

Staff Report

Report To: Corporate Services Committee

Report From: Bethany Chandler, Human Resources Specialist

Meeting Date: September 12, 2024

Report Code: CR-24-095

Subject: Human Resources Metrics – Recruitment and Retention

Recommendations:

THAT in consideration of Staff Report CR-24-095 respecting Human Resources Metrics – Recruitment & Retention, the Corporate Services Committee recommends that City Council receive the report for information purposes.

Highlights:

- The City continued to prioritize retaining our valued employees through the HR Strategy implementation, Service Review projects, and the Employee Engagement Survey.
- There has been an increase in the number of applications received for positions. However, the number of job offers that were declined has also increased.
- Turnover rates have decreased at the City, whereas the provincial average has continued to rise.

Strategic Plan Alignment:

[Strategic Plan](#) Priority: This report supports the delivery of Core Service.

Climate and Environmental Implications:

There are no anticipated climate or environmental impacts.

Previous Report/Authority:

[CR-23-060 Human Resources Metrics – Recruitment, Selection, and Turnover](#)

Background:

This report summarizes the City's recruitment and retention efforts in 2023 for the Corporate Services Committee.

The City's Human Resource (HR) team plays an integral role in the City's effort to attract, develop, and retain talented team members. Having a multifaceted and engaged workforce contributes to the municipality's success.

Fostering employee growth and retention leads to higher engagement and motivation, which increases employee satisfaction, creativity, and productivity. In 2023, the City finalized and began implementing an HR Strategy. The strategy identifies the priorities, objectives, and key results that will strengthen the engagement and retention of our team members while attracting talented individuals to join our organization.

In addition to the HR Strategy, the Human Resources team has been working on Service Review projects, including 1c2, 1c3, and 1c4, which encompass a Market and Pay Equity review, Benefit review, and compensation policy; and 1a1, a comprehensive onboarding program. Updates on these projects will be presented at the October Service Review Ad Hoc committee meeting.

The labour market has shifted significantly post-pandemic, and employee needs have evolved as they seek greater flexibility, career development opportunities, equitable pay, and work-life balance. Understanding the needs of its employees and turning current talent challenges into opportunities will enable the City of Owen Sound to attract and retain talent.

Analysis:

Recruitment & Selection

A core function of the Human Resources department is facilitating the recruitment and selection process by working with department managers to recruit, select, and onboard talented individuals who possess the knowledge, skills, and values that align with the City's strategic initiatives and service goals.

Ensuring the recruitment and selection process is efficient and effective is essential, as the recruitment process for a single position can take anywhere from ten (10) hours to one hundred (100) hours of HR time, depending on several factors, including if the posting is internal or external, the number of candidates that apply, how many interviews are conducted, and if additional testing or interviews are required within the selection process. This includes time from human resources staff and staff time from directors, managers, and supervisors for assistance with the recruitment process and onboarding and training new employees.

In the past few years, we have seen an increase year over year in the number of applications received for vacancies as a whole. However, the City has also seen an increase in the number of job offers declined, the number of job postings that have had to be reposted due to this, and the number of unqualified candidates. This is especially true for positions that require specific licenses, memberships, or certifications. This metric has not previously been tracked or reported, as the number of job offers declined was historically very low. In 2023, eleven job offers were rejected, with incumbents citing the amount of vacation time, wage rate, and lack of schedule flexibility as some of the reasons.

Although seasonal recalls do not require the entire recruitment process (sixteen positions for summer and eight positions for winter), a significant amount of time is still spent on the onboarding and layoff process for these employees, including drafting and sending offer letters, recall and layoff notices, payroll communication and setup, benefits and OMERS activation and deactivation, and coordination with department managers.

Recruitment Breakdown by Position Type 2019-2023

Year	Full-Time	Part-Time	Contract	Seasonal	Student	Total
2019	21	2	6	35	16	80
2020	20	4	9	38	0	71
2021	15	11	12	28	17	83
2022	33	4	25	26	13	101
2023	18	9	9	26	13	75

Retention

A convergence of factors is impacting the ability of Ontario municipalities to recruit and retain employees, including COVID-related stress and burnout, changing workplace expectations and the rise of flexible and remote work, growing competition for talent, and external factors such as housing and cost of living. Expectations for workplace culture are changing, including a desire for more flexibility in the work environment, including schedule and location, as well as flexibility in driving innovation and speeding up the pace of government. In Ontario, the cost of living is a top concern.

