifying issues and trends across the Municipality, the full impact of workforce risk at HRM is unlikely to be recognized given the diverse business units and significant differences in the impact of workforce planning in individual business unit's service delivery.

In other business units, Management feels they do not have the capacity to fully develop and implement strategies to mitigate the workforce risks they have identified within their business unit.

Recommendation:

- 1.1.1 The OAG recommends HRM Administration develop and document a process to systematically identify workforce issues and trends at the business unit level and develop and implement strategies to address these issues and trends.

2.0 Programs and Practices in Support of Workforce Planning

Through research the OAG identified a seven step process for effective workforce planning.¹² The seven steps are as follows:

1. Define the organization's strategic direction
2. Scan the internal and external environments
3. Model the current workforce
4. Assess future workforce needs and project future workforce supply
5. Identify gaps and develop gap-closing strategies
6. Implement gap-closing strategies
7. Evaluate the effectiveness of gap-closing strategies and revise strategies as needed

As mentioned previously, HRM has defined the organization's strategic direction based on Council priority areas and has indicated a key strategic pillar to supporting these areas is the management of HRM's human capital. The OAG also reviewed research regarding trends and challenges which may impact HRM's internal and external environments. In order to evaluate HRM's activities relating to the remaining steps for effective workforce planning the OAG met with directors and conducted a survey of Management¹³ to review any current programs and practices in place supporting workforce planning in the organization. Specifically, the OAG divided workforce planning into key elements: recruitment, retention (including training and development, career advancement, performance management and rewards and recognition) and succession planning.

The Management survey was developed by the OAG through meetings with directors, HR and the Chief Administrative Officer (CAO). The goal of the survey was described as "to review the capability of the organization's workforce and determine if workforce planning programs are available, accepted and supported in each business unit and throughout the organization as a whole". The survey asked participants to share opinions and experiences regarding the elements of workforce planning at HRM as well as questions regarding planning for the future HRM workforce. The OAG surveyed Management from all HRM business units and Management from Halifax Public Libraries (HPL) and Halifax Regional Water Commission (HRWC). As HPL and HRWC have different HR practices from those of HRM, the OAG only asked about Managements' view of their specific units and not their view

¹² Cotton, A. "Providing Cutting-Edge Knowledge to Government Leaders: Seven Steps of Effective Workforce Planning" Human Capital Management Series, *IBM Center for The Business of Government*, Page 14

¹³ For purposes of the survey, the OAG defined "Management" as any employee with direct reports including directors, managers, supervisors, team leads, etc.

of the organization of HRM as a whole.

The OAG's review of the survey data included analyzing trends and identifying common themes, including whether responses were overall positive or negative. It is important to note, there were no questions with responses which were 100 percent negative across all survey respondents or all business units (including HPL and HRWC) and only one question which was 100 percent positive; 100 percent of respondents agreed or strongly agreed to the statement "I value the contributions from workers of all ages".

It is also important to note, some of the feedback from the survey related to topics which were out of the scope of the OAG's review, including topics which are specific to the public sector. An example is the specific challenges which are associated with the highly unionized work environment at HRM. As these findings are out of scope, they have been excluded from this report but have been noted by the OAG and will be taken into consideration for future projects.

The OAG was pleased to find, for those of the Management team who completed the survey, there was overwhelming support for the view HRM's business units (including HPL and HRWC) and the organization as a whole are good places to work. In the view of the OAG, there appeared to be support the Management team believes they are fully engaged in the success of the organization and feel the work they do aids in achieving the organization's goals and priorities. Members of HRM's Management team also feel the work they do has an impact not only on the organization but on the residents of the Municipality.

**There was overwhelming support for the view HRM's
business units (including HPL and HRWC) and the organization
as a whole are good places to work.**

Although the Management team believes, overall, HRM is a good place to work, constructive feedback and areas for improvement were provided regarding workforce planning elements at HRM. A high level summary of this feedback, aligned with comments from meetings with directors, is presented below.

Recruitment

Recruitment is an important element of strategic workforce planning as it is the process of attracting, selecting and hiring individuals to add to the organization's human capital. An effective recruitment process is the first step to having "the right people in the right place". According to research, "recruitment success depends upon economic conditions, the local market for specific skills, and the competition for labor".¹⁴ Given the current issues and trends identified for Nova Scotia municipalities, recruitment of top talent may become even more difficult.

According to the same research, government organizations have specific challenges in regards to recruitment, such as attracting individuals with specialized or technical skills or when the supply of skills is limited in the hiring area.¹⁵

The goal of HRM, as outlined in HRM's Plan on a Page 'Our People' strategic pillar, is to attract top talent and provide a positive work culture. In order to review the recruitment process the OAG included a section on recruitment in the survey of HRM Management and discussed HRM recruitment in meetings with directors.

Recruitment Process

The OAG found many HRM managers were dissatisfied with HRM's recruitment process; as only 35 percent of survey respondents agreed or strongly agreed they are satisfied with the organization's current recruitment process (Exhibit 1). Similar results were found in HPL and HRWC. The majority of those who were dissatisfied with the process provided reasons which fell into three main overarching themes;

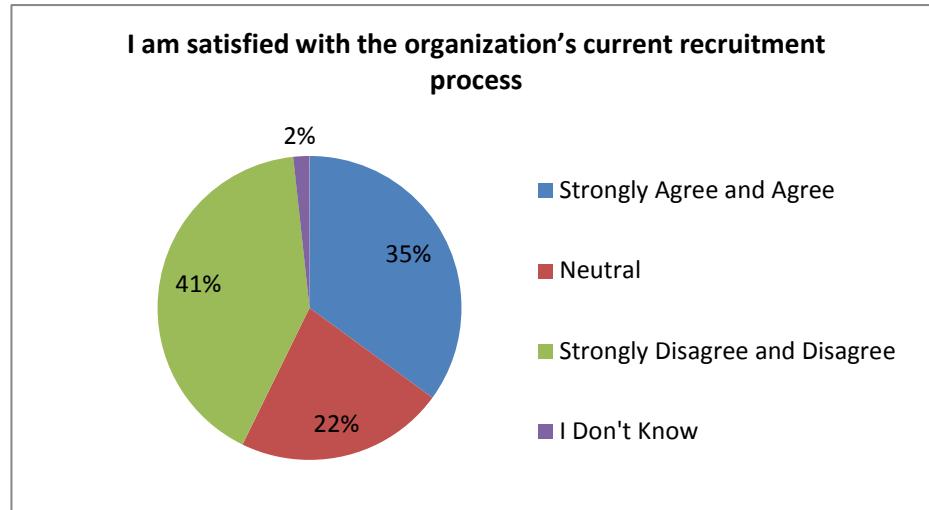
- the hiring approval process,
- the ability to hire the best candidate and
- diversity.

Similar themes were also identified in meetings with directors.

¹⁴ Cotton, A. "Providing Cutting-Edge Knowledge to Government Leaders: Seven Steps of Effective Workforce Planning" Human Capital Management Series, *IBM Center for The Business of Government*, Page 14

¹⁵ Ibid.

Exhibit 1: The degree to which HRM respondents agreed with the statement “I am satisfied with the organization’s current recruitment process”. These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

Hiring Approval Process

The most commonly noted reason for dissatisfaction with the recruitment process was the length of time and effort the process requires. In meetings with directors, the OAG was informed a business case is required for each job posting, even if it is a position which previously existed in the business unit. The OAG was also informed many levels of Management approval are required for each job posting, including approval from the CAO. The Director of HR indicated there are two tiers of vacant positions; ‘tier two’ positions require CAO approval to be posted, whereas ‘tier one’ positions do not. However, positions currently classified into ‘tier one’ are limited and directors indicated, in discussions with the OAG, they feel the ‘tier one’ list could be expanded.

It was also indicated to the OAG, directors are concerned these levels of approvals limit the ability of managers to develop and manage their workforce as they have less responsibility for decisions regarding the staffing of positions. Directors are held responsible for the budgets of their business units and ultimately for results and accountability to the taxpayers.

Overall, the OAG believes managers within business units should be held accountable for staffing decisions. While the OAG understands the benefit of having CAO approvals for some job postings (possibly at the most senior levels), it is the view of the OAG, requiring CAO approval for most job posting does not empower managers and directors in making these decisions and it

becomes more difficult to hold them accountable. Also, the OAG has been advised the requirement for CAO approval has lengthened the recruitment process and increased the frustrations of managers as it takes time away from regular service delivery.

It is concerning to the OAG there appears to be an accountability paradigm, where it appears the CAO often has final authority in deciding which positions can be filled but directors are responsible for developing their budgets, which includes the number of positions in their business unit. In the view of the OAG, this type of 'tone from the top' could appear as a lack of faith in the decision making of the organization's top leaders.

Ability to Hire Best Candidate

Through the survey, some managers indicated they felt they were unable to ensure the best candidate for the position would be hired through the current recruitment process. Some survey respondents expressed concerns around the interview process being too rigid and resulting in, at times, who they felt was the best candidates, being screened out. Some of these respondents also indicated the scoring system used in interviewing is the sole determinant for hiring and does not allow for enough flexibility to hire the person with a high score as well as the likely best fit¹⁶ for the position or business unit. The OAG believes recruiting for cultural fit is very important for retention, as research shows poor cultural fit is correlated with higher turnover.¹⁷ Therefore, it is important to place a high emphasis on a candidates' cultural fit during the interview process in addition to their experience and abilities.

Respondents also indicated the scoring system used in interviewing is the sole determinant for hiring and does not allow for enough flexibility to hire the person with a high score and the likely best fit for the position or business unit.

