



4.5.

Human Resources Succession Management

April 6, 2020

2019 Annual Report

Auditor General of the Ville de Montréal



OBJECTIVE

Ensure that the Ville de Montréal (the City) has put in place appropriate measures aimed at the sound succession management of strategic and highly vulnerable positions to maintain the delivery of services to citizens.

RESULTS

A large number of employees will become eligible for retirement in the coming years, and both the number of voluntary departures and the turnover rate are rising. At the same time, filling positions has become more difficult due to the realities of the labour market. Since 2008, various steps have been initiated by the City to address Workforce (WF) issues. Some measures were put in place to solve the problems encountered. The most recent human resources planning process undertaken under the title “Gestion prévisionnelle des ressources humaines” (GPRH), deployed in January 2019, is an organizational priority for the director general. Its success lies in bringing together several winning conditions. In the wake of our audit work, we believe that improvements need to be made with respect to the following major elements:

- The roles and responsibilities of all stakeholders involved at every stage of the succession management process are not clearly communicated;
- The business units do not have easy and continuous access to all relevant data to perform full quality diagnoses of the state of their WF;
- Succession management is done in a reactive way when problems arise, and business units assume the costs related to the measures taken directly from their operating budget;
- The measures identified to mitigate vulnerabilities are not integrated into action plans in terms of their impact on the delivery of services and on strategic orientations, to facilitate monitoring of their implementation based on established timelines and budgets;
- There are gaps in training or information at all stages of the succession management process for all the stakeholders involved;
- To date, measurable objectives have not been established to gauge the expected benefits of the GPRH process, and no reporting mechanisms have been provided as of yet.

In addition to these results, we have formulated various recommendations for business units.

The details of these recommendations and our conclusion are outlined in our audit report presented in the following pages.

It should be stressed that business units were given the opportunity to agree to this, and we will submit their comments later.



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LIST OF ACRONYMS

| | |
|-------------|------------------------------------------------------|
| CRHA | Ordre des conseillers en ressources humaines agréés |
| GPMO | Gestion prévisionnelle de la main-d'œuvre |
| GPRH | Gestion prévisionnelle des ressources humaines |
| HR | Human Resources |
| HRM | Human Resources Management |
| OHS | Occupational Health and Safety |
| PARH | Direction partenaires d'affaires ressources humaines |
| PQMO | <i>Plan quinquennal de main-d'œuvre 2014-2018</i> |
| SIM | Service de sécurité incendie de Montréal |
| SRH | Service des ressources humaines |
| WF | Workforce |



1. BACKGROUND

In recent years, the job situation has greatly evolved. According to Statistics Canada, population aging will accelerate between 2011 and 2031, with baby boomers reaching the age of 65 during this period.¹ Again according to Statistics Canada, people aged 25 to 54 are considered to be of core working-age because of their strong attachment to the labour market. However, this age group has decreased in recent years, from 54% in 2007 to 49% in 2016. That proportion is projected to continue to decline and could even drop to 46% by 2026.² The Institut du Québec³ points out that population aging will become the main impediment to job growth in Québec. Currently, several generations make up the working population in the labour market. New generations have a different view of the labour market than that of baby boomers, and their behaviour is characterized by a desire to balance their personal and work lives. They have no hesitation in changing jobs to take advantage of better conditions and, consequently, will not necessarily work at one place until retirement.

Factors such as technological changes and the scarcity of skills in certain industry sectors also have a major impact on the labour market. Against this backdrop, organizations face real business risks today. If they fail to meet current and future Workforce (WF) needs, they run the risk of jeopardizing the achievement of their objectives.

In the case of the Ville de Montréal (the City), these factors are also of concern. For several years, the City has faced issues with WF renewal, attraction of new resources and retention of municipal employees. In 2008, the City had already assessed a significant number of anticipated departures due to retirement over a five-year period (from 2008 to 2012), i.e., 17% of permanent employees, 23% of senior managers, 20% of administrative managers and 15% of scientific professionals.⁴ These departures due to retirement represented challenges for the City and required WF transition planning, failing which the pressure on operations would risk affecting the delivery of services to citizens. Since 2008, various steps have been initiated by the City to plan WF needs for succession management. During the same period, commitments were also made and orientations taken by elected officials and the municipal administration.

¹ Population growth: migratory increase overtakes natural increase, Statistics Canada, October 9, 2014.

² The impact of aging on labour market participation rates, Statistics Canada, June 14, 2017.

³ 2018 Québec jobs report: The emergence of a divide between the metropolis and the regions.

⁴ Source: *La Gestion prévisionnelle de la main-d'œuvre à la Ville de Montréal – une pratique de gestion à introduire*, October 2008.

As a first step, in June 2008, the Direction générale and the Service du capital humain⁵ began deploying a workforce planning process titled “Gestion prévisionnelle de la main-d’œuvre” (GPMO) aimed at supporting and providing a framework for all business units to develop a *Plan de main-d’œuvre 2009-2011*. This process consisted of forecasting future WF needs and assessing the extent to which available Human Resources (HR) would be able to meet these needs. The anticipated benefits were as follows:

- Ensuring resources in sufficient numbers based on the required skills;
- Adjusting the delivery of services based on organizational and budgetary issues;
- Reducing the business risk related to vulnerabilities in the staffing structure;
- Ensuring the transfer of expertise and succession preparation.

