

**CORPORATE SERVICES DIVISION
HUMAN RESOURCES DEPARTMENT**

CORE SERVICES REVIEW

BENCH MARKING

- There are no indicators through the MPMP (Municipal Performance Measurement Program) for Human Resources.
- There is no available statistical data from OMBI (Ontario Municipal CAO's Benchmarking Initiative).
- The Conference Board of Canada in their 2004 report on Compensation Planning Outlook gave the ratio of 1.4 Human Resources employees (excluding payroll) per 100 full-time employees. For the County this would equate to approximately 9.1 Human Resources staff.
- The following Appendix "A" is attached which provides a comparison between the Human Resources Department at the County with other similar public and private sector employers in the province.
- Average Human Resources staff for the comparison group (not including the County) is 1 HR employee per 111 employees. County of Lambton is 1 HR employee per 174 employees.

BEST PRACTICES

- The Ontario Centre for Municipal Best Practices has currently only produced Best Practice Reports in the areas of Roads, Transit, Waste Management, Water and Sewer.
- Service delivery is guided and directly impacted upon by the number of employees, and the number of bargaining units that an employer may have. Initiatives established by Council and senior management also impact upon the service level.

PROVINCIAL FUNDING COMMITMENTS

- The province provides no funding for the operations of the Human Resources Department.
- All funds come from the County budget.
- Provincial and federal employment legislation along with decisions handed down by the courts or labour arbitrators play a significant role in the way Human Resources services are delivered and hence the cost to deliver the service.

ALTERNATIVE SOURCES OF DELIVERY

- Option 1 – Outsource Training and Development;
- Option 2 – Outsource Labour Relations and Negotiations;
- Option 3 – Status Quo.

- **Option 1 – Outsource Training and Development**
 - Outsourcing of the training and development function was a model prior to the downloading of service programs and employees upon the County.
 - The Galloway Report (2001) and the subsequent Way Forward report recommended enhanced training functions for the County as well as Human Resources support for management.
 - County expensed thousands of dollars to outside training organizations in a decentralized approach to staff development and training initiatives.
 - Numerous employers, including those in our survey have moved to in-house training model.

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- In-house training and development person is familiar with the specialized training needs and initiatives within a municipal function and provides for legislative compliance.
- Support extended to local municipalities within the County at reduced cost.
- Direct savings to County by not purchasing outside vendor training programs is \$162,000 annually.

Table 1 Option 1 - Outsource Training and Development

Pros	Cons
Reduce labour costs	Specific training geared to municipality is negated
	Direct savings to County is lost
Full recovery on all training programs	Increase cost for local municipalities.
	Strategic plan of learning organization would not be achieved
Reallocate staff to other Human Resources core activities	Purchase of external training programs would still be required
	Lack of training and development coordination for employees
	Decreased morale, as employees see this positive initiative for skill development

- **Option 2 – Outsource Labour Relations and Negotiations**

- The County would purchase services for all its labour relations and contract negotiations from a third party consultant.
- This option would reduce Human Resources staff and service delivery to the County management and staff.
- Management would rely upon outside consulting services for labour relations and contract negotiations/interpretations.
- Potential for a wide variety of inconsistencies resulting in poor labour relations climate.
- Human Resources currently administers and negotiates eleven (11) collective agreements plus the non-union employee group.

Table 2 Option 2 - Outsource Labour Relations and Negotiations

Pros	Cons
Potential for reduced HR costs	Increase consulting expenditures
	Human Resources support for local municipalities would be eliminated
	Reduced general Human Resources expertise
Flexibility to contract-out based on specific issue/problem	Potential for lack of continuity and consistency of approach
	Staff would not be loyal to County and sensitive to County culture

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Free-up Human Resources staff for other issues or for greater analysis related to HR.	Who would management go to for advice on day-to-day concerns related to this option?
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Training needs identified and programs developed	
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• **Option 3 – Status Quo**

- The current Human Resources Services Department provides a solid value added service to the County of Lambton.
- Our comparator group suggests that the County of Lambton is understaffed based on the ratios identified by one to two employees particularly in Health and Safety and general support functions
- Enhanced functionality has been developed through the Training and Development Coordinator, development of Human Resources Information System (HRIS) and development of a positive labour/employee relations culture.

• **Recommendations**

1. That the current Human Resources Department structure be maintained.
2. That further analysis be undertaken to determine if additional resources are appropriate within the Human Resources Department.

Table 3 Option 3 – Status Quo

Pros	Cons
Legislative and contractual obligations being met	This is ongoing and requires greater in-depth analysis of impact(s) to County
Positive employee culture being enhanced	Difficult and expensive to change staffing levels
In-house consulting expertise	

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	Simcoe Cty	Oxford Cty	Brantford	Nova Chemicals	Sarnia	Lambton County
Organizational Background Information						
Number of Employees	1,400	760	1,423	1,100	581	1,220
Municipality Population (if applicable)	359,277	100,000	90,000	N/A	70,876	127,000
Total Operating Budget	\$338,000,000	\$160,700,000	\$223,000,000	N/A	\$91,000,000	\$139,841,000
Number of Locations	35	6	20	1	15	48
Number of Long Term Care	4	3	0	0	0	3
Number of HR Staff	11	6	12	12 (Sarnia Area)	5	7
Number of HR Staff in Other Departments	0	0	6	OH&S not in HR	0	0
Benefits Information						
Benefits In-House or Outsourced?	In House	In House	Outsourced	Outsourced	In House	In House
Number of Benefits Divisions	12	30	26	Head Office Function	8	16
Number of Benefits Staff Members	1.5	2 HR assistants, 1 secretary	2	5	0.5	1
Labour Relations Information						
Number of Bargaining Units	11	4	10	2	5 plus 2 police associations	11
Training and Development						
Number of Training and Development Staff	1	3	2 (4 other specialists & trainers)	Done Corporately	0	1
Health and Safety						
Average Number of WSIB Claims per year	100	45	92	don't know	41	160
Number of Health and Safety Staff	1	1	3	10	1	1
Human Resources staff per 100 employees	0.786/100 Employees	0.8/100 Employees	0.84/100 Employees	1.09/100 Employees	0.86/100 Employees	0.500/100 Employees