Issues with the accuracy and representativeness of job descriptions for the actual jobs being hired for were also identified as issues in the process. This can also impact the scoring done during the interview and ultimately the candidate selected. The OAG is concerned inaccurate or outdated job descriptions could result in potentially hiring the wrong person for the

¹⁶ "Cultural fit is the likelihood that someone will reflect and/or be able to adapt to the core beliefs, attitudes, and behaviors that make up your organization." Bouton, K. "Recruiting for Cultural Fit" *Harvard Business Review* (2015)

¹⁷ Kristof-Brown, A. L. "Consequences of Individuals' Fit at Work: A Meta-Analysis of Person-Job, Person-Organization, Person-Group, and Person-Supervisor Fit" *Personnel Psychology*, 58 (2005): 281-342.

position, hiring the right person for the wrong position, and/or creating a disconnect between the candidates' expectation of the role and the actual requirements of the role. This could result in high turnover and/or low employee satisfaction/engagement.

Issues with the accuracy and representativeness of job descriptions for the actual jobs being hired for were also identified as issues in the process.

Scoring during the interview process is done not only by business unit representatives but also HR representatives. The OAG noted some managers felt more responsibility should be given to the business unit representatives for the interview portion of the process as they have more business unit specific knowledge than the HR representative would.

Throughout the survey there also seemed to be a lack of understanding or clarity regarding the role of HR in the recruitment process. Some managers indicated HR leads the process, while others mentioned more of a support role. The role of corporate HR and internal business unit HR consultants appears to vary between business units and business units may not be receiving, what is perceived as, a consistent quality of service from HR in regards to the recruitment process.

Overall, it appears to the OAG, there are potential barriers in the current recruitment process such as dated job descriptions, the rigidness of the process and the inconsistent involvement from HR. It is the view of the OAG, these barriers should be removed to ensure managers within the business units are able to select the best candidate for each job posting.

There are potential barriers in the current recruitment process, such as dated job descriptions, the rigidness of the process and the inconsistent involvement from HR.

Ensuring Diversity and Inclusiveness

Although diversity and inclusion were not a focus of the OAG review, they were mentioned throughout the survey responses as areas where the organization lacks focus in terms of recruitment. Through the survey, some managers indicated they were not confident HRM's current recruitment process ensures under-represented groups are targeted or have a fair chance

at all positions posted. Diversity and inclusion were also areas of concern for some directors, for example, there was a concern the current structure may inherently screen out individuals with English as a second language if the questions do not translate well.

The OAG acknowledges HRM's elected officials and administration have been making significant efforts towards diversity and inclusion. Diversity and inclusion have also been identified as organizational values of HRM. The OAG feels, given the survey responses and director commentary, HRM needs to ensure diversity and inclusion strategies are consistently incorporated into HRM's recruitment process and operate effectively.

HRM needs to ensure diversity and inclusion strategies are consistently incorporated into HRM's recruitment process and operate effectively.

The Organization's Ability to Recruit Top Talent

Through the survey, the OAG asked managers to identify any potential aspects of the organization which could, in their view, deter potential candidates from applying to work at HRM. In addition to hiring practices and concerns around diversity (both mentioned above), the following aspects were identified:

- The nature of public sector work: such as dealing with elected officials and a negative public perception of the municipality and/or its workers,
- Low compensation levels and high price of benefits (resulting in low take-home pay),
- Lack of work-life balance (long work hours or shift work),
- Lack of advancement opportunities and
- Negative and bureaucratic organizational culture.

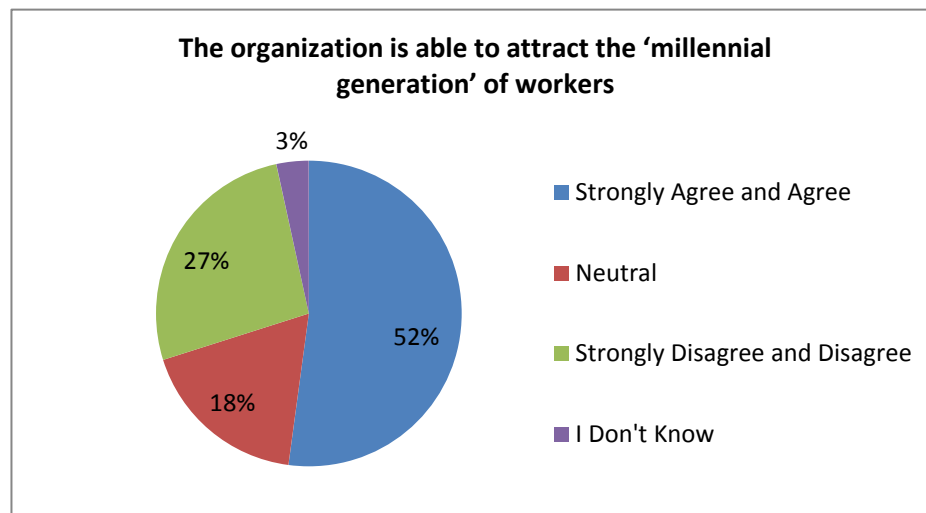
Over 50 percent of survey respondents agree or strongly agree the organization is able to attract the 'millennial generation'¹⁸ of workers (Exhibit 2). HRWC reported similar results and much more agreement was noted in HPL. However, in contrast to survey respondents, multiple directors expressed a concern with the organization's ability to attract and retain the 'millennial generation' of workers.

¹⁸ Generally defined as individuals born between 1981 and 1999

When the OAG reviewed the Management survey responses as to what may deter candidates from applying to work at HRM, it is the view of the OAG, the points noted by HRM managers as aspects of the organization that may deter potential candidates could also deter the 'millennial generation' of workers. The OAG and some HRM directors identified the next generation as wanting flexible work hours and advancement opportunities and caring less about salary, benefits or job security from potential employers. Through research the OAG also found bureaucracy, silos and rigid corporate structures also deter millennial workers.¹⁹ Working in government has the ability to provide millennials the opportunity to make a difference and can offer unique work experiences, however the OAG did not find this was consistently being promoted and integrated into HRM's recruitment process.

Working in government has the ability to provide millennials the opportunity to make a difference and can offer unique work experiences, however the OAG did not find this was consistently being integrated into HRM's recruitment process.

Exhibit 2: The degree to which HRM respondents agreed with the statement "The organization is able to attract the 'millennial generation' of workers". These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

¹⁹ "Millennials at work – Reshaping the workplace in financial services" *PricewaterhouseCoopers (PwC)*, (2012)

Through the survey, the OAG also asked managers what they believe the organization does to attract high performing candidates. The following initiatives/aspects were identified by survey respondents:

- HRM offers good salary and benefits,
- HRM offers a higher level of job security,
- HRM offers HR programs such as the internship and mentoring programs,
- Targeted recruitment efforts (targeted advertising, Canada-wide recruitment efforts, etc.) and
- Some leaders of HRM, including elected officials, ensure HRM (including HPL and HRWC) is seen as a good place to work.

It is encouraging to the OAG some managers mentioned HR programs, such as the internship program, as things the organization does to attract high performing candidates. However, it is concerning to the OAG the awareness and uptake of these programs was low in some areas. For example, 74 percent of HRM managers who participated in the survey had heard of HR's internship program (Exhibit 3) but only 43 percent of those who had heard of it, have participated or have had a direct report participate (Exhibit 4).

It is concerning to the OAG the awareness and uptake of HR programs contributing to the attraction of high performing candidates was low in some areas.

Exhibit 3: A portion of the results for the question: "Have you heard of the following HR Program/Practice?"

Have you heard of the following HR Program/Practice:	Yes	No
Bridging the Gap Internship Program	74%	26%
Mentorship Program	67%	33%
Flexible Work Arrangement Programs	85%	15%
Secondments	81%	19%

Data Source: OAG survey of HRM Management, June 2016

Exhibit 4: A portion of the results for the question: "Have you, or one of your direct reports, ever participated in the following HR Program/Practice?"

Have you, or one of your direct reports, ever participated in the following:	Yes	No
Bridging the Gap Internship Program	43%	57%
Mentorship Program	24%	76%
Flexible Work Arrangement Programs	58%	42%
Secondments	32%	68%

Data Source: OAG survey of HRM Management, June 2016

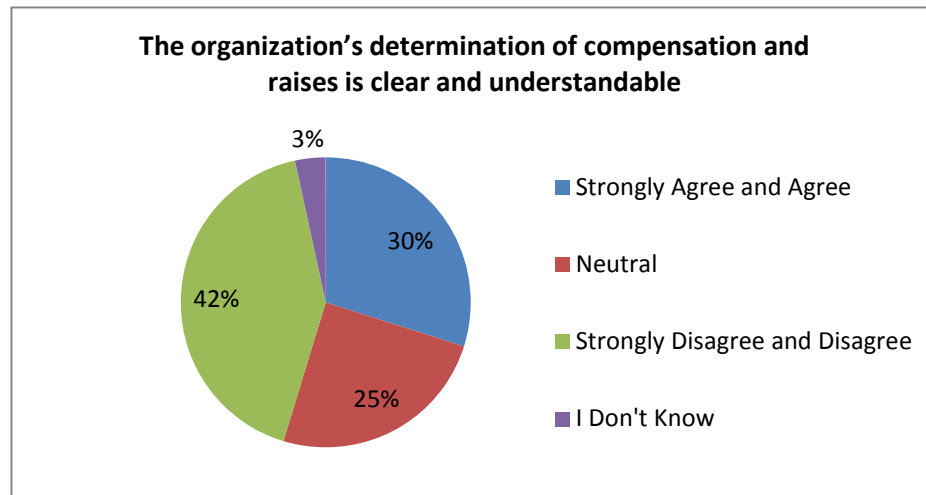
As noted earlier, it appears there are aspects of HRM employment which make it difficult to attract high performing candidates. The OAG is not confident the current recruitment process supports the organization's efforts to attract top talent, including those belonging to the next generation of workers.