In response, several business units developed WF plans and a certain number of corporate measures were implemented.

Second, the *Politique de dotation et de gestion de la main-d’œuvre de la Ville de Montréal* was approved by the executive committee on September 28, 2011. Under this policy, the City committed, in particular, “[...] to preparing continuity for strategic or highly vulnerable positions.” It also mentions that:

“[...] workforce planning with the purpose of identifying human resources needs to ensure the attainment of business objectives should be done in an integrated way with the annual preparation of the City’s budget. This planning takes into particular consideration departures due to retirement, the possibility of abolishing permanent positions when it is feasible to do so, and to replace resources.”

Third, in 2012, the director general at the time requested that business units undertake new WF planning for the 2012–2014 period. In response, almost all the business units developed WF plans and a certain number of measures were implemented.

Fourth, in 2014, the *Plan quinquennal de main-d’œuvre 2014-2018 (PQMO)* was introduced as a new organizational priority by the Direction générale, with the objective of improving the City’s performance. To achieve this, the objective of a net reduction of 2,200 employees was set that was to generate \$240 million in savings, or 10% of the 2013 total payroll. The aim of the PQMO was to abolish positions made vacant by resignation or retirement, e.g., one out of two vacant positions (three out of four vacant positions in the targeted units), regardless of the reason why the position became vacant. Implementation of this plan was to be gradual based on “the City’s priority commitments, the characteristics of the departments and boroughs, and the City’s decision to maintain or even develop its

⁵ Known as the Service des ressources humaines (SRH) since 2014.

internal expertise in certain strategic or key business segments.” At no time was the request made to formally end the GPMO, although it was abandoned by the business units.

A summary of the results of the PQMO produced in 2019 by the SRH reports that 1,744 positions were abolished between 2014 and 2018 out of a goal of 2,200.⁶

Finally, faced with alarming updated findings regarding staff that will be retiring in the next five years (e.g., 25% from 2018 to 2022), the increased rate of employee turnover, the rise in resignations between 2014 and 2017, and the realities of the labour market, a new HR planning process titled “Gestion prévisionnelle des ressources humaines” (GPRH) was deployed in January 2019. This process was in response to one of the 2019 organizational priorities established by the director general “*to **proactively** respond to various issues to ensure an available and qualified workforce.*” The GPRH is defined as:

“[...] a dynamic and concerted management process aimed at anticipating quantitative and qualitative needs in terms of human resources to ensure the long-term availability of the skills needed by the firm, taking into account the internal and external environment of the firm.”⁷

This process aims, in particular, to:

1. Identify the organization’s HR vulnerabilities;
2. Synthesize the cross-sectional needs of the organization;
3. Recommend appropriate strategies and implement action plans by HR managers and stakeholders.

It should be noted that the GPRH process is essentially equivalent to the GPMO, both of which are aimed at anticipating and planning HR needs over a three-year period, taking into account the internal and external environment of the City.

At the time of producing this audit report, the GPRH process was still being deployed. Diagnoses were produced by the business units in October 2019. The next step will be the preparation of action plans by the business units. Planned completion is June 2020. Note that the proposed measures will only be implemented thereafter.

⁶ PQMO 2014–2018 – Summary of Results 2018 and Cumulative Results 2014–2018, SRH, April 10, 2019.

⁷ Project charter – GPRH, January 16, 2019.

2. PURPOSE AND SCOPE OF THE AUDIT

Pursuant to the provisions of the *Cities and Towns Act*, we conducted a performance audit of the Human Resources Succession Management process. We carried out this mission in accordance with the Canadian Standard on Assurance Engagements (CSAE 3001) of the *CPA Canada Handbook – Assurance* and other Canadian assurance standards that apply to the public sector, as issued by the Auditing and Assurance Standards Board of CPA Canada.

The purpose of this audit was to ensure that the City had put in place appropriate measures aimed at the sound succession management of strategic and highly vulnerable positions, to maintain the delivery of services to citizens.

The responsibility of the Auditor General of the Ville de Montréal consists of providing a conclusion on the audit's objectives. For that purpose, we gathered sufficient and appropriate evidence to support our conclusion and gain reasonable assurance. Our evaluation is based on the criteria that we deemed valid in the circumstances. These criteria are outlined in Appendix 5.1.

The Auditor General of the Ville de Montréal applies the Canadian Standard on Quality Control (CSQC) 1 of the *CPA Canada Handbook – Assurance*. Consequently, he maintains an extensive quality control system that includes documented policies and procedures with respect to compliance with the rules of ethics, professional standards and other applicable legal and regulatory requirements. He also complies with the rules of independence as well as with the other rules of ethics of the *Code of ethics of chartered professional accountants*, which are based on the fundamental principles of integrity, professional competence and diligence, confidentiality and professional conduct.

