



Office of the Auditor General

**Follow-up to the 2011 Audit of the Human
Resources Master Plan**

**Tabled at Audit Committee
April 27, 2021**



Table of Contents

Executive summary 1
 Conclusion 2
 Acknowledgement..... 3
Detailed report – Assessment of implementation status 4

Executive summary

The Follow-up to the 2011 Audit of Human Resources Master Plan was included in the Auditor General's 2020 Audit Work Plan.

The previous follow-up Audit of Human Resources Master Plan tabled at Audit Committee October 2015 identified that four of the nine recommendations from the 2011 audit were partially complete and three were not started at the time. As a result, the follow-up was subsequently included in the Auditor General's 2020 Work Plan, to re-visit the seven recommendations.

The key findings of the original 2011 audit included:

- The City's Human Resources (HR) Department should provide a more prescriptive and integrated approach to HR planning.
- Standardized methods and processes for medium and longer-term workforce planning should be used and that workforce data should be more formally identified and analyzed for planning purposes.
- The Human Resources Department should lead a workforce needs analysis across all departments to develop a City-wide long-term workforce plan.
- Analysis and reporting are required to support longer term workforce planning. More robust analytical and reporting capabilities would serve to enhance regular information provided to departments about their current and future workforce needs, targets and results.
- Corporate HR should lead a City-wide workforce planning needs analysis.
- The City should implement three and five-year workforce plans and identify critical positions in all departments.

To address the areas of improvement above, the original Audit of HR Master Plan provided nine recommendations for implementation by the City of Ottawa. The 2015 follow-up to the 2011 Audit of HR Master Plan assessed the status of completion for each recommendation, results of which are summarized in Table 1 below. Seven findings were subsequently assessed as part of this 2021 follow-up. Details on the assessment are included in the detailed report.

Table 1: Summary of status of completion of recommendations

| Recommendation | Status as at January 2014 | Management status as at February 2020 | OAG status as at January 2021 |
|-----------------------|--|--|--|
| #1 | Partially complete | Complete | Partially complete |
| #2 | Not started | Complete | Partially complete |
| #3 | Not started | Complete | Complete |
| #4 | Complete | -- | -- |
| #5 | Complete | -- | -- |
| #6 | Partially complete | Complete | Complete |
| #7 | Partially complete | Complete | Complete |
| #8 | Not started | Complete | Complete |
| #9 | Partially complete | Complete | Partially complete |
| Total | 2 Complete (22.2%) 4 Partially Complete (44.4%) 3 Not started (33.3%) | 7 Complete (100%) | 4 Complete (57.1%) 3 Partially Complete (42.9%) |

Conclusion

Since our previous follow-up tabled in October 2015, management has completed four recommendations concerning the regular analysis of City-wide workforce planning data and succession planning for “critical” workforce segments. However, three recommendations remain partially complete. Plans to address each of the remaining recommendations are in place in the “Thriving Workforce: Roadmap and Action Plan” (Thriving Workforce Plan) tabled as a strategic initiative in 2019. In order to fully complete these recommendations, management must ensure that the key activities within the Thriving Workforce Plan are implemented.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

Detailed report – Assessment of implementation status

The following information outlines management's assessment of the implementation status of each recommendation as of February 1, 2020 and the Office of the Auditor General's (OAG) assessment as of February 2, 2021.

Recommendation #1

Table 2: Status

| Management update | OAG assessment |
|--------------------------|-----------------------|
| Complete | Partially Complete |

Audit recommendation:

That Corporate Human Resources provide a more prescriptive and integrated approach, including standardized methods and processes, for medium and long-term workforce planning (i.e., three and five years). Fundamentals of workforce planning include:

- a) Matching strategic business requirements with long-term talent trends;
- b) Analysis of external labour supply sources/demand influences; and,
- c) Proactive planning that considers future skills and resources necessary to enable longer-term business plans.

Original management response:

Management agrees with this recommendation.