Salary and Benefits

As previously mentioned, salary and benefits were brought up as both deterrents and methods to attract high performing candidates to the organization; this finding was balanced across business units.

Only 30 percent of survey respondents agreed or strongly agreed the organization's determination of compensation and raises is clear and understandable (Exhibit 5). The OAG believes this could be an explanation for salary and benefits being brought up as a deterrent to attracting high performing candidates to the organization. More positive results were seen in HPL and HRWC (53 percent and 77 percent respectively).

Exhibit 5: The degree to which HRM respondents agreed with the statement "The organization's determination of compensation and raises is clear and understandable". These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

Directors in multiple business units suggested, in their view, in some cases, working for the public sector comes with potential salary restrictions in comparison to the private sector and in those cases the job security and benefits or the unique type of work HRM is able to provide is being leveraged and promoted in their recruitment processes to overcome this concern.

It is unclear to the OAG if there is an issue with current salary or benefit levels in HRM. It appears the issue lies with employee's understanding of the organization's determination of total compensation. Offering comparable, competitive salaries is important for any organization to attract top talent; however, if managers do not understand how compensation and raises are determined, it is difficult to promote HRM as competitive.

Retention

According to research, even if top talent is attracted to work for an organization, recruitment efforts are futile if the organization cannot retain them.²⁰ Retention strategies are an important element of strategic workforce planning as it relates to how an organization engages, manages, develops and recognizes its top talent in order to reduce turnover and maintain a strong, talented workforce who will help to reach organizational strategic goals and maintain or improve service delivery.

According to HRM's Plan on a Page 'Our People' strategic pillar, it is a goal of HRM to retain top talent and be a learning organization. In order to review retention at HRM, the OAG included a section on retention in the survey of HRM Management and discussed retention in meetings with directors (including specific components of retention: training and development, rewards and recognition, career advancement and performance management).

Through the survey, the OAG asked what managers and their business units do to ensure employee retention. Most responses related to having open communication with employees, including providing encouragement, feedback, recognition, coaching, ensuring relationship building and developing a positive workplace culture.

Other common responses from HRM managers included using the type of work employees are provided as a method to ensure employee retention. This included providing challenging work assignments, allowing independence, encouraging decision making and teamwork, creating meaningful work and linking the work to overall organizational strategy.

²⁰ Charlton, P. and Matheson-Coutu, A. "Reality Check: Do You Know Where Your People Are? Attracting the Next Generation of Municipal Government Managers in Nova Scotia" *The Association of Municipal Administrators of Nova Scotia*. September 2006

When asked what the organization could do better to ensure employee retention, managers indicated the following:

- Clearly define organizational goals,
- Support work-life balance programs and flexible work hours,
- Improve organizational culture (including decrease bureaucracy),
- Improve training and development,
- Provide more career advancement opportunities/career development /leadership development,
- Provide more rewards and recognition and
- Have better succession planning.

In conversations with directors and through Managements' survey responses, there were no major retention issues identified in any business unit, however managers did provide feedback on specific elements of retention which could be improved upon. Through research, similar elements were also identified by the OAG as key areas for retention and therefore were also a focus of the Management survey. These key areas include training and development, rewards and recognition, career advancement and performance management.²¹

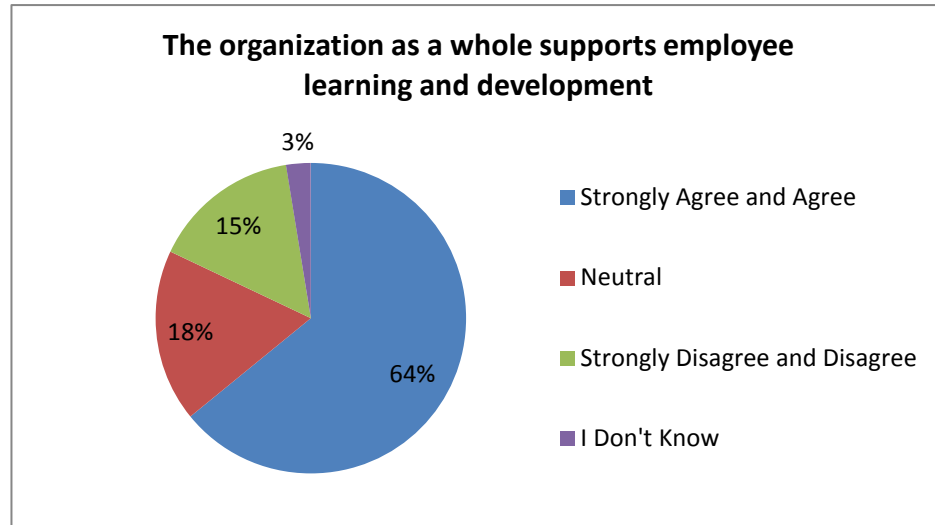
Training and Development

Training and development is an important part of retention as it represents an investment in the workforce. Training and development not only increases employee performance, it enhances employee engagement in their work which could also improve service delivery.

In regards to training and development the OAG was pleased most managers, through their survey responses, agreed or strongly agreed they (89 percent of HRM, HPL and HRWC respondents), their business unit (80 percent of HRM, HPL and HRWC respondents) and the organization as a whole (64 percent of HRM respondents) support employee learning and development (Exhibit 6).

²¹ Charlton, P. and Matheson-Coutu, A. "Reality Check: Do You Know Where Your People Are? Attracting the Next Generation of Municipal Government Managers in Nova Scotia" *The Association of Municipal Administrators of Nova Scotia*. September 2006

Exhibit 6: The degree to which HRM respondents agreed with the statement “The organization as a whole supports employee learning and development”. These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

When asked through the survey what training and development opportunities managers provide for their direct reports, many indicated there is limited budget available within the business units for training and development. However, in spite of this, managers identified having used their limited resources to provide the following in terms of training and development:

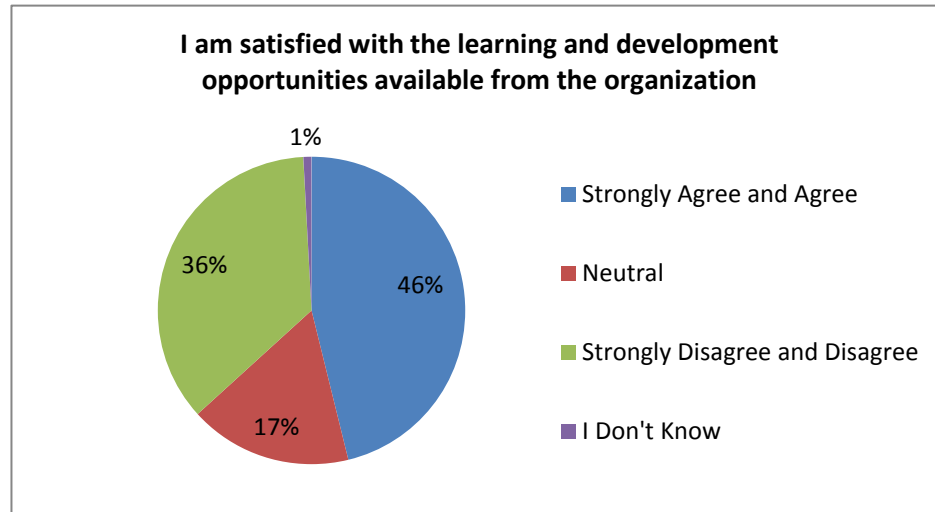
- Personal discussions with staff regarding the type of training they would like, then try to incorporate this training into their budget,
- When budget permits, offer other training opportunities such as attending conferences and webinars,
- Provide their staff with coaching as a form of development and
- Promoting internal programs for employee training and development such as HR provided training courses and the Education Reimbursement Program.

When asked through the survey what training and development opportunities managers provide for their direct reports, many indicated there is limited budget available within the business units for training and development.

Although survey respondents believe there is overall support for employee learning and development at HRM, only 46 percent of HRM respondents agreed or strongly agreed they are satisfied with the learning and development opportunities available from the organization (Exhibit 7). Similar

results were found in HPL, however, 87 percent of managers in HRWC agreed or strongly agreed.

Exhibit 7: The degree to which HRM respondents agreed with the statement “I am satisfied with the learning and development opportunities available from the organization”. These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

In meetings with directors, the OAG was informed current training and development opportunities available from the organization do not meet the specific needs of all business units. Leaders in many business units arrange training and development opportunities for their staff, such as inviting industry speakers in or organizing business unit professional development days. It appears to the OAG, the dissatisfaction in what is available from the organization itself seems to be related to business unit specific opportunities and the lack of an organizational tracking system for training and development.

In the meetings with directors the OAG was informed current training and development opportunities available from the organization do not meet the needs of all business units.