Our audit work focused on the period from January 1, 2018, to September 30, 2019, but, for certain aspects, facts dating back prior to this time were taken in consideration. Our work was carried out primarily from May 2019 to February 2020. We also considered information that was sent to us up to April 6, 2020.

This work focused primarily on the following business units:

- Service des ressources humaines⁸;
- Service de l'évaluation foncière;
- Service de sécurité incendie de Montréal (SIM);
- Saint-Léonard borough;
- Verdun borough;
- Ville-Marie borough;
- Villeray–Saint-Michel–Parc-Extension borough.

Upon completion of our work, we submitted a draft audit report to the managers of each of the audited business units for discussion purposes. The final report was then forwarded to the management of each of the business units involved and to the director general to obtain action plans and timelines for implementing the recommendations concerning them, as well as to the acting deputy director-general of the Services institutionnels, the deputy director-general of the Service aux citoyens and the director of the Service de la concertation des arrondissements. A copy of the final report was also sent, for information purposes, to the directors of the boroughs not directly targeted by our audit work, to enable them to implement the recommendations if appropriate.

3. AUDIT RESULTS

Foreword – Succession Management

From the outset, although various terminology (GPMO, GPRH, succession planning) has been used depending on the references consulted, it is worth clarifying that succession management is a process aimed at identifying and reducing gaps between current WF resources and the future needs of the organization by implementing appropriate measures. The objective of succession management is to ensure an available and qualified WF when needed to achieve the objectives of the organization.

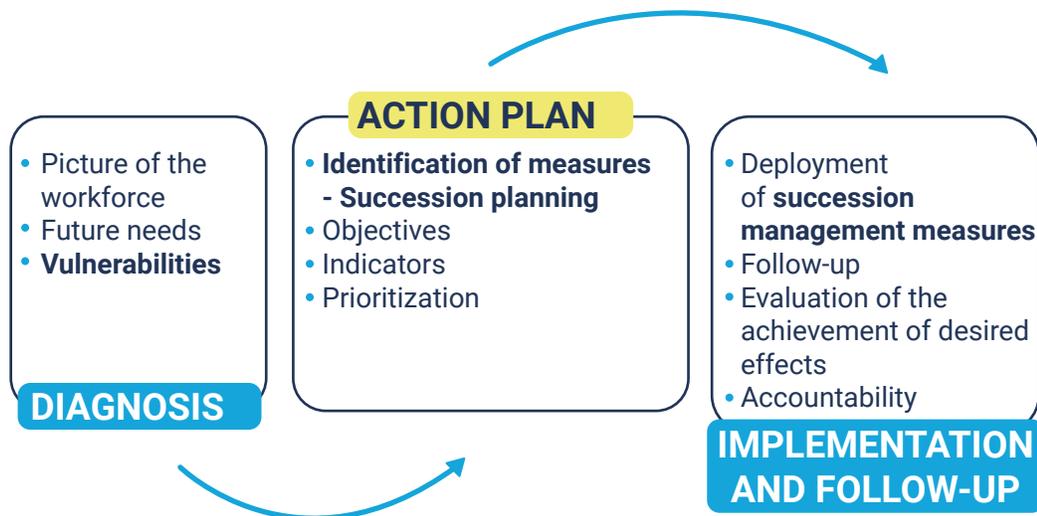
A GPRH process should apply to all staff. However, based on the orientations favoured by the organization, the decision may be made to apply the process to a single business segment, groups of specific jobs or jobs deemed to be vulnerable and key to the organization. Best practices⁹ suggest planning for a two- to five-year period.

⁸ The SRH was not audited as a business unit managing succession for its own employees but rather as the department that provides Human Resources Management (HRM) services to all the business units.

⁹ The practices of the Ordre des conseillers en ressources humaines agréés (CRHA), for example.

As illustrated in the figure below, the succession management process involves three key steps.

Figure 1 – **Succession Management Process**



A first step in succession management involves making a diagnosis of the current WF situation based on qualitative and quantitative data, identifying future needs and comparing the two findings to highlight gaps, hereinafter called “vulnerabilities.” For example, these vulnerabilities might be positions that will become vacant due to retirement, ones that require new skills because of new activities, environmental concerns, proposed technological changes or the impact of work reorganization.

Second, based on the identified vulnerabilities, measures should be planned to reduce their negative effects, thereby fostering the timely availability of a qualified WF. These measures, which refer to the various HR components shown in Figure 2, must be prioritized and integrated into an action plan. For example, measures to ensure continuity include:

- Skills training and development;
- Knowledge transfer;
- Work organization;
- Deployment of attraction and retention measures.

Finally, to support the execution of measures retained in the established action plan, follow-up mechanisms must be put in place to assess the degree to which they have been met and to report on succession management.

Figure 2 – **Relationship between Human Resources Strategies and Succession Management**¹⁰



Succession management must be integrated into other HR management strategies, including talent acquisition, performance management, skills development and training.

Best practices also highlight the vital role of management in forward workforce planning. Managers must feel responsible for developing the next generation of employees. They must also have the qualities required to evaluate performance, identify development needs and support their resources.