Further to the response to Recommendation 2, HR will develop an integrated workforce planning approach and templates for use by departments by the end of Q1 2013 as part of the Corporate Planning and Performance Reporting Framework and fiscal planning process. The integrated approach will build on current processes being used for short-term workforce planning such as the annual budget process, the succession planning process of identifying critical positions, vacancy reports, and the utilization of the metrics on the Talent Scorecard. HR will ensure integration with the Corporate Planning Framework.

Management update:

Implementation of this recommendation is complete.

In 2013, Management considered purchasing a commercial solution for workforce planning, but it was considered too complex and cost prohibitive. In 2014, HR developed a Workforce Planning toolkit using Microsoft Excel that was approved by senior management in Q3 2014.

In 2015, the Workforce Planning Guide and Departmental Workforce Planning Workbook were provided to all departments. An environmental scan was completed, and departmental data was collected including: an analysis of the business, expected changes over the next 3-5 years, and workforce supply based on attrition and skills gap. Six departments (as they existed prior to realignment in 2016) identified the need for workforce plans, and these were completed by the end of 2017, at which time management considered implementation of this recommendation to be complete.

HR continues to work with the organization to develop and implement programs that support corporate workforce planning goals as reflected in the 2015-2018 Corporate People Plan and the Thriving Workforce Strategy in progress under the 2019-2022 City Strategic Plan. An updated corporate Workforce Planning Strategy is one of the initiatives within the Thriving Workforce Strategy. The Workforce Planning Strategy is targeted for completion this year.

Since the realignment in 2016, corporate workforce planning programs have focused on the following priorities: succession management (Phase I, II and the Associate General Manager Program), outreach and recruitment (City-wide Career Showcase in 2018 and 2019) and, diversity and inclusion (D&I Plan, Lead It, Priority Hiring Strategy).

Departments continue to work with HR on an ongoing basis to identify and address their workforce planning needs. This activity has been supported since 2014 through the PeopleInsight tool. Workforce data is available and is pulled quarterly by HR Strategists for all departments to provide information on demographics, resignation rates, insights and future retirement eligibility.

Implementation of the Workforce Planning and Analysis module of SAP Success Factors in 2023 will further strengthen the City's practice.

OAG assessment:

The actions as described in the management update were assessed as partially complete. Plans have been made to address the recommendations, but they have not yet been implemented.

The City does not currently have a standard process for medium and long-term workforce planning that is applied in all departments. The Workforce Planning Guide and Departmental Workforce Planning Workbook developed in 2015 are no longer being used by City departments, furthermore, Human Resources indicated that there was never full implementation by departments. OAG was not provided with any completed documents to indicate that departments utilized this workbook for workforce planning. In 2016, the City of Ottawa underwent a reorganization and HR's focus shifted to a Corporate People Plan.

In 2019, a new Thriving Workforce: Roadmap and Action Plan (Thriving Workforce Plan) was tabled as a strategic initiative. The plan was created by PricewaterhouseCoopers (PwC) in consultation with the City of Ottawa. The Thriving Workforce Plan encompasses 13 initiatives. One of which is an updated corporate Workforce Planning (WFP) initiative defined as the process of analyzing, forecasting, and planning workforce supply and demand, assessing gaps, and determining target talent requirements for the City of Ottawa to meet its mandates.

The key objectives of this initiative are to:

- Identify the City's workforce planning business needs and skill sets required
- Conduct and complete a workforce needs analysis
- Identify candidate pools and identify gaps in staffing and skills inventory
- Create strategy and action plan to address the needs

The key activities of defining, developing and implementing the Workforce Planning initiative was originally anticipated to be completed by the end of 2020. However, due to COVID-related delays, implementation of the key activities has been deferred to 2021. While the initiatives as described above have not yet been implemented, there is a roadmap and plan in place that addresses the elements within this recommendation.

Another initiative within the Thriving Workforce Plan is to identify and develop successors for leadership roles. The scope of this initiative is to identify and develop successors for key leadership and other critical positions in the organization. This includes identifying and assessing readiness for successors to all General Manager (GM) and Director positions (Phase 1 and 2) and other critical positions (Phase 3), creating development plans for potential successors and implementing development resources and opportunities.