In a previous OAG review, development of a skills inventory was recommended and through discussions with directors during the current review, reference was made to an organizational skills inventory as being valuable in improving training and development opportunities. Currently, any skills or training tracking is done inconsistently across business units and there is no corporate wide system to track employee skills or training. If a skills inventory were developed it would give HRM managers the ability to provide

targeted training and development opportunities to alleviate existing skills gaps. It is important to note, staff in HR are currently reviewing their Employee Learning and Development program with the intention of improving this service to their clients. The OAG was also informed a skills inventory pilot project is also in development. The OAG believes the development of an organizational skills inventory should be a priority for the organization as it could be used to ensure training and development offerings (both corporately and at the business unit level) provide the most value for money for the organization and would support HRM retention efforts.

If a skills inventory were developed it would give HRM managers the ability to provide targeted training and development opportunities to alleviate existing skills gaps.

Career Advancement

Career advancement is an important element of retention, particularly in retaining high performing employees, as these employees look for challenging opportunities and faster career growth. According to Deloitte, top performers often quote a lack of opportunities as the reason for leaving an organization.²² This is particularly true of the 'millennial generation' of workers, who tend to expect quicker advancement opportunities than the generations before them. Career advancement has also been shown to increase employee satisfaction which increases engagement and productivity.

The OAG was pleased to note 85 percent of Management (HRM, HPL and HRWC) who completed the survey agreed or strongly agreed they provide support to their direct reports for career advancement. However, just 38 percent of HRM survey respondents agreed or strongly agreed the organization supports career advancement. HPL results aligned with this, however HRWC did not, as 90 percent agreed or strongly agreed their organization supports career advancement.

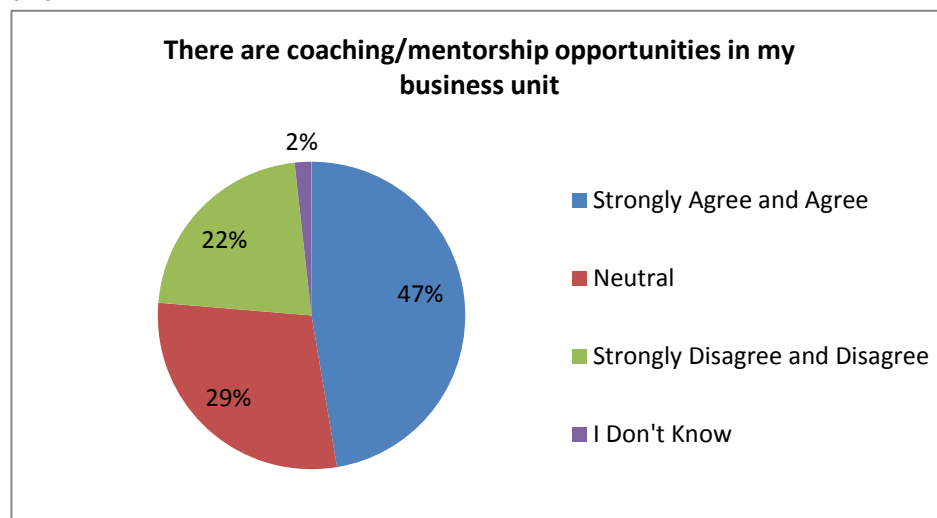
Just 38 percent of HRM survey respondents agreed or strongly agreed the organization supports career advancement.

²² Bersin, J. "Becoming irresistible: a new model for employee engagement" Deloitte Review, Issue 16 (2015)

HRM managers' support for career advancement was noted in survey responses as a method used to retain high performers in the organization. However, survey responses from HRM's Management team quoted a lack of career advancement opportunities as a deterrent to recruiting high performers and as an area the organization could improve upon in regards to retention. Although most survey respondents indicated they provide support for career advancement, only 39 percent of respondents agreed or strongly agreed they were satisfied with the career development available by the organization itself. There was even less agreement in HPL (21 percent), however, 61 percent of HRWC respondents agreed or strongly agreed. When reviewing the types of support provided for career advancement, the OAG noted from the combined HRM, HPL and HRWC survey responses just 47 percent agreed or strongly agreed there are coaching and mentorship opportunities within their business unit (Exhibit 8).

The OAG noted from survey responses just 47 percent agreed or strongly agreed there are coaching and mentorship opportunities within their business unit.

Exhibit 8: The degree to which, on a combined basis, HRM, HPL and HRWC respondents agreed with the statement "There are coaching/mentorship opportunities in my business unit".



Data Source: OAG survey of HRM Management, June 2016

The corporate mentorship program is in place to give opportunities for career growth and to gain leadership skills. The OAG found, although 67 percent of HRM respondents were aware of the corporate mentorship program, only 24 percent said they or their direct reports had participated in the program. The OAG is concerned with the low level of uptake in the mentorship program

across the organization given the goal of the program is to support career development.

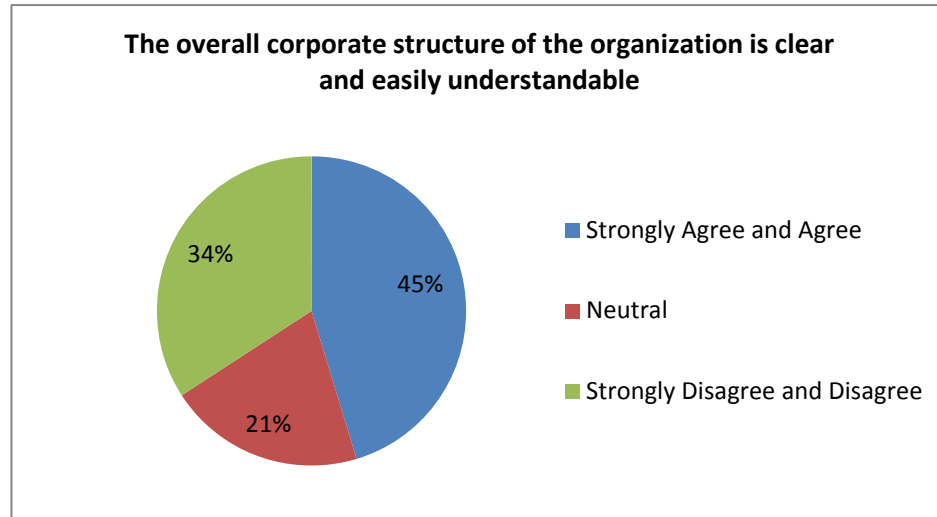
Directors also indicated to the OAG they view HRM programs and practices such as acting roles, stretch assignments and secondments as valuable for career advancement/development. In fact, of the HRM survey respondents who had participated in secondments, 83 percent were satisfied or very satisfied with the program. However, there is the view these programs could be better leveraged across HRM, for example just 32 percent of HRM respondents who had heard of secondments had participated or had a direct report participate in the program. The OAG feels the current programs such as mentorship and secondments need to be better leveraged in support of career advancement and retention efforts.

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When reviewing career advancement, the OAG also reviewed Management's perception of the overall organizational structure as the OAG believes this impacts Management's view of their own career paths within the organization. The OAG found only 45 percent agreed or strongly agreed the overall corporate structure is clear and understandable (Exhibit 9) and only 47 percent of respondents agreed or strongly agreed their career path at the organization is clear and understandable. The results from HPL and HRWC align as 53 percent and 55 percent agreed or strongly agreed their career path at their organizations is clear and understandable. However, these respondents had higher agreement their overall organizational structure is clear and easily understandable (68 percent HPL and 81 percent HRWC). The OAG is concerned, as survey respondents were limited to individuals at the supervisor level and above, their direct reports also likely do not understand their career paths or the corporate structure.

As survey respondents were limited to individuals at the supervisor level and above, their direct reports also likely do not understand their career paths or the corporate structure.

Exhibit 9: The degree to which HRM respondents agreed with the statement “The overall corporate structure of the organization is clear and easily understandable”. These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

Research on the ‘millennial generation’ of workers shows this generation prefers an employer offering a clear career path within the organization and the opportunity to advance quickly.²³ In meetings with directors, the OAG noted directors have the desire to provide clearer career advancement for employees, recognizing it as a need of the future workforce. If potential career paths are not viewed as clear and understandable there is a risk this could lead to employee disengagement or high turnover. However, directors also mentioned the importance of balancing the expectation of rapid career advancement with the needs of the organization.

If potential career paths are not viewed as clear and understandable there is a risk this could lead to employee disengagement or high turnover.

As part of their realignment, Management in one business unit recognized the lack of clear career advancement opportunities in their business unit. In the redevelopment of all job descriptions they ensured the job descriptions clearly allowed for career progression through their business unit and they also worked to eliminate barriers across divisions. The OAG believes this process allows for employees to understand and clearly see a career path as well as helps the business unit ensure the necessary career advancement opportunities are made available.

²³ “Millennials at work – Reshaping the workplace in financial services” *PricewaterhouseCoopers (PwC)*, (2012)

Performance Management

Providing employees with feedback on their performance was indicated as a method used by managers to ensure the retention of high performers in the organization. The OAG was pleased survey results noted overall positive results in the performance management section. Over 80 percent of managers agreed or strongly agreed they measure productivity in tasks completed rather than hours worked and their personal productivity is also measured the same way. In addition, 88 percent agreed or strongly agreed they are held accountable for the performance of their direct reports.

Over 80 percent of managers agreed or strongly agreed they measure productivity in tasks completed rather than hours worked.

Through research on the ‘millennial generation’ of workers, the OAG found millennials prefer frequent feedback on work performance. Through the survey, 90 percent of managers indicated they provide feedback to their direct reports always or most of the time and 78 percent of managers believe the feedback provided to employees within their business unit is useful always or most of the time. The OAG sees this as positive and is pleased to see it taking place.

