

For Information Only

Professional Development and Talent Management Systems

Presented To: Policy Committee

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Type: Correspondence for Information

Recommendation

For Information Only

Finance Implications

No budget impact as funds will come from the central Professional Development budget in Human Resources and Organizational Development and from the Organizational Development Reserve.

Background

1.0 PURPOSE OF THIS REPORT

This Report provides actual expenditure data for January – June 2011 and follows up on two (2) control mechanisms discussed in 2011 budget deliberations: namely, policy on Attendance at Job Related Training, Seminars and Conferences, and Membership Dues. It also provides an update on Talent Management System work which is in progress.

2.0 BACKGROUND

At the January 25th, 2006 meeting of CGS Council, Council reviewed one (1) of the main findings of the Berkeley Report, namely;

· *In order to prepare for retirements and build its Management capability, as well as improve morale, Sudbury urgently needs to invest in people and organization development*

Council authorized the creation of an Organizational Development Section mandated to provide systems for the management of Employee performance, development and succession. In a subsequent meeting on February 8th, 2006, Council established the Organization Development Reserve (OD Reserve) which is funded by under expenditure in Professional Development funds in years when CGS is in an overall surplus budget position.

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During the 2010 and 2011 budget deliberations, Finance Committee reduced the budget for professional development expenditures by \$445,000. The Finance Committee also made requests of staff for additional controls to be placed on professional development expenditures and asked staff to monitor 2011 expenditures using new account values approved with the 2011 budget.

3.0 ANALYSIS

Attendance at Job-Related Training, Seminars and Conferences

CGS's Travel Policy contains many controls that can be applied to travel for professional development purposes. Staff has amended the Travel Policy to include enhanced controls on expenses associated with attendance at job related training, seminars and conferences. The Policy explains that while CGS encourages its Employees to continue to pursue continuous learning and self-improvement initiatives, public funds must be spent responsibly and a return on investment in these activities must be demonstrated.

The Travel Policy is amended to specifically mention the approval steps for training, seminars and conferences and details required to be approved.

Training, seminars and conferences require either "in-town" or "out-of-town" travel approval. This ensures that all training related travel is authorized in advance by a Manager or Director and the benefits to CGS listed in the details section of the appropriate forms. Further, any out of province travel (and by extension, training, seminars or conferences) is authorized by the Senior Management Team member, CAO and Mayor after consideration of the same detail.

The Policy sets out specific details required for authorization. These include an outline of the business benefit to CGS and the benefit to the Employee in terms of their developmental needs. The Policy also clarifies Employee and Manager responsibilities. Employees must work with their Supervisor to identify opportunities with the aforementioned benefits to themselves and CGS, they must submit the required documentation, attend and participate fully in the training event and share the information gained with other members of their Section to maximize the benefits of attendance. Managers must approve attendance at events per the Travel Policy, budget for and allocate resources within guidelines and the Section's Travel and Training budget, establish and maintain records of attendance and ensure information from training, conferences and seminars is shared with other members of the Section.

Membership Dues

Staff is also working on a Policy aimed at clarifying the authorization procedure for membership dues. Membership dues are defined as "*membership dues paid by CGS on behalf of Employees, or in certain circumstances, corporate memberships or memberships that cover multiple Employees*" in the new set of account values for Training and Travel established in 2010. The new Policy establishes a set of criteria which a membership must meet in order to be authorized for inclusion in the membership dues budget. The criteria addresses membership dues requirements like providing timely information and networking access, enhancing organizational performance, offering advertising opportunities (including free or discounted job posting advertisements), offering services or products, accrediting Employees or offering discounts on training opportunities, literature, subscriptions or other financial incentives to CGS.

Professional Development Expenditures: January to June 2011

In 2011, staff built their budgets "from scratch" based on new account values which would provide additional information about professional development expenditures. The table attached as Appendix "A-1" shows the January to June actual expenditure for Professional Development and Training using the new account

values. The total budget for 2011 is \$1,524,406.00 in the first half of 2011, total spending was just over half of this amount at \$792,099.33.

The Professional Development, Training and Travel account is used to record costs associated with attendance at conferences, seminars, workshops, online courses, including accommodation, meal per diems and travel costs. Attendance at such training events may be Employer or Employee driven and subject to approval by the Supervisor in jurisdiction and availability of budgeted funds.

The two largest expenditures in this category are air and vehicle travel (\$23,900) and salary recovery through MMMS representing paid hours spent at training for employees (\$29,900). Generically, this category covers the costs of registering and attending job related training, conferences and seminars.

