

## For Information Only

### Professional Development Budget Review

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### Recommendation

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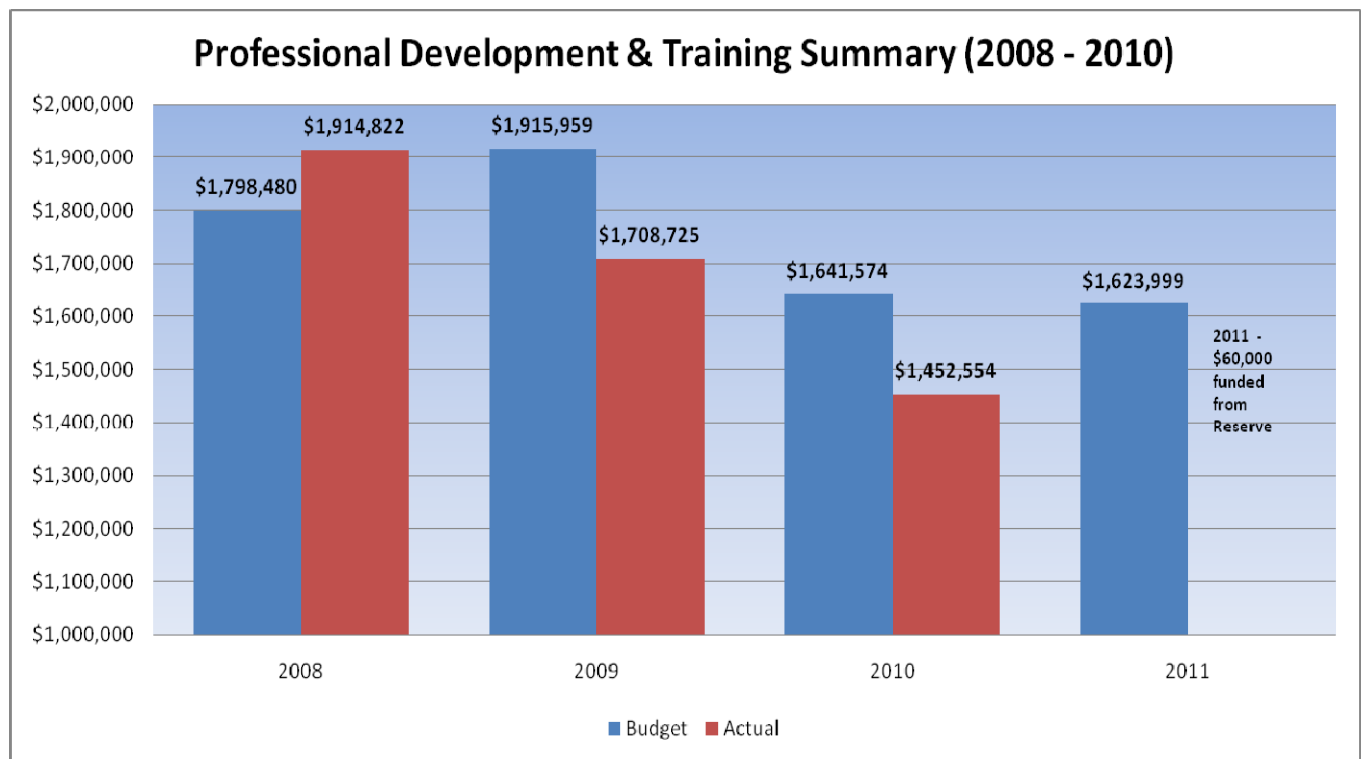
# Professional Development Background

## 2011 Finance Committee Budget Deliberations

### BACKGROUND

Council retained Berkley Management Consultants in 2005 to review the management structure and organizational effectiveness of CGS. Their final report indicated repeatedly an urgent need to invest in training and development: “Sudbury needs to invest in organizational development, especially training and succession planning.” (Page 14-15 – Final Report) The organization made a commitment to increase its focus on organizational development and improve its performance versus external benchmarks and in employee satisfaction surveys. The 2008 employee survey unveiled a 25% difference between the average scale score of CGS employees (56.5%) when compared to top-performing organizations (82.1%) on training satisfaction.

The following graph shows the overall professional development budget and actual expenditure for 2008 – 2010 (including Police).



The budget for Professional Development was reduced by 20% (or \$245,000) during 2010 budget deliberations. Further, the initiatives undertaken in 2010, resulted in an overall net under expenditure of \$81,000 vs. budget. Per the April 6, 2011 report to Finance Committee by the CFO, staff have prioritized \$60,000 from the OD reserve to bring the 2011 budget in \$18,000 lower than the 2010 budget.

As Finance Committee is aware, each Departmental area has their own budget for professional development and Human Resources has a central budget and a reserve for use by the Organizational Development section in providing centralized training and development initiatives for all Employees of CGS. The breakdown of 2011 budget as it appears in your budget binders is demonstrated in the attached table.