Effective succession management cannot be successful without the true commitment of managers at all levels of the organization, starting with senior management, failing which the organization will incur substantial costs and definite risks (e.g., a high turnover rate leading to increased WF staffing, training and mobilization efforts).

For this audit, we focused particular attention on succession management for “strategic positions” and “highly vulnerable positions,” given the City’s commitment to prepare for continuity for these types of positions in its *Politique de dotation et de gestion de la main-d’œuvre* (hereinafter the Policy), adopted by the executive committee on September 28, 2011. This also dovetails in part with one of the organizational priorities of the current director general. These positions have a significant impact on achieving objectives and organizational priorities, (e.g., strategic positions (longer to fill than technical ones), positions requiring advanced expertise and those facing WF shortages on the labour market).

¹⁰ Source: “Mise en place d’un *Programme de gestion de la relève efficace* : Trois questions cruciales,” CRHA, November 19, 2012.

3.1. Roles and Responsibilities

3.1.A. Background and Findings

A process such as succession management involves the entire municipal organization. On the one hand, business units must maintain the delivery of services based on their respective responsibilities. They also have strategic or operational objectives to attain. To do this, business units are responsible for managing WF succession to ensure that they have the necessary resources, both in number and in skills. On the other hand, succession management involves the use of HR practitioners acting as experts or advisers. In a complex organizational structure, such as that of the City, roles and responsibilities must be clearly defined and communicated to take charge of succession issues, achieve strategic objectives and maintain the delivery of services for the entire organization.

An important starting point is to present how roles and responsibilities for Human Resources Management (HRM) are shared. Under the *Charter of Ville de Montréal* (hereinafter the *Charter*), HRM powers are shared between city council, the executive committee and the borough councils. In the case of the executive committee, certain HR powers have been delegated, by way of a regulation, to the City's director general, the SRH and officials at various levels of the organization. In the case of the borough councils, each one has also delegated certain powers to officials at various levels.

During our audit work, we examined the extent to which the roles and responsibilities for succession management were defined and communicated to all the business units.

Officially Communicated Roles and Responsibilities

First, through the Policy adopted by the executive committee on September 28, 2011, the City committed, among other things, to prepare a succession for strategic or highly vulnerable positions. The current Policy defines the responsibilities of the various stakeholders involved in WF succession and staffing. The Policy also sets out the rules and parameters that guide the staffing of positions, as well as other components of WF management, such as succession, knowledge transfer and re-employment of retirees.

In terms of responsibilities, it provides for the SRH¹¹ to:

- Have corporate responsibility for applying the Policy and establishing the rules and mechanisms governing the staffing process;
- Conduct the staffing process for the business units to fill positions.

It also holds that the managers (within the business units):

- Are responsible for applying the Policy and filling positions in their administrative unit;
- Determine their WF needs and positions to be filled;
- Ensure that the requirements of the positions to be filled comply with the job descriptions and their application.

Furthermore, the *Règlement sur les services*, approved by city council in 2014, specifies that the SRH is responsible for staffing, labour relations, management support and advice, organizational development, health and wellness, and compensation and payroll management.

To fulfil these responsibilities, the department's 2019 organizational structure provides five branches. As disseminated on the SRH's intranet, four branches are designated as "centres of expertise" in their respective areas of activity. The fifth, the "Direction partenaires d'affaires ressources humaines," known as Direction PARH, has been providing services to the central departments (first-line departments), since 2016, as well as to Lachine borough. The responsibilities of the four branches that play a role of expertise (the services provided are considered to be second-line) are presented in Table 1, while those appearing in the service offer of the Direction PARH are presented in Table 2.

¹¹ At the time of approval of the Policy, the department was called the Service du capital humain.

Table 1 – **Service des ressources humaines**
Distribution of Expertise Responsibilities

| BRANCHES | RESPONSIBILITIES |
|--------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Direction de la dotation, des talents et du développement organisationnel | <ul style="list-style-type: none"> • Talent acquisition and staffing of positions • Skills assessment and development • Training • Succession management (corporate programs) • Support for organizational transformation and change management (major corporate projects) |
| Direction des relations de travail | <ul style="list-style-type: none"> • Negotiation of collective labour agreements • Interpretation of collective agreements • Implementation of collective agreements application tools • Processing of grievances and arbitration management • Training • Consulting services in remedial disciplinary or administrative management |
| Direction de la santé, de la sécurité et du mieux-être | <ul style="list-style-type: none"> • Prevention of workplace accidents • Workplace attendance management • Employee assistance program • Support for the application of the <i>Politique de respect et civilité en milieu de travail</i> |
| Direction de la rémunération globale et des systèmes d'information des ressources humaines | <ul style="list-style-type: none"> • Organizational structure and job use • Development and management of compensation and social benefits • Payroll production • Management information system |

Source: SRH intranet – information as of January 31, 2020.