The second largest account value, Professional Development Membership Dues, is attributable to membership dues paid by CGS on behalf of Employees, or in certain circumstances, corporate memberships or memberships that cover multiple Employees. Work is underway on a new Policy regarding corporate memberships which provides criteria for General Managers in approving and evaluating memberships in their areas. Examples of expenditures in this category include membership dues in professional associations where membership or accreditation is an asset (not mandatory) in a job description (e.g. accounting designations). This category also includes memberships such as overall CGS/Council memberships in the Association of Canadian Municipalities (\$20,000) Association of Municipalities of Ontario (\$14,600), Association Francaise de Municipalites (\$8000), and the Federation of Northern Municipalities (\$3000).

The Professional Development Human Resources Only account is used to provide centralized development initiatives sponsored by the Human Resources and Organizational Development (HR&OD) Division on behalf of the whole organization. This account is also used to fund expenses associated with the development and maintenance of our Talent Management infrastructure.

The Professional Development Professional Accreditation account captures accreditation costs or discipline-specific certification, license or Professional Association fees paid to maintain any required membership in good standing provided it is a requirement of the job as outlined by the appropriate Job Description or Contract of Employment and is often a legal requirement in order to be able to perform the duties of the position. It also includes any continuing education or training required to maintain such accreditation and the associated travel expenses (including accommodation, meal per diems and travel costs).

Professional Development Tuition is the account which is used to fund expenses under CGS's Tuition Reimbursement Policy.

A Talent Management System for CGS

During 2011 budget deliberations, staff in the HR&OD Division committed to commence work on a Talent Management System for CGS. This work is underway and proposals have been received from several firms in response to our Request for Proposal for assistance with a talent management framework. The successful proponent will provide expertise, talent management tools and assistance in building the framework, but the system will ultimately be designed and resourced by a Talent Management Team comprised of staff in the Organizational Development Section and representatives of Management from across CGS. There is no budget impact to this work and any assistance sought will be funded from the Organizational Development Reserve. There is no anticipated longer term impact on ongoing HR&OD Divisional operating costs or head count.

The purpose of the Talent Management System is to ensure CGS benefits from improved performance in key roles in the future.

One of the building blocks for a Talent Management System is a dictionary of behavioural and technical competencies for use in a variety of Human Resources systems. Behaviours that result in superior performance in roles are used to select, induct, reward, develop and manage the performance of Employees. We also use these competencies to make existing Employees aware of their current level of performance in their role and how they would compare to superior levels of performance in desired roles in the future.

A **technical competency** is a “hard skill” that one could attain through education, experience, courses, certifications, tickets or qualifying testing. For example, financial acumen, project management skill or various licenses or degrees.

A **behavioural competency** is any attitude, skill, behaviour, motive or other personal characteristic that is essential for an individual to perform a job in a way that differentiates ‘solid’ from ‘outstanding’ performance. Examples include leadership, the various competencies associated with emotional intelligence, concern for Health and Safety, customer focus, courage, innovative thinking etc. See attached Appendix "A-2".

These competencies, when mastered to the level appropriate for a given role are frequently those that differentiate superior performance in role versus mediocre or average performance. The seminal work in this area of organizational development was pioneered by David McClelland nearly fifty (50) years ago in preparing senior leaders in the US State Department.¹ Foreign Service Officers would be hired by the Department as new graduates with very similar educational backgrounds from quality Ivy League universities for foreign assignments. McClelland was asked to perform research to explain why some were hugely successful and others seemed unable to carry out their assignments despite having similar formal education and credentials. The results indicated that the successful leaders and change managers in these foreign assignments behaved differently. They had natural competence in areas such as change leadership, building consensus, empathy, ability to listen, understand and respond, they had courage and could hold people to account in an appropriate and motivating fashion. McClelland interviewed exemplary performers and defined competencies using key words to describe the competencies that they were capable of bringing to bear in the performance of their work. These competencies were then used to recruit new Foreign Service Officers and provide targeted development for those already in role.

By mapping out the competencies required for superior performance in key roles at CGS and assessing the talent pool for these roles, either among current role holders or those Employees who aspire to these roles in the future, CGS can establish a number of tools that:

- Improve our ability to target selection of candidates based not just on “hard skill”, but the behaviours that we know make for success in a vacant role.
- Customize feedback on performance in role in the Management Performance and Development Review process by providing feedback to Employees on performance against the behavioural and technical requirements of their role, not just their results versus their objectives for a given review period.
- Allow existing Employees to take ownership of their career development at CGS by understanding what is required to work in desired roles in the future and creating development plans aligned with their highest potential capability.
- Allow for greater promotion from within where we know we have interested, capable, skilled Employees with the required behaviours to be successful.
- Allow the Senior Management Team (SMT) to assess the readiness of candidates for future vacancies

in key roles when planning for succession.