<b>Professional Development &amp; Training</b>  <b>2011 Budget by Department</b>	
<b>Department</b>	<b>Total</b>
Executive & Administrative Services	\$219,363
Financial Services	\$70,177
Human Resources	\$10,884
Human Resources Central OD	\$216,364
Growth & Development	\$161,259
Community Development	\$328,004
Infrastructure Services	\$209,203
Fire Services	\$67,700
Emergency Medical Services	\$48,184
Police Services	\$352,861
<b>Total 2011 Budget</b>	<b>\$1,683,999</b>

One of the action items from 2010 budget deliberations was a build of budgets for 2011 “from scratch” based on new account values which allow for greater control and analysis of expenditure.

When we breakdown the 2011 budget and view it through the lens of the new account values some themes emerge in the data, namely:

- Many of the expenses built into the PD budget are not pure PD expense, the \$1,683,999, includes:
  - \$293,912 in Association Dues, Professional Accreditations and Memberships,
  - \$89,267 in Council and Staff Business Travel,
  - \$352,861 in PD from the Police Services budget.
- Despite attempts to bring back a zero net increase in PD for 2011, the base budget “built” to 2.4% greater than 2010 budget, which has been subsequently offset by a contribution from the OD Reserve of \$60,000.

## **BENCHMARK RESULTS**

In their 2009 report, *Learning and Development Outlook 2009: Learning in Tough Times*, the Conference Board of Canada reported an overall Canadian average of \$787/employee spent on training and development or 1.5% of payroll. More specifically, the Conference Board found that 2004 – 2008 spending for government averaged \$986/employee or 1.9% of payroll.

In 2010, CGS spent \$390 per employee on professional development. If the 1.5% average was applied as a benchmark to CGS employees, our per employee training and development costs would need to be approximately \$920 per employee.

The Human Resources Benchmarking Network is a network comprised of HR Departments from the Health Care and Municipal sectors across Canada. Fifty five (55%) percent of network partners are from Ontario and many of the large regional and single tier municipalities in Ontario are a part of the Ontario group.

According to their 2010 survey, the HR Training Expense Indicator (aimed at measuring training and development that is traditionally delivered by a Human Resources function) averaged

\$173.77 per employee versus a CGS average of \$64.99 per employee (Central PD Account in HR \$227, 248 – PD for employees of the HR Division \$10,884).

## **RESULTS OF 2010 ACTIONS**

During 2010, SMT set the following action items in motion. 1. The establishment of new account values to record PD expenditures and business travel expenditures, 2. A "budget build" from scratch for 2011 base budget to account for specific expenditures according to the new account definitions, 3. Beginning work on a Talent Development System for CGS.

At the conclusion of the 2010 deliberations, staff committed to strive for better coordination and prioritization of PD activities and better "value for money" explanation for expenditures. The three action items above were aimed at realizing a zero net increase for the 2011 budget for PD and providing greater central coordination of PD activity to ensure efficiency and consistency and allow us to prioritize our needs for 2011. The 2011 budget build resulted in a zero net increase for most areas.

In 2010 staff in Organizational Development worked on a number of initiatives aimed at greater centralization and coordination of organizational development activities. Initiatives in the areas of Conflict Resolution, Employee Engagement, Critical Incident Stress Debriefing leveraged centralized, in-house training or train-the-trainer formats so that customized material could be delivered on-site at fractions of the cost of attending public workshops or courses. One such initiative was the Project Sponsorship / Project Management Essentials course offered at Tom Davis Square and Lionel E. Lalonde Centre by World Class Productivity.

	<b>Average Tuition Cost</b>	<b>Mileage</b>	<b>Hotel</b>	<b>Per Diem</b>	<b>Total Per Participant Cost</b>	<b>Cost Difference Per Participant</b>
<b>World Class Productivity - PME</b>	\$989.51	N/A	N/A	N/A	\$989.51	\$2,064.49
<b>Comparable Introductory Project Management Courses</b>	\$2,045.00	\$368.00	\$425.00	\$216	\$3,054.00	
<b>World Class Productivity - Part 2</b>	799.46	N/A	N/A	N/A	\$799.46	\$2,204.54
<b>Comparable Intermediate/Advanced Project Management Courses</b>	\$1,995.00	\$368.00	\$425.00	\$216	\$3,004.00	

The total estimated costs for the sixty six (66) participants who took Project Management Essentials and those registered for Part 2 through World Class Productivity was \$58,552.08. If those same Employees each attended one of the comparable project management courses offered in Southern Ontario the total cost would have been \$144,586.82.

In addition to the benefits from a cost perspective, CGS is able to ensure consistent quality in terms of developmental offerings, senior leaders are involved and get the same training as other Employees and Employees can support others in a “community of practice” utilizing the same skills and terminologies as they pursue developmental opportunities.

Analysis of the budget build for 2011 allows staff to take the next steps in offering additional centralized training initiatives and allows for the discussion of a longer term strategy for training and development to build on our successes in this area.