Table 2 – **Service des ressources humaines**
Direction – Partenaires d'affaires des ressources humaines

RESPONSIBILITIES BASED ON THE SERVICE OFFER OF 2016

- Workforce planning:
 - Identifying and planning workforce needs;
 - Analyzing the impact of the *Plan quinquennal de main-d'œuvre 2014-2018* by unit and evaluating scenarios for maintaining or revising service offers at service branches, as support for managers;
 - Identifying positions with critical skills;
 - **Succession planning;**
 - Transfer of expertise.
- Performance management
- Skills development:
 - Supporting managers in needs analysis and **succession preparation;**
 - Organizing activities aimed at promoting career opportunities to employees for positions facing shortages and specific jobs.
- Labour relations
- Compensation management and job structure:
 - Producing the required data for managers to monitor staffing, prepare statistics related to staff movements (e.g., sick leave, the *Plan quinquennal de main-d'œuvre 2014-2018*) and other performance indicators.
- Organizational changes
- Management of returns to work and orientation of complex files

Source: SRH intranet, information as of January 31, 2020.

We found that aspects of succession management were among the responsibilities communicated by the SRH to two of its branches, but at two different levels. First of all, the Direction de la dotation, des talents et du développement organisationnel (see Table 1) is responsible for succession management for corporate programs, which addresses cross-sectional issues common to all business units (e.g., the programme des contremaîtres and the programme de formation Inspectorat, which will be covered in section 3.2.2.). Second, the service offer of the Direction PARH (see Table 2) intended for the central departments involves the planning of their WF. It goes without saying that, to provide the advertised services to the central departments, the Direction PARH can call upon the expertise of other branches of the SRH.

Roles and Responsibilities of Human Resources Practitioners Central Departments and Boroughs

To give the reader a better understanding of the context, it should be noted that, since 2016, the City's central departments have not had HR practitioners in their respective structure, following a municipal reorganization. Since that time, HR practitioners report to the SRH (Direction PARH). Their responsibilities are presented in Table 2.

In the case of the boroughs, whose areas of HR management are set out in the *Charter*, HR practitioners, reporting to each borough, provide first-line services to the managers of their administrative units (e.g., the Direction des travaux publics, the Direction des sports, des loisirs et du développement social).

In the case of the audited boroughs (with the exception of Verdun borough), our work allowed us to observe that the roles and responsibilities—for HRM and, more specifically, in terms of succession management—were not officially described and disseminated. Considering that these HR practitioners provide first-line services to managers in the same way as those of the Direction PARH mentioned previously, we might expect that their roles and responsibilities would be the same. However, without a clear description of the roles and responsibilities, the various aspects of WF management and, more specifically, of succession management appear to be dealt with in different ways by each of the boroughs. Such a situation risks creating confusion in how succession issues are handled or expectations that will not be taken into consideration. For example, borough managers might fail to communicate succession issues in a timely manner, resulting in delays in filling positions.

In the case of Verdun borough, a GPMO process was initiated by the borough director in 2017, prior to the deployment of the GPRH process. As part of this process, we found evidence that the roles and responsibilities for succession management had been defined and communicated on a local scale. To this end, a guide addressed to managers and HR practitioners was produced to ensure a common understanding of the activities to be carried out, the goals set and the expected results. The guide presents the roles and responsibilities of the borough director, the managers of the administrative units and the borough's HR practitioners for all the succession management components, including the development and implementation of a WF plan, the follow-up of planned activities and accountability.

Given that a recent GPRH process was deployed for all the business units in January 2019, we examined the extent to which the documents produced by the SRH clearly defined the roles and responsibilities for succession management. In the presentation of the process to borough directors and department managers, the SRH acts as a facilitator, providing help and advice and developing tools and support measures that have a corporate reach.

We noted that the roles and responsibilities for WF planning had been defined and communicated by the SRH in two guides addressed to borough directors and department managers, as well as to HR practitioners who perform an advisory role on the subject:

- According to the guide on how to develop a diagnosis, department managers and borough directors are responsible for anticipating their HR needs over a three-year period, based on the projected evolution of their unit's activities and their budgetary framework;
- In the other guide, which deals with developing an action plan, we note that the directors and managers were invited to think about possible approaches to take. It should be noted that the guide referred to the SRH's professional services and reference tools (e.g., a plan to transfer knowledge and expertise).

We believe that it is the responsibility of the boroughs to formally communicate, within their unit, the roles and responsibilities for succession management to the borough directors, the managers and the HR practitioners, to foster a consistent understanding and commitment by everyone involved in the process.

Responsibilities for Following Up and Reporting on Action Plans

By comparing the roles and responsibilities communicated by Verdun borough within its unit with those defined by the SRH (e.g., as expert-adviser or first-line services provided to central departments), we determined that the components related to following up and reporting on the action plans had not been clearly defined and communicated to date. We understand that the GPRH process is in its early stages and that all efforts have been deployed to produce a diagnosis and an action plan. But considering that past initiatives and the PQMO have left a negative perception in terms of anticipated results from a WF planning process, we believe that the roles and responsibilities for monitoring and reporting on the action plans should be defined and communicated to all the business units, so that the municipal administration's handling of succession issues can be demonstrated on a consistent and regular basis.