The succession planning for GMs and Directors (Phase 1 and 2) has been completed. The estimated date for the development of Phase 3 is the end of Q2, 2021. Once approved, Phase 3 will be rolled out with an anticipated completion date of early 2022.

Recommendation #2

Table 3: Status

| Management update | OAG assessment |
|-------------------|--------------------|
| Complete | Partially complete |

Audit recommendation:

That the City implement mid and longer-term (i.e., three and five year) workforce planning at the departmental level, with departments taking ownership for the development of their mid and long-term workforce plans, supported by Human Resources.

Original management response:

Management agrees with this recommendation.

The City has adopted an integrated Corporate Planning and Performance Reporting Framework to define strategic priorities for the four-year Term of Council. The Framework includes the development of a City Strategic Plan and departmental plans that coincide with the Term of Council. These plans will influence multi-year staffing needs for departments and impact overall workforce planning for the corporation. Human Resources will support the departments in developing their workforce plans starting in Q2 2013 with a target completion date of Q4 2013.

Management update:

Implementation of this recommendation is complete.

Departments have and continue to actively undertake workforce planning in terms of forecasting their workforce needs.

In 2015, the Workforce Planning Toolkit and Guide were provided to all departments, which captured and integrated work that departments already had underway (e.g. strategic planning and discussions related to priorities, risk assessment, succession planning, etc.).

An environmental scan was completed, and departmental data was collected including: an analysis of the business, expected changes over the next 3-5 years, and workforce supply based on attrition and skills gap. Six departments (as they existed prior to realignment in 2016) identified the need for workforce plans, and these were plans were

completed by the end of 2017, at which time management considered implementation of this recommendation to be complete.

This activity continues today. Departments continue to use the talent scorecards to analyze, forecast and plan workforce supply and demand, assess gaps and determine target talent requirements for the department to meet its mandate. Departments have active succession management plans and are using diversity workplans to support their departmental workforce planning. Furthermore, the City has identified workforce planning as one of its' 13 Thriving Workforce initiatives, which is part of the 2019-2022 City Strategic Plan. As previously mentioned, the updated Workforce Planning Strategy is targeted for completion this year. It will:

- Identify the City's 'Workforce of the Future' business needs and the skill sets required,
- Conduct and complete a workforce needs analysis,
- Identify candidate pools and identify gaps in staffing and skills inventory and,
- Create a strategy and action plan to address the needs identified.

OAG assessment:

The actions as described in the management update were assessed as partially complete. Plans have been made to address the recommendations, but they have not yet been implemented.

Currently, departments are using the talent scorecards provided by HR to analyze, forecast, plan, assess gaps and determine talent requirements. However, departments have not taken ownership for the development of their mid and long-term workforce plans. HR does not have on file completed workforce plans for City departments.

This is planned to be addressed in the Thriving Workforce Plan. The plan was developed with the principle that the roadmap will provide a strategic direction that can be tailored to the needs of each City department. While the workforce planning initiative has not yet been implemented, the plan indicates that it is to be owned by City departments but driven by HR. The approach of the Thriving Workforce Plan is to “keep management informed so they have a common understanding of the City’s vision, how it aligns to other priorities, and expectations of them and their teams”, and to “support them as they tailor the Thriving Workforce Priority to meet their departmental and operational challenges”.

Furthermore, the Thriving Workforce Plan recommends a sustainment plan to support and reinforce the Thriving Workforce initiative after the initial roadmap is implemented.

It is evident that the intent of the Thriving Workforce Plan is for departments to take ownership of workforce planning and sustainment while being assisted by HR.

Recommendation #3

Table 4: Status

| Management update | OAG assessment |
|-------------------|----------------|
| Complete | Complete |

Audit recommendation:

That Corporate Human Resources lead an integrated (i.e., City-wide) workforce planning needs analysis. This will feed into the development of a multi-year City-wide workforce plan that integrates anticipated workforce needs from across the organization. The plan should identify expected workforce requirements, together with plans for bridging any gaps (in the context of both growth and reduction/rationalization strategies) between the current state and anticipated future needs.