Rewards and Recognition

According to the Province of Nova Scotia’s Recognition Toolkit, employee recognition is “a range of formal and informal practices in the workplace that support organizational values, goals, objectives and priorities through positive reinforcement of desired behaviours and performance”.²⁴ In the view of the OAG, it is a key element of retention since employees who personally as well as through their work are recognized, are more engaged, productive and motivated to maintain or improve their good work.

There appears to be general uncertainty regarding what is acceptable at HRM in terms of rewards and recognition. The OAG found, through the survey and meetings with directors, overall support for a corporate policy to provide further guidance for managers on their reward and recognition abilities. While the OAG is pleased to see the various methods managers use to recognize high performing employees, it appears managers feel corporate support for

²⁴ Province of Nova Scotia “Recognition Toolkit: Making it Easy to Celebrate Our Employees” (2013)

rewards and recognition is unclear and inconsistent.

While the OAG is pleased to see the various methods managers use to recognize high performing employees, it appears managers feel corporate support is unclear.

Just 30 percent of HRM, HPL and HRWC survey respondents agreed or strongly agreed they personally ensure methods for earning rewards are clear and understandable. Through meetings with directors and Management's survey responses, the OAG found there is an overall lack of clarity regarding the ability of HRM Management to reward or recognize staff. Of the HRM managers who responded to the survey, only 17 percent agreed or strongly agreed the organization encourages and rewards employees who promote change and introduce new ideas (Exhibit 10). HPL results align with this, however, HRWC is more in agreement as 55 percent of respondents agreed or strongly agreed. The higher agreement in HRWC is likely due to their formal rewards and recognition program. There does not appear to be any clear guidance provided organizationally by HRM in regards to rewards and recognition other than the 'Recognizing Employees' HR program which deals strictly with length of service awards. This program had 57 percent recognition among survey respondents.

Only 17 percent of HRM respondents agreed or strongly agreed the organization encourages and rewards employees who promote change and introduce new ideas.

Exhibit 10: The degree to which HRM respondents agreed with the statement “The organization encourages and rewards employees who promote change and introduce new ideas”. These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

Through meetings with directors and Managements' survey responses, the OAG was informed of a variety of methods used by Management to reward or recognize staff. The most common methods indicated were verbal 'thank yous' and feedback on work performance. Other methods include the following:

- Sharing individuals successes with other levels of Management and other business units,
- Providing opportunities (such as training, involvement in decision making, interesting work, etc.),
- Formal recognition during the Performance Development Process (My Action Plan),
- Written notes/thank you cards,
- Organizing group activities (dinners, annual recognition events, barbeques) and
- Small gifts (often purchased using managers' personal funds).

The OAG was informed of a variety of methods Management uses to reward or recognize staff. The most common method indicated was verbal feedback on work performance.

Many directors and managers acknowledge in the public sector their primary responsibility is to the taxpayer and making good use of taxpayer funds. Therefore, Management expect to be limited as to the amount to be spent on rewards. In acknowledging this, Management in some business units have

introduced more creative ideas and methods for rewarding and recognizing staff such as including recognition in a 'feel good Friday' newsletter or bringing in an Olympian for a speaking event for employees.

According to the Province of Nova Scotia's Recognition Toolkit, rewards and recognition which are timely, meaningful and linked to the organizations goals and values are the most effective.²⁵ Research on the next generation of workers indicates millennials have a higher demand for frequent, useful feedback on work performance and recognition for good work than the generations before. If the organization is not clear on the methods managers are able to use to reward and recognize employees, it may be increasingly difficult to retain current and future employees.

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Although many survey responses from Management were positive in regards to their methods to reward and recognize employees, there were many responses showing a perceived negative attitude towards rewards and recognition at HRM. Some managers indicated they have been discouraged from implementing formal recognition, they are not permitted to reward employees or almost all forms of rewards have been eliminated in HRM. While the OAG agrees the organization must be conscious of taxpayer funds there is the value of recognizing the good work of staff in order to keep them engaged in the work of the municipality.

Succession Planning

According to Nova Scotia's Local Government Resource Handbook, "Succession planning is the process of systematically identifying, assessing, and developing employee talents to meet the future staffing needs of an organization".²⁶ The OAG believes succession planning should not be a process in 'replacement' planning but rather a combination of workforce and strategic planning within the budget forecasting process. Furthermore, succession planning is a long term investment that must be viewed as a multi-year strategy tied to the strategic planning process.

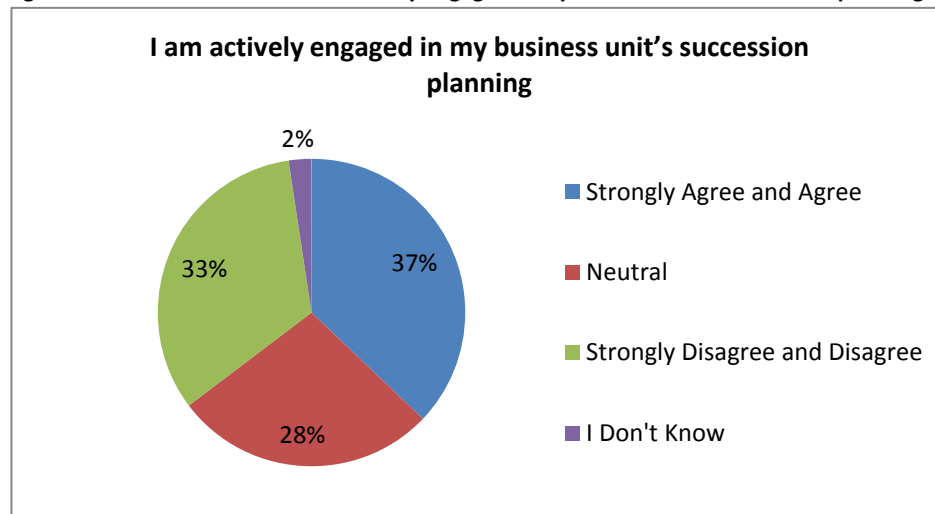
²⁵ Province of Nova Scotia "Recognition Toolkit: Making it Easy to Celebrate Our Employees" (2013)

²⁶ Province of Nova Scotia "Local Government Resource Handbook", Section 4.4 (2004)

In conversations with directors, the OAG determined succession planning across business units is varied. Many business units have no formal succession plan. This is supported by survey results as, combined, just 37 percent of HRM, HPL and HRWC respondents agreed or strongly agree they are actively engaged in their business unit's succession planning (Exhibit 11). However, the OAG noted 65 percent agreed or strongly agreed they predict and prepare for future staffing needs, which is a portion of succession planning.

Combined, just 37 percent of HRM, HPL and HRWC respondents agreed or strongly agree they are actively engaged in their business unit's succession planning.

Exhibit 11: The degree to which, on a combined basis, HRM, HPL and HRWC respondents agreed with the statement "I am actively engaged in my business unit's succession planning".



Data Source: OAG survey of HRM Management, June 2016

Some directors indicated to the OAG they believe succession planning should be a corporate initiative because often opportunities exist across business units for employees, such as career advancement or training and development opportunities (secondments, acting roles, etc.).

One of the largest risks HRM has identified in relation to workforce planning is in regards to retirements. In fact, 28 percent of the managers who completed the OAG survey indicated they would be retiring within the next five years. Corporate-wide succession planning is crucial in allowing HRM to identify key positions which will need to be filled and internal employees who are able to move into these positions.

Critical Positions Inventory

The Director of HR indicated “workforce planning needs to occur at the organization and business unit level as critical, hard to fill positions are across the organization”. A critical positions inventory is a common tool used to facilitate succession planning, as it can be used to track key positions, such as hard-to-fill, highly specialized or those with employees close to retirement.

There is currently not an inventory of corporate critical positions at HRM. It appears each business unit is responsible to gather their own workforce information, as there is no central system available to maintain corporate workforce information. Staff in HR indicated they are unaware of any business unit who has done the identification formally.

There were positions identified by many business unit directors that are harder to recruit for or retain than others. However, in conversations with directors, it appears most business units have plans in place to address these challenges. Directors also identified positions across HRM that are specialized and technical which could be viewed as difficult to recruit for as the positions require a specific skillset which can result in a limited candidate pool.

The OAG is concerned, without an organization-wide process or tool, such as a critical positions inventory, the identification of specialized or hard-to-fill positions are potentially not being consistently identified across business units. The identification of or strategies to mitigate these risks are informal and not consistently used. Therefore, as an organization, HRM may not be able to target its effort to the positions which have the greatest impact on the organization as a whole.

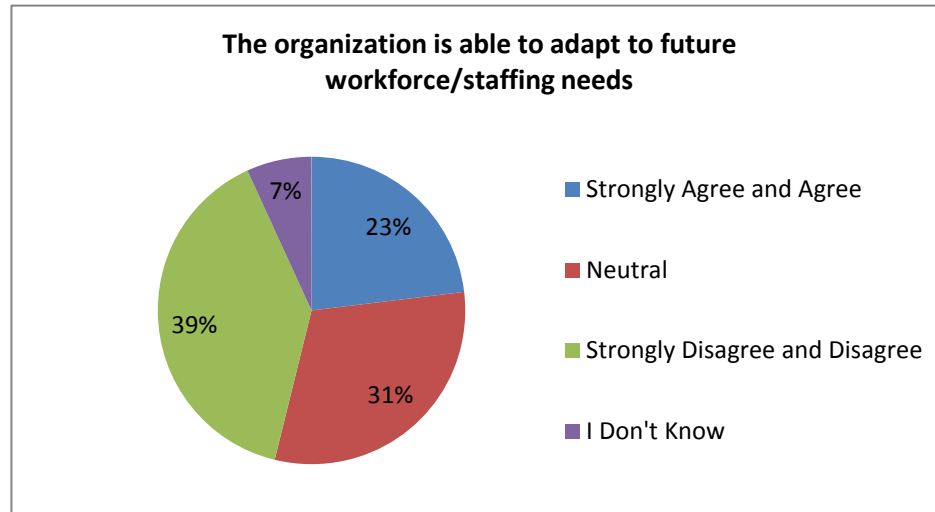
Without a critical positions inventory HRM may not be able to target its effort to the positions which have the greatest impact on the organization as a whole.