RECOMMENDATION

3.1.B. We recommend that the Service des ressources humaines formally communicate to all the business units the roles and responsibilities for following up and reporting on the action plans, to demonstrate everyone's commitment to the process and to promote the accountability of the persons involved and the achievement of the results expected from succession management.

RESPONSE

3.1.B. *The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.*

RECOMMENDATION

3.1.C. We recommend that the Saint-Léonard, Ville-Marie and Villeray–Saint-Michel–Parc-Extension boroughs formally communicate, within their unit, the roles and responsibilities for all stages of the succession management process, including planning, developing actions plans, following up and reporting, to show everyone's commitment to this process and to foster a consistent understanding within their unit.

RESPONSE

3.1.C. *The audit report was issued to the business units concerned between March 9 and 20, 2020. The business units agree with all the recommendations concerning them. The Bureau du vérificateur général has asked them to establish action plans for implementing these recommendations by June 29, 2020.*

3.2. Succession Management by the Business Units

The massive departure of hundreds of workers is cause for concern about the continuity of the business units' operations. This concern, described as a major issue in 2008, remain just as pressing today, if not more so. While the deployment of the GPRH process is under way and the benefits will not materialize immediately, the expectation is that the business units will be responsible for succession management in the interim.

Given this scenario, we focused on the succession management of “strategic positions” and “highly vulnerable positions,” to be certain that appropriate measures had been put in place to ensure an available and qualified workforce when needed to maintain the delivery of services to citizens. To do this, we examined the three steps of the Succession Management Process illustrated in Figure 1 (page 5) for each of the business units audited:

1. We first set out to confirm that a complete and up-to-date diagnosis of the WF had been performed to identify vulnerabilities;
2. We then sought to confirm that measures had been established in relation to the identified vulnerabilities and looked for them in action plans;
3. Finally, we examined whether a follow-up was done on the implementation of the proposed measures and on the assessment of their expected impact.

The results of our observations are presented in the following sections.

3.2.1. Workforce Diagnosis

3.2.1.A. Background and Findings

Succession management is a practice that requires a comprehensive view and in-depth understanding of one’s HR in which various factors, both internal and external, must be taken into consideration. To arrive at a diagnosis of their resources, business units must first establish a quantitative and qualitative picture of the current WF (e.g., turnover rate, performance level, anticipated departures (retirement), unanticipated departures, impact of absenteeism, vacant positions/ job cuts, replacement time for a position). Second, it is important to determine anticipated needs based on operational and strategic orientations (e.g., new service offer, digital transition) and environmental constraints (e.g., budget, collective agreements). Finally, gaps between future needs and available resources must be clearly identified to have a true picture of the vulnerabilities (strategic and highly vulnerable positions), coupled with timely and ongoing succession management.

With this in mind, we focused especially on two aspects, the picture of the WF and the identification of strategic and highly vulnerable positions.

3.2.1.1. Picture of the Workforce

3.2.1.1.A. Background and Findings

Establishing the picture of the WF requires collecting both quantitative data (e.g., number of staff, number of positions, date of eligibility for retirement) and qualitative data (e.g., internal performance statistics, recruitment indicators), along with a complementary set of market and operational data (e.g., WF shortage in a field of expertise, technological changes).

To do this, business units must have up-to-date data and tools to enable them to create linkages between the evolution of their operations and that of their HR, and thus be able to establish succession issues. From this perspective, we set out to determine the extent to which HR practitioners and managers had the data and tools to establish a diagnosis.

Internal Data and Statistics on the Workforce

The City has several HR computer systems, in particular for payroll management, staffing and employee administration, as well as several applications, all installed between 1970 and 1990. Among these computer tools, the infoRH application (ref.: *a data warehouse supplied by different systems and accessible only by HR practitioners*) makes it possible to view and extract data (e.g., employee information, organizational structure, i.e, by operating centres, administrative units, positions). The infoRH application also makes it possible to view postings on the Job Registry and various jobs and business unit accreditations, and to generate Occupational Health and Safety (OHS) statistical reports and some management reports (e.g., seniority list of blue collar workers, list of vacant positions).

While infoRH application allows access to information on the WF and certain reports, the HR practitioners we met pointed out that producing management reports on staff is a painstaking process. For example, to create a picture of a business unit's WF or a picture for the purpose of analyzing a given problem (e.g., number of employees on sick leave), an HR practitioner must submit a request to the system, specifying the useful fields, record the data generated on a spreadsheet (Excel) and manually sort the data computations and cross-references. The practitioners claimed that they had to generate several reports to find the causes of the identified problems.

This complexity increases the risk of errors or omissions of relevant data and calls into question the reliability of the information produced for the purposes of analysis. The HR practitioners also pointed out that they could not generate comparative pictures, since it was impossible to produce reports from an earlier period.

The practitioners we met also deplore the obsolescence of the systems that made it impossible to perform more complex analyses based on the information sought, as well as the absence of functionalities to support talent management practices (e.g., training, reference tools/grids, performance analysis, **succession**, career). These comments are seen as a barrier in several respects, with respect to succession management in continuous mode.