Original management response:

Management agrees with this recommendation.

Working with departments, Human Resources will conduct an integrated workforce planning needs analysis as a component of the City’s integrated Corporate Planning and Performance Reporting Framework as noted in the management response for Recommendation 2. One of the outcomes of the Framework will be departmental plans that will influence multi-year staffing needs for departments that will impact overall workforce planning for the City. The departments, as the business experts, must outline the service delivery risk areas. Human Resources will utilize the departmental input for the analysis that will identify risks and appropriate mitigation plans which will be completed by the end of Q2 2014. The analysis will provide an enterprise-wide view of workforce needs and mitigation strategies.

Management update:

Implementation of this recommendation is complete.

In 2014, HR reporting and workforce analytics were enhanced with the acquisition of PeopleInsight, an analytics tool that allows for workforce planning analysis of job categories across the organization. Talent scorecards were developed and deployed quarterly to managers, summarizing the workforce data. These have evolved and are still in circulation today (2020).

Workforce planning needs were identified and used to support the 2016 realignment to bridge the gaps for current and anticipated future needs across the organization. As a result, management considered implementation of this recommendation to be complete as of October 2017.

HR has continued to work with the organization to develop and implement programs that support corporate workforce planning goals, as reflected in the 2015-2018 Corporate People Plan and the Thriving Workforce Strategy in progress under the 2019-2022 City Strategic Plan. An updated corporate Workforce Planning Strategy is one of the initiatives within the Thriving Workforce Strategy. The Workforce Planning Strategy is targeted for completion this year.

OAG assessment:

The actions as described in the management update were assessed as complete.

Workforce planning needs were considered in the 2016 organizational realignment. Each department was reorganized to meet organizational goals. At the time, departmental structures were redesigned to 1) increase accountability and shift management span of control, 2) streamline administrative functions and business support services and 3) consolidate service areas within departments to achieve synergies and efficiencies. OAG was informed that there was considerable discussion during 2016 to identify organizational gaps, restructure and then develop recruitment strategies to meet those gaps.

Furthermore, central to the 2019-2022 City Strategic Plan is the Thriving Workforce Plan. The key objectives of the Workforce Planning Initiative (listed in OAG's assessment of recommendation #1) within the Thriving Workforce Plan address the intent of this recommendation. Implementation of the key activities in the Workforce Planning Initiative are anticipated to commence in 2021.

In addition, the City plans to implement SAP SuccessFactors Workforce Planning and Analysis Module as a tool to support organization-wide Workforce Planning and provide supporting data for analysis. The module will be a data-driven method for forecasting, analyzing, and assessing the potential outcomes of planning decisions for HR. It is also expected to be used to calculate current and future workforce demand and compare the results of plans and strategies. It is forecasted that the implementation of this module will not be realized before Q3 2024.

HR currently uses PeopleInsight, an analytics tool that allows for workforce planning analysis of job categories across the organization. Information is taken from SAP and downloaded into PeopleInsight to produce talent score cards that are provided to departments on a quarterly basis. OAG reviewed a sample talent scorecard and noted that the scorecard provided numerous metrics including corporate metrics, operational metrics, retention metrics and employee evolution metrics. While there is no further documented analysis done by HR on the talent scorecard, OAG was told that HR Strategists verbally review these scorecards with their respective departments on a quarterly basis.

Recommendation #6

Table 5: Status

| Management update | OAG assessment |
|-------------------|----------------|
| Complete | Complete |

Audit recommendation:

That Corporate Human Resources analyze City-wide workforce segment data to gain insights and perspective on both “critical” and “non-critical” workforce segments to support value-added scenario modeling and planning. (“Non-critical” workforce segments represent the majority of the workforce complement, but compared to critical workforce segments, such roles are either easier to staff or have a lesser impact on organizational effectiveness.)

Original management response:

Management agrees with this recommendation.