Planning for the Future

An important part of succession planning is planning for the future workforce. Through the survey, 73 percent of managers agreed or strongly agreed they are actively planning for and managing change. However, just 37 percent agreed or strongly agreed their business unit is preparing for what their job will look like in three to five years and only 23 percent agreed or strongly agreed HRM as a whole is able to adapt to future workforce/staffing needs

(Exhibit 12). HPL and HRWC were in more agreement with 37 percent and 58 percent respectively.

Exhibit 12: The degree to which HRM respondents agreed with the statement “the organization is able to adapt to future workforce/staffing needs”. These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

When managers were asked what would significantly impact their roles over the next three years, 66 percent responded with ‘technology’. The OAG is pleased to note the Management team is actively planning and managing for change and have identified the significant impact technology will have on the workforce. However, the OAG is concerned the organization itself is not perceived by Management as able to adapt to future workforce/staffing needs and therefore may not be incorporating what the organization will need in the future to sustain service delivery and meet organizational goals.

When managers were asked what would significantly impact their roles over the next three years, 65 percent responded with ‘technology’.

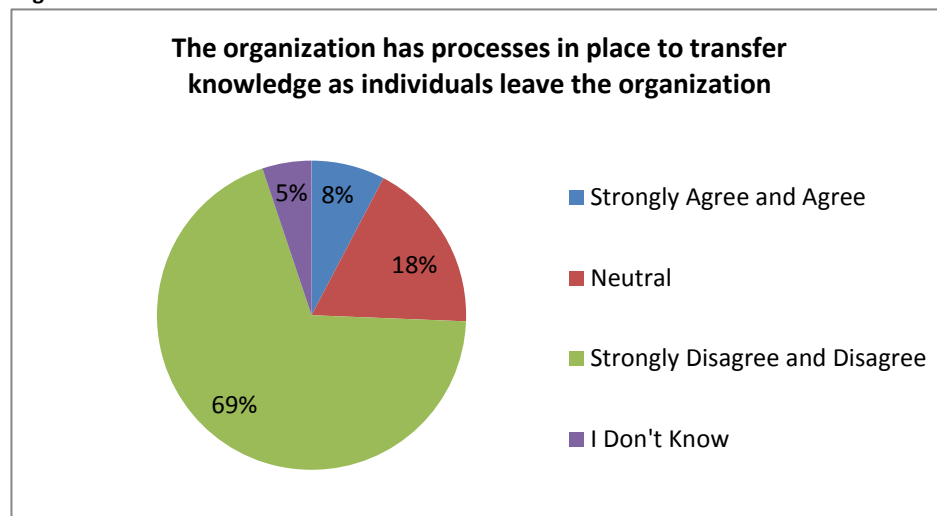
Knowledge Transfer

Another key element of succession planning is knowledge transfer. According to Nova Scotia’s Local Government Resource Handbook, “a well-managed knowledge transfer can provide continuity and prevent loss of pertinent information should an important staff person leave the municipality for one

reason or another.”²⁷ As individuals leave the organization it is important to retain as much of their knowledge of their role, their business unit and the organization as possible. Through the survey, just 25 percent of the HRM respondents agreed or strongly agreed knowledge is adequately shared between individuals within the organization. Similar results were found with HPL and HRWC respondents (26 percent and 32 percent respectively). Only eight percent of HRM respondents agreed or strongly agreed the organization has processes in place to transfer knowledge as individuals leave the organization (Exhibit 13). Similar results were found in HPL and HRWC. In conversations with directors, many acknowledged the high risk of information loss, especially considering the projected high retirement rate expected at HRM over the next three to five years.

Only eight percent of HRM respondents agreed or strongly agreed the organization has processes in place to transfer knowledge as individuals leave the organization.

Exhibit 13: The degree to which HRM respondents agreed with the statement “The organization has processes in place to transfer knowledge as individuals leave the organization”. These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

It is clear to the OAG, knowledge transfer practices vary across the organization. It is concerning to the OAG, in some business unit's, transfer of knowledge appears to be a one-to-one transfer where the outgoing employee trains the incoming employee for their position. When employees leave the organization there is the potential for short notice. With a typical two weeks'

²⁷ Province of Nova Scotia “Local Government Resource Handbook”, Section 4.4 (2004)

notice there is limited to no time for one-to-one knowledge transfer to occur (in many cases positions remain vacant long after the outgoing employee leaves). One Director noted a lack of corporate support for overstaffing a position to allow knowledge transfer and training of employees to allow them to move up in the organization. The OAG was pleased to see, in some business units, knowledge transfer is seen as a culture and is leveraged with team-based activities, where employees constantly share information, not just when employees are leaving the organization.

Some directors expressed a concern the right technology is not in place to capture knowledge and ensure it is accessible for incoming employees. It is clear to the OAG any knowledge transfer that does occur seems to be informal as there is no organizational process in place to facilitate it.

From Nova Scotia's Local Government Resource Handbook the OAG found the following examples of knowledge transfer strategies:²⁸

- Document the processes, procedures and methods for performing the work.
- Document the processes, methods, tools used and techniques employed by people with special skills and responsibilities.
- Have retiring employees serve as mentors to other employees for a period of time before their expected retirement.
- Appoint a successor to a retiring employee to "shadow" the incumbent for at least three months prior to the expected retirement date so the successor will have the opportunity to learn first-hand.
- Put a communications system in place that will encourage the sharing of information of all aspects of the organizations operations and share experience across departments.

While the OAG acknowledges these strategies may be used at various levels within business units it is not consistent across the organization and it is clear from the survey results it is not being perceived as effective.

²⁸ Province of Nova Scotia "Local Government Resource Handbook", Section 4.4 (2004)

Recommendations:

- 2.0.1 The OAG recommends HRM Administration, in consultation with the HR Business Unit and the individual business units, review current positions classification criteria for 'tier two' approvals to ensure it is still relevant.
- 2.0.2 The OAG recommends the HR Business Unit consult with all business units to more clearly define the role of HR in the interview process.
- 2.0.3 The OAG recommends HRM Administration review internal HR consultant job descriptions to ensure they are reflective of clients' needs.
- 2.0.4 The OAG recommends the HR Business Unit, in consultation with all business units, review and clearly define current diversity and inclusion components of the recruitment process.
- 2.0.5 The OAG recommends HRM Administration review all current HRM job descriptions against the actual jobs and update, where necessary, the descriptions to accurately reflect the position requirements to ensure the right skills for the position and the organization are reflected.
- 2.0.6 The OAG recommends, in conjunction with Recommendation 2.0.5, HRM Administration incorporate career advancement opportunities into the job description review to ensure potential career paths are clear and barriers to advancement are removed where possible.
- 2.0.7 The OAG recommends the HR Business Unit, in consultation with all business units, review internal/external programs/practices identified as contributing to the recruitment of high performing candidates and millennials and incorporate best practices.
- 2.0.8 The OAG recommends the HR Business Unit, in consultation with all business units, review current programs and practices which support career development (including mentorship and secondments programs) to ensure the programs' design and goals are able to meet organizational and business unit needs.

- 2.0.9 The OAG recommends HRM Administration make developing a corporate-wide skills inventory a high priority and incorporate a process to track training required, available and taken so it can be used in developing future organizational training and development and ensuring skills gaps are addressed.
- 2.0.10 The OAG recommends HRM Administration, in consultation with the HR Business Unit, review and incorporate best practices into the development and implementation of corporate reward and recognition guidelines.
- 2.0.11 The OAG recommends HRM Administration develop and implement a consistent succession planning process across the organization.
- 2.0.12 The OAG recommends HRM Administration develop a critical positions inventory to be maintained at the corporate level and identify and include hard-to-fill positions in order to ensure the necessary HR strategies and resources are in place to support business units' workforce planning efforts.
- 2.0.13 The OAG recommends HRM Administration incorporate the critical positions identified into succession planning. Strategies should then be developed for filling any gaps between HRM's current and future staffing needs, whether through internal promotion, external hires or job re-design.
- 2.0.14 The OAG recommends, as part of its workforce planning strategy, HRM Administration incorporate specific strategies to support knowledge transfer across the organization.

2.1 HR Programs and Practices

The OAG identified HR programs and practices supporting the elements of strategic workforce planning (recruitment, retention, training and development, performance management, career advancement, rewards and recognition and succession planning). These programs and practices are important to ensure each element of strategic workforce planning is supported consistently across the organization. The following list is composed of programs with relevant objectives relating to strategic workforce planning.

- Bridging the Gap Internship Program
- Mentorship Program
- Attendance Support Program
- Corporate Learning and Development Program
- Performance Development Process (My Action Plan)
- Education Reimbursement Program
- Flexible Work Arrangements (EDO's, Job Sharing, etc.)
- Secondments
- Recognizing Employees

The OAG presented the above listed HR programs and practices to HRM's Management in a survey and asked the following:

- Have you heard of it?
- [If yes] Have you, or one of your direct reports, ever participated?
- [If yes] How satisfied were you with it?(Range: Very Satisfied, Satisfied, Neutral, Dissatisfied, Very Dissatisfied)

The results of the OAG's Management survey indicated not all supervisors, managers or directors are aware of the existence of all the HR programs and practices linked to workforce planning. The following table (Exhibit 14) shows the respondents awareness of the HR programs.

