

BUILDING WORKFORCE EXCELLENCE

A Municipal HR Strategy

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There are many difficult and challenging issues facing every municipality in Canada, not the least of which are issues relating to people. Municipalities spend much of their time and effort solving issues such as municipal infrastructure, finances, and planning for development. These are the main activities for both councils and administrators. Unless there is a major crisis like a

productivity. A successful people strategy is also key to attracting and retaining top talent – something that every municipality with aspirations of excellence needs to do to be successful.

The natural conclusion is that the better a municipality manages its human capital, the greater impact it will have in managing its resources and delivering

- ▶ manage organizational performance;
- ▶ manage people; and
- ▶ manage money.

The researchers conducted a series of interviews with municipal leaders. The focus of the research was on identifying ways to create excellence in municipal leadership practices. It is significant to

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strike or a labour shortage, HR issues rarely make it to the front seat.

Why, then, is it important to invest in human capital? A comprehensive approach to managing and growing the strengths of employees has a significant and lasting payoff. Building an excellent workforce, capable of providing a high level of service to the community is key to improving a municipality's

value to the taxpayer. As a bonus, a people strategy linked directly to the municipal strategy will increase municipal competitiveness when it comes to attracting new industries to the community.

Setting Priorities for HR

According to some recent research,¹ municipal management has identified three priorities for management:

note that two of the three priorities identified had to do with organizational performance and people.

Municipal needs relating to people included information and advice to develop effective human resource policies and to address strategic HR issues such as workforce planning, staff attraction and retention, staff development, and



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¹ Municipal Management Needs Assessment Summary Report, 2006, a research project sponsored by the Ministry of Municipal Affairs and Housing, the Association of Municipal Managers, Clerks and Treasurers of Ontario, the Municipal Finance Officers' Association and the Ontario Municipal Administrators' Association. <www.mah.gov.on.ca/Asset1250.aspx>

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performance management. Succession planning and leadership development were also identified as key HR needs.

Most municipalities are facing the same demographics as the general Canadian population. The average age is rising, and retirements are looming on the horizon. One municipality calculated that, in the next five years, 40 percent of its workforce would retire, creating a pressing need for an HR strategy to attract and retain new employees.

Where are the Human Resource Strategies?

It is obvious that, with so many pressing HR needs, every municipality needs a human resource strategy. However, very few municipalities have taken steps to develop and implement such a strategy. At a recent conference of municipal HR professionals, the question was, “How many municipalities represented here have a human resource strategy to deal with key HR issues?” Of the over 100 conference attendees, only five people raised their hands in the affirmative!

It is obvious from this kind of response that scant attention is being paid to the development of a strong and effective workforce. Perhaps it is because, traditionally, administrators have placed a low value on the work of their HR departments. With growing pressure for change, more and more municipalities are turning toward their HR departments for advice on how to build workforce bench strength.

Drivers of Change for HR

This attitude towards HR is changing, as more and more workforce issues intrude in the life of the municipal organization. Some of the more pressing workforce development issues are:

- ▶ cost of doing business – up to 80 percent of municipal costs are people-related;
- ▶ aging workforce means more retirements in the next five years;
- ▶ attraction and retention issues (who wants to work for a municipality?);
- ▶ motivation of workforce;
- ▶ technology is driving the need for new skills reflecting new ways of working; and
- ▶ increasing complexity of HR issues – pensions, benefits, diversity, etc.

What is an HR Strategy?

A human resource strategy is an overall, high-level, long-term (3-5 years) plan of action, based on the human resource priorities of the administration as expressed in the strategic plan. After all, ensuring that local government has a workforce with the right skills and motivation as a contribution to future success of the municipality is the very essence of the administration’s responsibility towards their stakeholders.

It is very appropriate to develop strategies for finance, infrastructure development, and municipal services. All of those strategies require one key ingredient – a knowledgeable and experienced workforce with excellent leadership. That key ingredient does not develop by chance. It requires the same rigorous attention as the development of an overall municipal strategy.

An HR strategy that supports the overall strategy of the municipality will enable management to put the work of the HR department into an appropriate context; to focus energy on the “people” side of the organization; to create priorities for workforce development; and to develop an excellent future.

For the human resources department, an HR strategy serves to help them:

- ▶ increase employee productivity and reduce costs;
- ▶ develop workforce priorities based on management needs and objectives;
- ▶ build a performance culture;
- ▶ make fact-based decisions; and
- ▶ become future-oriented and priority-driven.

There is no “one right way” of getting started on developing an HR strategy in your municipality. But, it does require some cultural change. First, management must understand that planning for and dealing with complex HR issues is a critical success factor. Next, an audit of human resource policies, practices, and issues will identify key areas for planning and prioritizing actions. Often, organizations use an attitude survey of staff as a key input for the planning process.

The senior executive team of the municipality must be engaged in the process. Establishing an HR committee made up of senior managers will ensure that the HR strategy clearly reflects management priorities.

Steps to Developing an HR Strategy

There are seven basic steps to the strategic planning process, and these steps can easily be adapted to the development of an HR strategy:

Step 1 – Getting Ready – Identifying the need for planning.

Step 2 – Vision and Mission – Developing a long-term vision of what an HR strategy would look like and a mission statement for HR.

Step 3 – Assess the Environment – Information gathering about key municipal priorities for people.

Step 4 – Agree on Priorities – Identifying

fying the Strengths, Weaknesses, Opportunities and Threats (SWOT analysis) concerning the human capital of the municipality and agree on priorities for action.

Step 5 – Writing the Plan – Developing a draft plan for circulation, review and adoption.

Step 6 – Implementing the Strategic Plan – Creating an annual operating plan for the human resources of the municipality, including a budget and performance measures.

Step 7 – Monitor and Evaluate – Conduct quarterly tests of performance against the plan.

Some Targets for HR Strategy

The content of an HR strategy should be carefully developed and targeted directly to the needs of the municipality. Here are some suggested areas for inclusion in a human resources strategy:

- ▶ develop a performance-based reward system;

- ▶ develop a corporate culture of excellence;
- ▶ hire the right people;
- ▶ stay ahead of the war for talent with retention strategies;
- ▶ develop “best practice” HR policies and practices;
- ▶ develop a training and development strategy; and
- ▶ grow and mentor leaders for the future.

Some Final Thoughts

Developing a strategic plan to meet your HR needs may take several years. However, it is worth doing, and building a strong and competent workforce has to rank high on the worthiness scale for thought, work and effort. The results will be a workforce ranked as one of the best in Canada.

A municipality’s human capital is a resource that can walk out the door anytime. Employees are central to the

success of the municipality. They are the ones who help create and improve the services the municipality provides. They deliver the services and interact with the taxpayers and people who do business with the organization. They work to build and enhance the municipality. Without their productive contributions, it is likely the municipality will not realize its full potential. The time to start – now! *MW*

Resources

- 1 Municipal Management Needs Assessment Summary Report – 2006 (pdf) ISBN 1-4249-1662-3.
- 2 Human Resources: What’s Your Plan? *Public Management*: Jan/Feb, 2005.
- 3 Innovations in Local Government Human Resource Systems: Observations from Several Best Practice Locations. Jerrell Cogburn, Steven Hays. *Public Administration Quarterly*: Fall 2003, p. 443.
- 4 Local government HR gets professional and strategic: Mike Berry. *Personnel Today*; Apr. 24, 2007; ABI/INFORM Global, p. 6.

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