Currently workforce segments are considered in developing resourcing strategies and the Corporate People Plan. As noted in the response to Recommendation 5, Human Resources will have the capability to analyze “critical” and “non-critical” workforce segment data by the end of Q2 2013.

Management update:

Implementation of this recommendation is complete.

In 2012/2013 HR developed a Succession Management Guide and an Excel workbook for departments to identify critical positions, required competencies/skills and potential successors. By Q4 2014 all departments had identified critical positions and had succession plans in place. Management considered implementation of this recommendation to be complete as of December 2014.

Through the use of PeopleInsight, data is available and is being pulled quarterly by HR Strategists for all departments to provide information on demographics, resignation rates, insights and future retirement eligibility. PeopleInsight is also used to analyze job categories for both critical and noncritical positions.

HR continues to work with the organization on workforce planning priorities. In 2018, the criticality of Director roles was assessed and in 2019, the process began to identify potential successors for these roles (see Phase 2 Succession Plan Summary and

Readiness). As the succession management program continues, HR will identify all critical positions (based on anticipated attrition, retirement, and available skill set) across the organization and will work with departments to develop succession plans for those positions.

OAG assessment:

The actions as described in the management update were assessed as complete.

A significant amount of work has been done by HR to identify critical positions within the City, years to eligible retirement of staff in those positions and potential successors and their readiness for promotion.

To support the succession management plan, HR has done the following:

- Implemented the Associate General Manager (AGM) Program to groom potential candidates for the General Manager (GM) role;
- Assessed City Directors and their readiness for promotion;
- Identified retirement eligibility of Directors and assess City Managers and Program Managers and their readiness for promotion to a Director role;
- Identify individuals who can serve as an emergency interim replacement for each Director role.

To date, HR has not yet performed any analysis on “non-critical” workforce segments. The approach taken by HR is reasonable because prioritizing the analysis and succession planning for critical workforce segments is more important as such roles are harder to staff and have a greater impact on organizational effectiveness.

Recommendation #7

Table 6: Status

| Management update | OAG assessment |
|-------------------|----------------|
| Complete | Complete |

Audit recommendation:

That Corporate Human Resources proactively and regularly conduct analysis of workforce planning data (both City-wide and department-specific).

Original management response:

Management agrees with this recommendation.

Human Resources will continue to conduct analysis of workforce planning data on a regular basis. This is currently done with existing tools such as the vacancy reports, attrition reports, and the data provided on the Talent Scorecard(s). This will be supplemented with data once the formal workforce planning tools and process have been rolled out by the end of Q2 2013.

Management update:

Implementation of this recommendation is complete.

HR Strategists populate talent scorecards, which contain data from PeopleInsight for workforce planning purposes and review these with their respective departments on a quarterly basis.

HR Strategists also use PeopleInsight to conduct a deeper analysis into an area or position as needed. This analytical capability supports departments with their workforce planning initiatives and complements the Workforce Planning Toolkit. Management considered implementation of this recommendation to be complete as of December 2014.

HR continues to work with the organization on workforce planning priorities. A review and possible enhancement of the talent scorecard will be conducted as part of the Workforce Planning Initiative within the Thriving Workforce Strategy

OAG assessment:

The actions as described in the management update were assessed as complete.

HR currently uses PeopleInsight, an analytics tool that allows for workforce planning analysis of job categories across the organization. Information is taken from SAP and downloaded into PeopleInsight to produce talent scorecards that are provided to departments on a quarterly basis. The metrics provided assist department Managers with workforce planning. OAG reviewed a sample talent scorecard and noted that it provided the following metrics:

- Corporate metrics including headcount, FTEs, diversity, vacancies, management span of control and management retirement risk;
- Operational metrics including overtime, sick leave, safety incidents, WSIB lost time, vacation taken and grievances;
- Retention metrics including recruitment, turnover, retirements, average years of service, regrettable turnover and retirement risk; and
- Employee evolution metrics including development opportunities, career development, new hire success rate and learning and development.