Exhibit 14: The results for the question: "Have you heard of the following HR Program/Practice?"

Have you heard of the following HR Program/Practice:	Yes	No
Bridging the Gap Internship Program	74%	26%
Mentorship Program	67%	33%
Attendance Support Program	97%	3%
Corporate Learning and Development Program	69%	31%
Performance Development Process (My Action Plan)	97%	3%
Education Reimbursement Program	86%	14%
Flexible Work Arrangement Programs	85%	15%
Secondments	81%	19%
Recognizing Employees	57%	43%

Data Source: OAG survey of HRM Management, June 2016

The OAG finds it concerning three of HRM's workforce planning specific programs each had over 30 percent of survey respondents answer they are not aware of or do not recognize the program:

- Mentorship Program,
- Corporate Learning and Development Program and
- Recognizing Employees.

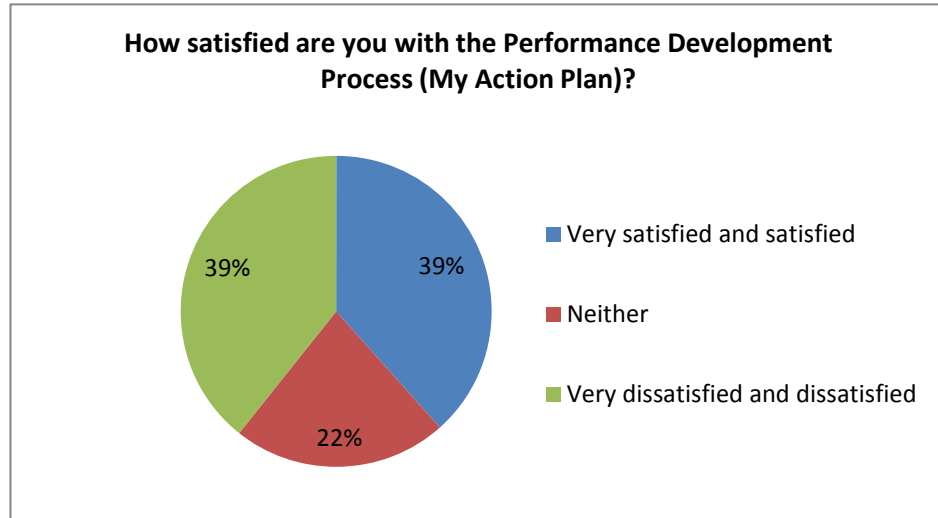
Survey respondents who were unaware of these programs were from multiple business units (HR business unit among these). These HR programs and practices are not new to HRM and the OAG wonders if they are being effectively integrated into the organization's business practices as strategic workforce planning efforts.

When reviewing the satisfaction of the HR programs, the OAG was pleased to note a majority of the respondents were satisfied or very satisfied with the HR programs and practices they were aware of and had used. However, there was one notable exception to this; the Performance Development Process (My Action Plan).

The OAG was pleased to note the majority of the respondents were satisfied or very satisfied with the HR programs and practices they were aware of and had used.

Although the communication to the business units regarding the Performance Development Process was good (97 percent of respondents knew about the process) the OAG found it concerning 39 percent of respondents were dissatisfied or very dissatisfied with the process (Exhibit 15). This finding was consistent with comments made during meetings with directors in the various business units. The OAG found business units have implemented the Performance Development Program differently. For example one business unit indicated to the OAG they use the program to start discussions around workforce planning with their staff but do not use it in isolation. This business unit also, as part of their recent reorganization process, redesigned job descriptions to incorporate career paths and for management job descriptions to include the four pillars of strategy as defined by HRM's Plan on a Page. In this example the OAG found HR programs were effectively leveraged and integrated into the business unit's business planning and linked to corporate strategy. Unfortunately, this appears to be restricted to this one business unit.

Exhibit 15: The degree to which HRM respondents are satisfied with the Performance Development Process. These results do not include HPL or HRWC.



Data Source: OAG survey of HRM Management, June 2016

The OAG found, through further discussion, some business units have identified ways to better leverage and integrate programs and practices provided by HR into their business planning than others. In the view of the OAG there is a disconnect between the HR programs supporting strategic workforce planning and what is being leveraged across business units.

Recommendations:

- 2.1.1 The OAG recommends the HR Business Unit, in consultation with all business units, develop an implementation plan to integrate supporting programs and practices across the entire organization as part of corporate strategic workforce planning.

3.0 Workforce Data

Workforce data provides a fundamental starting point for effective strategic workforce planning at both the micro (business unit) and macro (organization) levels. In order to be effective, workforce data should include both internal and external comparator information. With adequate workforce data an organization can model the current workforce, assess current and future needs and identify gaps and strategies to fill these gaps. Synthesizing workforce information in this manner allows decision makers, such as Management and Regional Council, to make strategic workforce planning decisions on which workforce efforts or strategies are likely to have the most impact and benefit to the organization.

The OAG found HRM, through a combination of formal and informal processes, is gathering limited workforce information on both the internal and external environments. This is seen through the Workforce Profile report, the HR People Plan as well as through business unit level risk identification.

However, a common theme identified throughout the OAG's review was the lack of accessibility to or availability of internal workforce data. In order to make strategic workforce planning decisions, such as identifying employees with high potential, many business units have had to use ad hoc approaches in order to obtain meaningful information.

Workforce Profile

The OAG believes in order for Management as well as Regional Council to make strategic workforce planning decisions, meaningful workforce information related to both achieving the organization's strategy as well as mitigating key risks, must be made available. Currently, reporting to Regional Council on workforce data is done in the form of a Workforce Profile which has been presented to the Executive Standing Committee on a semi-annual basis beginning December 2012. The Workforce Profile includes statistical data including the number of budgeted Full-Time Equivalents (FTEs), number of employees, employee attendance, average age of the HRM workforce, number of exits, number of external hires, internal movement and turnover rate. Data is presented in summary form and broken out by business unit. The information provided in the report is for the reporting periods only and presented by quarter. Historical trending is not included in the presentation to the Executive Standing Committee, however, is available to HRM employees through the HR intranet.

Outlined in the report to the Executive Standing Committee is: “one of HRM’s goals with respect to the provision of “people” data as we continue to move forward with workforce analytics and reporting is to establish benchmarks to support operational managers with better decision making as well as identifying trends that require HR strategies to support risk management and continuous improvement”. While the Workforce Profile provides a high-level model of the current internal workforce at HRM, the profile does not include organizational or business unit performance targets or any benchmarking to other Canadian municipalities or organizations which would be needed to fulfill this stated goal. The profile also does not identify critical or hard-to-fill positions which are important elements of workforce planning.

The Workforce Profile does not include performance targets or any benchmarking to other municipalities or organizations.

Staff in HR indicated to the OAG, business units are provided unit specific breakdowns of their workforce profile. However, through meetings with directors, the OAG found not all directors received or were aware if they were receiving workforce data specific to their business unit.

While the OAG understands the value of the Workforce Profile summary information and the breakdown for the business units’ use, the OAG is concerned the Workforce Profile is not a robust enough internal model to provide timely and meaningful workforce information for HRM Management and Regional Council to effectively identify and address human capital challenges as well as opportunities for the organization.

Performance Metrics and Benchmarks

Performance metrics allow an organization to measure, track and evaluate overall performance as well as the performance of specific programs and activities. They support planning, budgeting and the monitoring of operations to detect when corrective action is needed and subsequently to judge whether the action worked. “Judging quality, responsiveness, and efficiency requires that one’s performance on these service dimensions be placed in context”.²⁹ Performance targets and benchmarks can provide this context; it allows Management and Regional Council to assess whether they are achieving reasonable levels of performance. This context is even more

²⁹ Municipal Benchmarks, Assessing Local Performance and Establishing Community Standards Third Edition, David N. Ammons, Page 11

important for decision makers, i.e. members of Regional Council, who are not directly involved with the programs and services because they need an external or internal mark for assessing the strengths and weaknesses of operations in order to know where to focus scarce time and attention.

Performance targets and benchmarks are important for members of Regional Council who are not directly involved with the programs and services.

The OAG acknowledges staff in HR have indicated performance metrics and benchmarking in relation to workforce planning is an area which requires investment and growth for HRM. It appears to the OAG the only workforce planning performance metrics currently being reported are found in some business unit's business plans, as summarized in their budgets. However, only three business units (HPL, Halifax Regional Police and HR) have workforce performance metrics other than 'compensation as a % of total'. Given this and the lack of meaningful data presented in the Workforce Profile the OAG is concerned there is limited meaningful workforce information and performance metrics being reported to Regional Council.

The OAG acknowledges HR has indicated performance metrics and benchmarking in relation to workforce planning is an area which requires investment and growth for HRM.

The OAG reviewed the 2015 Human Resources Annual Report for the City of Guelph, as it was referenced by HRM's HR staff as a best practice. The report includes a variety of statistics, some specific to the HR function but others relating to the key elements of workforce planning. The report not only includes the current reporting period but also shows trends and comparisons to targets where applicable. In addition, the City of Guelph's HR department has also identified benchmarks to measure themselves against and provides those comparisons as well. The City of Guelph report provides valuable information on the performance of the City of Guelph's HR department and success of the department's workforce planning activities because there are comparisons of actual to targets and against benchmarks included.