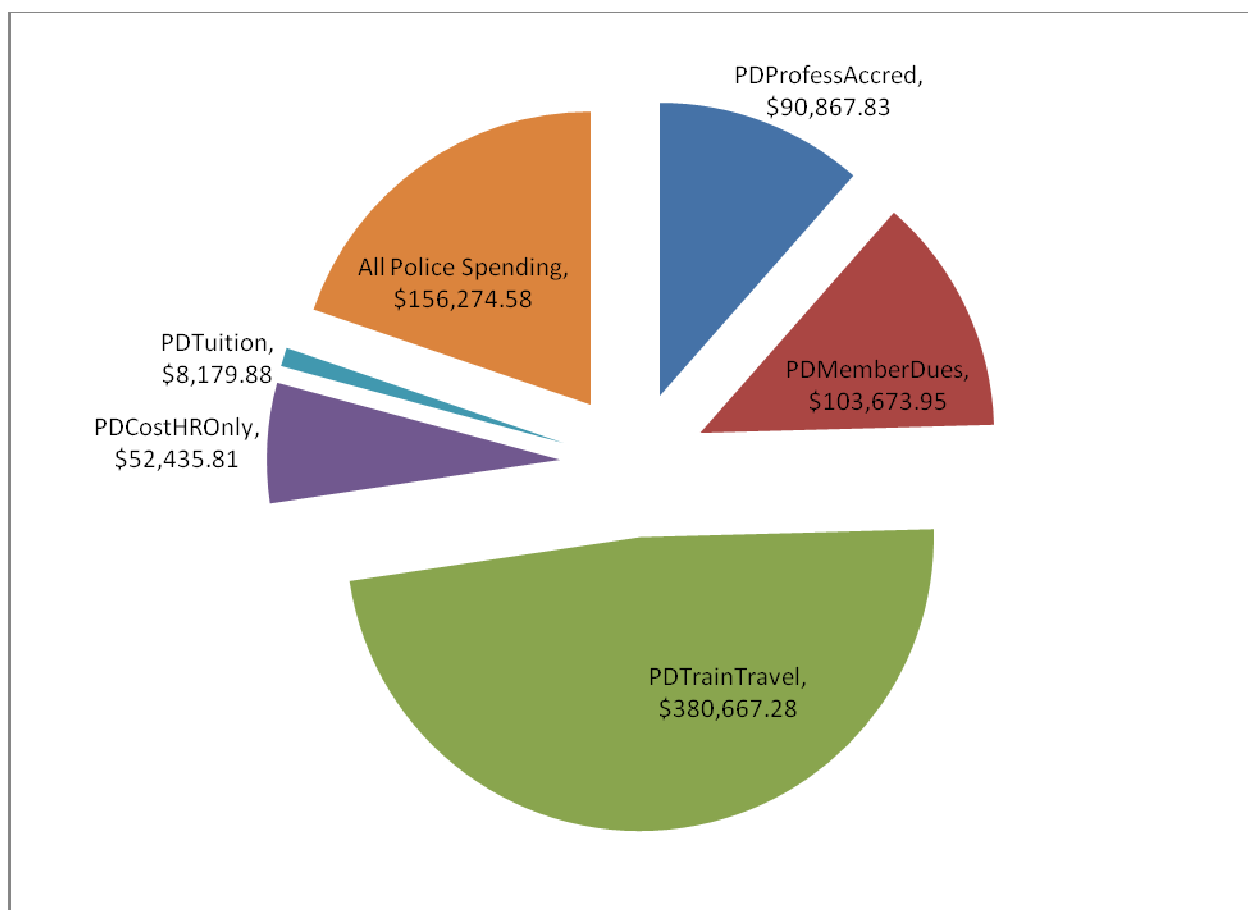
- Promote a more open and transparent culture.
- Identify and encourage corporate behaviours and support organizational change.
- Isolate the most critical competencies for CGS so that the HR&OD Division can source development activities and invest valuable professional development dollars in the most efficient and systematic way possible.

4.0 SUMMARY AND NEXT STEPS

The SMT will act as the Steering Team for this project and will appoint a Working Talent Management Team who will, with the co-ordination of the Organizational Development Section, oversee the development of a competency dictionary for CGS. Once the dictionary is in place, key roles can then be profiled (it is estimated that we will profile approximately one hundred (100) roles), internal talent can be assessed and we can begin implementing the talent management framework tools. These tools include the social processes and communications/training materials to get Employees and their Managers into conversation about career development. Also included are processes whereby senior leadership will be assessing talent and managing succession on an ongoing basis. Lastly, our existing performance review tools will be updated to reflect the competencies unique to each role - allowing Managers to provide feedback on the "how" as well as the "what" in annual performance discussions.

¹ McClelland, D.C. (1973) Testing for Competencies Rather Than For Intelligence. *American Psychologist*, 28, 1-14.

Appendix "A-1"



Appendix "A-2"