Furthermore, the Thriving Workforce Plan plans to implement SAP SuccessFactors (described in OAG's assessment of Recommendation #3) as a tool to provide further supporting data for analysis to support Workforce Planning. The expected timing on the implementation of this tool is in Q2 2022 - Q1 2023.

Recommendation #8

Table 7: Status

| Management update | OAG assessment |
|-------------------|----------------|
| Complete | Complete |

Audit recommendation:

That Corporate Human Resources provide management-level reports with workforce planning analysis and insights to support longer term workforce planning.

Original management response:

Management agrees with this recommendation.

Once the process and templates have been developed and put into operation in Q2 2013, Human Resources will develop corporate and department level reports and will work with departments to put into place mitigation strategies for critical positions.

Management update:

Implementation of this recommendation is complete.

As mentioned above in the response to Recommendation 7, HR Strategists populate talent scorecards, which contain data from PeopleInsight for workforce planning purposes and review these with their respective departments on a quarterly basis.

HR Strategists also use PeopleInsight to conduct a deeper analysis into an area or position as needed. They can also use this data to help departments identify trends and put in place mitigation strategies for critical and non-critical positions. This analytical capability supports the department with their workforce planning initiatives and complements the Workforce Planning Toolkit. Management considered implementation of this recommendation to be complete as of December 2014.

A review and possible enhancement of the talent scorecard will be conducted as part of the Workforce Planning Initiative within the Thriving Workforce Strategy.

OAG assessment:

The actions as described in the management update were assessed as complete.

HR provides talent scorecards to departments on a quarterly basis, as discussed in recommendation #7. HR's focus in the last year has been on identifying critical positions within individual departments (ie. Director and GM roles). HR has provided analysis and insight into the readiness of potential successors and is tracking individual development.

A Succession Management report on Director level positions was provided to the City's Senior Leadership Team in December 2020. The report included workforce planning analysis for each individual department and a readiness assessment of Managers to take on Director positions.

Recommendation #9

Table 8: Status

| Management update | OAG assessment |
|--------------------------|-----------------------|
| Complete | Partially complete |

Audit recommendation:

That Corporate Human Resources define and clarify a metrics framework for workforce planning with departmental management being responsible for determining applicable targets. The City should then be in a position to have access to related workforce planning performance reports, including variance analysis for practices such as position management, vacancy management, staffing, turnover/attrition planning and productivity analysis.

Original management response:

Management agrees with this recommendation.

Many of the data/reports noted are currently provided to managers on a regular basis. As part of the development of the workforce planning framework and processes, Human Resources will work with the Corporate Business Services branch to develop a metrics framework by the end of Q1 2013, with an approach for departments to develop targets to maintain consistency with the Balanced Scorecard approach being used in the Corporate Planning and Performance Reporting Framework.

Management update:

Implementation of this recommendation is complete.

In 2014, talent scorecards were developed and deployed quarterly to managers, with metrics on corporate data (FTEs, headcount, workforce diversity, management risk), operational (use of sick leave, overtime and vacation, rates of safety incidents, grievances), retention (recruitment, retirements, workforce turnover, years of service) and, employee evolution (acting assignments, career development, new hire success rate, learning and development). Management considered implementation of this recommendation to be complete as of December 2014.

In 2015, the Workforce Planning Guide and Departmental Workforce Planning Workbook were provided to all departments. These resources complemented existing tools such as position management and the talent scorecards. In combination, these tools and reports enable management to assess and strengthen productivity.

HR continues to work with the organization on workforce planning priorities. A review and possible enhancement of the talent scorecard to include the addition of departmental variance targets will be conducted as part of the Workforce Planning Initiative within the Thriving Workforce Strategy.

OAG assessment:

The actions as described in the management update were assessed as partially complete.

While talent scorecards include year-to-year comparisons on corporate, operational and retention metrics, there are no targets that departments are measured against. Targets have not yet been developed. Management has indicated that a review and possible enhancement of the talent scorecard will be made to include the addition of departmental variance targets. This will be conducted as part of the Workforce Planning Initiative within the Thriving Workforce Strategy.