Because of the obsolescence of the systems and their compromised maintenance (caused by the departure of key resources and the scarcity of expertise on the market), the SRH acquired an integrated solution (Oracle) to manage all its operations. This project to replace the current systems and progressively implement the various Oracle modules is at the call for tenders stage. Full deployment is not planned until 2024. Ultimately, the implementation of such an integrated system should make it possible to carry out succession planning in an ultra-refined and optimal manner.

Since 2014, the SRH has produced a quarterly report outlining OHS indicators and statistics as another source of information available to business units. These attendance management statistics are related to the organizational priority of health, safety and wellness.¹² A model of this (Excel) report, available to HR practitioners and officers of the Direction PARH, makes it possible at any time to generate these same statistics in as detailed a manner as desired using infoRH application.

In 2017, the Direction PARH of the SRH installed a dashboard model consisting of a series of indicators, which was to be presented to the managers of the central departments. As a follow-up, data was to be manually generated in the infoRH application for each of the practitioners of the Direction PARH. The planned indicators focused on health and safety (e.g., number of accidents, frequency rate), the attendance at work (e.g., absenteeism rate), the PQMO (e.g., number of positions eliminated), labour relations (e.g., number of grievances) and WF planning (e.g., rate of vacant positions, rate of temporary positions). According to the information obtained, the production of these various dashboards have not been maintained since 2018, because they were time-consuming to produce, poorly understood by the practitioners of the Direction PARH and not used by the managers.

¹² 2019 Organizational Priorities and Targets – January 2019 – Priority 5 – “Provide a healthy and safe work environment and see to the psychological health of employees on the job.”

This same type of dashboard was also installed independently by some of the audited boroughs. In the case of Saint-Léonard borough, the HR practitioners had been manually compiling data on workplace accidents generated by infoRH application, since 2015. In December 2019, however, the borough developed an application internally to automatically generate these indicators and other relevant data on a monthly basis to facilitate the use of such data for managing OHS. This situation illustrates how the tools provided by the SRH do not always meet the needs of the boroughs.

In summary, the limited ability of the corporate systems to produce relevant management reports leads to a duplication of efforts to obtain the data and indicators needed for WF planning and runs the risk that all the data required for WF planning will not be produced and, therefore, not taken into consideration for the purposes of succession management.

In support of proper succession planning, we believe that, at the very least, key indicators for WF planning must be identified and made available to the business units, for example through a “Dashboard-type” tool. The SRH should also make certain to train the practitioners involved, so that they can use and properly interpret the data and statistics chosen for succession management.

Data on Employees Eligible for Retirement

Regarding data on employees eligible for retirement, while an approximate picture can be drawn using data generated by infoRH application (e.g., age, hiring date), this information is not always accurate, especially due to a history of changes in collective agreements (e.g., change in union accreditation by employees). As a result, the most accurate data on employees eligible for retirement is more likely to come from the Bureau de retraite.¹³ According to the information we obtained, while the dates of eligibility for retirement do not indicate that the individuals involved would effectively leave their job at a pre-determined time, they nevertheless represent a relevant indicator for assessing the scope and impact of these potential departures on operations and on the efforts to be deployed to ensure continuity.

External Indicators and Statistics (Labour Market)

We highlighted from the start that upheavals in the labour market represent external factors that influence the City’s WF planning. It is expected, therefore, that the business units would take these impacts into consideration in their planning.

However although the processes deployed historically by the SRH (the GPMO and the GPRH) stated that external factors should be considered in diagnosing the WF, these were not identified, quantified and made available to the business units

¹³ At the request of the SRH, the Bureau des régimes de retraite de Montréal, which is responsible for managing pensions and participants’ files, produces a picture of all the City’s active staff with the corresponding dates of eligibility for retirement.

to encourage proper planning for their WF needs. Consequently, there is a risk that the business units will take an intuitive or inadequate approach when considering the impact of the labour market on the management of their WF or simply not consider it at all. Following our analysis of the situation and discussions with several managers responsible for succession in their business units, this consideration should instead be based on an exhaustive analysis of relevant and influential data on their operations.

In summary, in the context where the expected benefits of implementing the Oracle integrated system are not forecasted to occur for several years, we believe that it is vital to take the necessary means to ensure the continuous availability of the data and statistics required to perform a WF diagnosis. This requirement is directly tied to the fact that succession management is a major issue and that the administration made it a priority for 2019 and 2020. We also believe that the business units should, on an ongoing basis, be able to draw a picture that reflects reality in terms of the evolution of their staff in order to foster proper succession planning and management.

RECOMMENDATION

3.2.1.1.B. We recommend that the Service des ressources humaines, while awaiting the full deployment of the new Oracle system, make available to the business units the means to have a continuous detailed picture of their workforce and all the relevant data (internal and external data) to perform a complete quality diagnosis with a view to succession management.