The OAG believes there should be reasonable comparisons and targets developed for metrics within the business units based on their current and future demographic projections. If there is no context for the information presented it is unlikely reasonable conclusions can be drawn from the

comparisons. As was previously mentioned, HRM's business units are impacted differently by workforce challenges so reporting for each business unit should highlight their primary risk areas with performance targets and internal and external benchmarks where applicable so the business unit can review progress and implement corrective action where necessary.

External Benchmarking

In order to review HRM's workforce planning practices in relation to its peers as well as to identify potential benchmarks, the OAG selected a group of cities and reached out to the group to ask them to complete a benchmark survey. The benchmark city group consisted of cities identified as benchmarks for the Halifax Index³⁰ which are "chosen for their similar size and economic structure". The group also consisted of cities, selected by the OAG, which had been identified as top employers on a selection of top employer lists over the past two years. The OAG obtained responses to the benchmark survey from some cities within both groups.

The benchmark survey consisted of questions regarding the cities' workforce planning strategies, policies and analytical data. In addition to the survey, their operating budgets, compensation budgets, HR budgets, number of active employees and number of staff in their HR departments were also included in order to review the survey results in terms of their relative capabilities and capacity (Exhibit 16).

Exhibit 16: General human resources and workforce planning metrics for HRM compared to relevant benchmark cities.

Metrics	HRM	Benchmark Range
Compensation as % of budget	37%	30% - 58%
HR Budget as % of budget	0.63%	0.5% - 1.6%
Ratio of HR Employees to Active Employees	1:68	1:38 - 1:119
Average Age of Workforce	45.7	40.0 - 45.4
Average Years of Service	11.3	9.2 - 13.1
Percent Unionized	81.8%	82% - 92%

Data Source: OAG Benchmark Survey, April 2016

The data and information from benchmark cities was valuable in order to review how HRM compares to its peers in terms of their HR division size, general workforce demographics and workforce planning program monitoring and evaluation. Based on the information from benchmark cities, in general, the OAG found HRM falls within range of their peers.

³⁰ Annually developed by Halifax Partnership, "The Halifax Index is a definitive look at Halifax's economic and community progress."

Only two of the five benchmark cities have a workforce planning strategy but all identified workforce planning challenges including the following:

- Aging workforce,
- Skills shortage e.g. trades, engineers, etc.,
- Retirements,
- Skill changes e.g. IT moving increasingly to cloud based solutions resulting in reduced number of developers and an increased number of business analysts,
- State of current economy,
- Talent management and
- Employee learning and performance.

The following is a list of examples of workforce data tracked by the benchmarks:

- Employee demographics (age, years of service, retirement age, gender),
- Turnover (voluntary and involuntary based on permanent employees only),
- Retirements,
- Internal churn,
- Level of engagement,
- Vacancies,
- Budget use,
- Performance reviews,
- Leadership development,
- HR efficiency indicators,
- Workforce distribution,
- Management to non-management,
- Unionized to non-unionized,
- Cost of learning and development programs,
- Attendance and absenteeism,
- Accidents and incidents,
- Overtime and
- Benefits cost.

The OAG noted there were several workforce performance metrics which the respondent cities were using which HRM was not.

There is a wide range of workforce data and performance metrics being tracked by the benchmark respondents. The OAG noted there were several workforce performance metrics which the respondent cities were using which HRM was not. The OAG was also told by benchmark city respondents they too were always looking for information and had difficulty finding strong Canada wide workforce benchmarking to assist with some of their reporting. As mentioned previously, HRM is not unique in the workforce challenges it is and will be facing. The OAG feels there is a significant opportunity for HRM to identify and reach out to potential benchmark cities in Canada to report comparisons and share best practices.

The OAG feels there is a significant opportunity for HRM to identify and reach out to potential benchmark cities in Canada to report comparisons and share best practices.

BrassRing

As part of the external benchmark survey the OAG also asked HRM staff in HR about their use of various common workforce planning related metrics. In the case of the recruitment metrics, the OAG was informed there is some concern regarding the accuracy of some of the data collected in the BrassRing system³¹, such as job classification, as the job classification field is not populated consistently if at all by hiring managers within the business units. The OAG is concerned HR does not have the appropriate controls in place to ensure consistent information is populated into BrassRing. In further discussions with staff, the OAG learned BrassRing has the capability to provide staff in both HR and the business units meaningful information regarding recruitment but is not currently being used to its full potential.

The OAG acknowledges staff in HR are working on a transformation and part of their goal through this is “developing definitive and consistent data which can be used across the organization and integrating SWP³² with business and budget planning”. However, the OAG is concerned there is the risk the organization will not be able to fully capitalize on any new technology investment without strong programs and controls in place first, as technology currently available has not been effectively leveraged.

³¹ BrassRing is the applicant tracking system used by HRM in all its hiring/recruitment efforts

³² Strategic Workforce Planning

There is the risk the organization will not be able to fully capitalize on any new technology investment without strong programs and controls in place first, as technology currently available has not been effectively leveraged.

The lack of access to timely and meaningful workforce information at an organizational level and the inconsistent or absent business unit specific performance reporting cause the OAG to conclude any workforce planning activities are implemented and monitored using limited information.

Recommendations:

- 3.0.1 The OAG recommends HRM Administration develop internal and external benchmarks as well as performance targets for workforce planning.
- 3.0.2 The OAG recommends the HR Business Unit work with internal HR consultants and all business units to develop business unit specific workforce reporting, including leveraging information available from and the full capabilities of BrassRing software.
- 3.0.3 The OAG recommends HRM Administration include, in the Workforce Profile, historical HRM data trends and relevant performance targets.

3.1 People Plan

The 2012-2014 People Plan was developed by staff in HR through consultations with staff in individual business units and provides a high level overview of external and internal workforce drivers, trends and issues. As mentioned previously, a new People Plan has been in development since HR's 2014/15 business plan.

Given the issues identified throughout the OAG review and the goal of HR's 2012-2014 People Plan of highlighting priorities to effectively maximize HRM's human capital, the OAG reviewed the plan to analyze its' likely effectiveness.

The priorities in the 2012-2014 plan were:

1. To have strong and effective, formal and informal, leaders at every level of the organization.
2. To attract and retain a diverse, highly skilled, high performing workforce.
3. To build a positive and constructive workplace culture.
4. To be an organization of continuous learning.
5. To have a safe and healthy workplace.

The OAG reviewed the priorities, actions and performance measures against the key issues identified throughout the OAG review; in particular those identified from directors and the Management survey results. Issues which included:

- Dissatisfaction with the current Performance Management Process, not consistently supported throughout organization.
- Concern around the organization's ability to attract and retain high performers.
- Inconsistent succession planning practices across business units.
- Diversity identified as a potential issue in recruitment.
- Perception of potential culture issues impacting the workforce.
- Appropriate methods for recognition and rewards unclear.
- Dissatisfaction with types of training opportunities offered by the organization and concerns around tracking training and the lack of a corporate skills inventory.
- Concern around career development opportunities available and low uptake of the Mentorship program.

While the OAG acknowledges the People Plan is the current HRM practice used in setting priorities and targeted efforts, the OAG is concerned the actions taken and performance measures used may not be sufficient given the number of issues brought forward through the OAG review which were

intended to be addressed by this plan. The OAG is also concerned the current priorities, actions and performance measures may not be appropriately identified given the lack of workforce data and performance reporting available.

The current priorities, actions and performance measures may not be appropriately identified given the lack of workforce data and performance reporting available.

Recommendation:

- 3.1.1 The OAG recommends HRM Administration, when developing the next People Plan, align priorities with areas of strategic importance based on a detailed analysis of relevant workforce data.

Appendix A: HRM's Plan on a Page



Appendix B: Management Response

September 9, 2016

Larry Munroe
HRM Municipal Auditor General
Belmont House, Suite 620
33 Alderney Drive
Dartmouth, Nova Scotia B3J 3A5



Re: A Performance Review of Strategic Workforce Planning Effectiveness at Halifax Regional Municipality

Dear Mr. Munroe:

I have reviewed the report, *A Performance Review of Strategic Workforce Planning Effectiveness at Halifax Regional Municipality* submitted to me on August 29, 2016 by your office. I am in general agreement with the recommendations presented in the report. HRM Administration will take these recommendations under consideration as we continue to develop plans to strengthen our talent management planning and capacity building.

The overall themes identified in the report are consistent with direction our Human Resources business unit is undertaking in an effort to improve service delivery and continue to successfully support employees throughout the organization. Some examples of ongoing activity in this area include:

- A full review of the Human Resources Non-Union Policies and Practices;
- The Human Resources Service Modernization project, which includes a realignment of resources to focus on the provision of strategic high value Human Resources services such as talent management; workforce planning; succession planning; capacity building through learning and development; career planning; and cultural initiatives to improve and measure employee engagement;
- The Service Modernization project includes a technological change component which provides a road map of SAP enhancements required to better support talent management and workforce planning.

In an effort to keep pace with constant changes in the workplace, staff are working to modernize Human Resource policies, programs and business practices to better support the delivery of municipal services to the community we serve and achieve best value for taxpayer dollars.

HRM Administration is committed to our people and the community we serve. Human Resources has already begun to address the specific issues raised in your report, and will continue to work with partners to respond to your recommendations and implement effective results .

Sincerely,

HALIFAX REGIONAL MUNICIPALITY

ORIGINAL SIGNED

John Traves, Q.C.
Acting Chief Administrative Officer