Overall, the turnover rates for 2023 were significantly down from those of 2022 (excluding layoffs and contracts ending). The differences in recruitment and turnover numbers can be due to several factors, including recruitment for absences, organizational movement, and restructuring.

The number one reason for employees resigning from their positions was for career advancement opportunities with other organizations. Some other reasons given that made the new opportunities more attractive were the availability of remote work, pay/benefits, location, and job security.

According to a Mercer LLC study, Canada's average voluntary turnover rate grew to 15.5% in 2023, up from 12.4% in 2022.

Even though turnover in the City has decreased since 2022, filling some positions has become more problematic. Vacancies have remained open longer than in previous years, increasing the workload of City staff to maintain service levels. This is especially true for positions that require licenses, certifications, or specific expertise, including the Engineering Technologist and Manager of Water and Wastewater that were both reposted in 2024. There are two main reasons that a position remains vacant and has to be reposted, either the posting received very few qualified applicants initially, or job offers were sent out and subsequently declined. Most of the offers that were declined in 2023 were in entry level unionized positions where the wage rate and vacation allotment are set within the collective agreement.

The City recognizes the importance of employee satisfaction in employee retention. It continues to engage employees through existing and new initiatives such as the employee engagement survey, HR strategy, employee recognition, holiday lunch, town hall meetings, and wellness day. With the employee engagement survey commencing a second round in 2024, ambassadors from each department continued to discuss action plans and

results from the previous survey in 2023. The 2024 employee engagement survey results are scheduled to be presented this fall to all Staff.

Turnover Breakdown (Excluding Layoffs, Contracts Ending)

Year	Retirement	Resignation/ Termination	Total
2019	5	14	19
2020	9	6	15
2021	4	17	21
2022	1	30	31
2023	4	13	17

Compensation Analysis & Job Evaluation

Maintaining a solid salary structure and competitive wages is imperative to attracting and retaining employees. Salary structures should be evaluated every three to five years to ensure alignment with market comparators and to retain high-performing team members.

As part of the service review projects, an entire market and pay equity review was conducted in 2024, an update from the one previously done by Ward and Uptigrove in 2018. In addition to this, the City conducts annual job evaluations with non-union, CUPE 1189-00 (Inside Workers) and CUPE 1189-01 (Outside Workers) per the collective agreements negotiated in 2021.

With the increase of declined job offers, as well as the reasons cited for an employee deciding to resign from a position with the City, it is important to review our compensation structure, keeping salary and benefits in mind. Out of the twenty-seven (27) exit interviews conducted in 2023, nine indicated pay/benefits, and seven indicated opportunities for advancement as their reason for leaving. In 2022, most employees leaving the organization indicated they had been “reasonably satisfied” with remuneration. However, this began to trend more toward dissatisfied in 2023. Other comments made during exit interviews in regard to benefits included considerations for enhancements to hearing aid coverage, vision care (including eyeglass and laser eye surgery), and massage therapy coverage, as well as the introduction of a wellness benefit.

Financial Implications:

As mentioned in previous years, the industry benchmarks for cost per hire range from \$3,000 for support roles to \$17,000 or more for management positions. Assuming part-time, contract, seasonal and student positions would be \$3,000 per hire, and full-time positions would be closer to \$17,000 per hire, the approximate cost for the City's recruitment efforts in 2023 was \$477,000. This figure is mainly a calculation of staff time from human resources and department managers to recruit, onboard, and train new incumbents and is not a reflection of funds spent to advertise or promote job postings externally. Human Resources time spent just in screening applications and conducting interviews was approximately 396 hours in 2023. This continues to have a significant impact, considering the increased difficulty of filling positions. A positive corporate culture with several employee engagement initiatives is essential for retaining top talent and increasing employee satisfaction.

Annual recruitment and selection costs are included in the yearly HR operating budget. However, the price of the increase in unqualified candidates or declined offers is hard to quantify.

Communication Strategy:

Communication through the corporate services committee and continued HR communication with staff.

Consultation:

Janet Ashfield, Manager of Human Resources

Conference Board of Canada

Mercer LLC

ROMA 2024

Attachments:

Recruitment and Retention Statistics 2023

Recommended by:

Kate Allan, Director of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Bethany Chandler at bchandler@owensound.ca or 519-376-4440 ext. 1248.