RESPONSE

3.2.1.1.B. *The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.*

RECOMMENDATION

3.2.1.1.C. We recommend that the Service des ressources humaines ensure that all stakeholders involved in the succession management process be properly trained in using and interpreting the available data and statistics, to encourage continuous succession management.

RESPONSE

3.2.1.1.C. *The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.*

3.2.1.2. Identification of Strategic and Highly Vulnerable Positions

3.2.1.2.A. Background and Findings

Picture of Vulnerabilities (Prior to the “Gestion prévisionnelle des ressources humaines” Process)

Notwithstanding the limitations we found in terms of accessing relevant data and statistics, the business units are expected to have a picture of “strategic positions” and “highly vulnerable positions” in conjunction with the City’s commitment stated in the Policy, due to their impact on the delivery of services. We therefore sought to examine the extent to which these vulnerabilities had been identified by the audited business units.

At the time of the GPMO process (2009–2011), it was established that key positions had a decisive influence on operational activities or strategic objectives. According to this process, any position identified as key or influential should be considered vulnerable, since the departure of the job holder could be problematic due to either a WF shortage on the job market, the requirement for lengthy on-the-job learning or the impact of this position on the strategic choices of the borough or central department where it is located.

It was further established that the level of vulnerability of positions was also associated with the availability of replacement staff (e.g., low level: potential succession readiness; medium level: potential succession to be developed; and high level: no succession).

While the GPMO, initiated in 2008, required that vulnerability studies be carried out within each business unit and that the process towards producing the *Plan de main-d'oeuvre 2012-2014* guide the thinking based on “highly vulnerable business segments, jobs and positions,” we found that these practices had been abandoned by most of the business units. The practitioners we met claimed that this situation was justified by the introduction of the PQMO in 2014, a priority of the Direction générale at the time, which overrode the GPMO begun in 2008. In our opinion, the GPMO should have been maintained, especially with major staff reductions planned over five years. This was all the more important since the PQMO specified that positions had to be abolished, given the City's decision to maintain or even develop its internal expertise in certain strategic or sensitive sectors of activity.

Despite this context, we asked the audited business units whether they had a complete and up-to-date picture of the “strategic positions” and “highly vulnerable positions.” The analysis of the information obtained revealed that, with the exception of Verdun borough, all the business units audited and the SRH lacked a complete and up-to-date picture of strategic and highly vulnerable positions.

Regarding Verdun borough, which continued this practice, we found evidence that a diagnosis had been done to implement a *Plan de main-d'oeuvre 2017-2021*. It should be added that the Service de l'évaluation foncière performed a documented analysis of succession issues that would impact its operations.

In the other business units, the managers and HR practitioners we met claimed, nevertheless, that they knew the WF issues and that the diagnosis was done informally.

Notwithstanding these claims, identifying vulnerabilities informally, in silos and using inconsistent practices presents a risk that the succession issues will not be identified in a concerted and proactive way. We believe that, during this period, a formal diagnosis should have been performed to provide the business units and, ultimately, the Direction générale with a comprehensive picture of succession issues that put the delivery of services at risk.

Picture of Vulnerabilities (Gestion prévisionnelle des ressources humaines Process)

At this stage of our report, it is appropriate to describe the recent diagnosis made as part of the GPRH process. As outlined in the project timeline (see Appendix 5.2.), at the conclusion of the first step in the GPRH process, business units produced diagnoses of their respective WF in October 2019. On the basis of these diagnoses, the SRH is currently producing a diagnosis of the entire WF for the City.

We understand that the process is being deployed, but beyond what was asked of the business units by the SRH, we are concerned about the various aspects that, according to us, have an impact on the identification of vulnerabilities by the business units and will ultimately have consequences for the results of the process.

Definition of Vulnerabilities and Related Terminology

We first observed general confusion regarding the definition and understanding of the concepts of vulnerabilities related to certain targeted positions. While the terminology historically used¹⁴ in vulnerability studies referred to strategic or highly vulnerable “positions” or “jobs,” we found that the recent diagnosis requested by the SRH focused instead on identifying “vulnerable areas.” This inconsistency in the terminology historically used to designate WF issues surely contributes to the general confusion felt by the stakeholders. This also shows that the definition of these concepts are not clearly defined or known by all the practitioners involved.

Unlike the GPMO, the GPRH does not put forward any clear definitions or criteria upon which business units can rely to properly designate “strategic positions” or “highly vulnerable positions.” It would have been preferable for the GPRH to provide criteria and weight factors,¹⁵ i.e., a common reference to facilitate and encourage a consistent diagnosis of vulnerabilities across the City, in addition to the various avenues of thought about vulnerabilities.

Degree of Accuracy of the Diagnosis

With a view to making a diagnosis and implementing cross-sectional measures, the SRH set out to obtain a broad picture of “vulnerable areas,”¹⁶ thereby encouraging business units to undertake analyses at the job level. All the HR practitioners we met felt, however, that such an analysis was too broad to provide a proper and complete identification of WF issues. Instead, they favoured a more granular level of analysis, at the position level.

Given that the GPRH process had a dual purpose (cross-sectional measures and local measures), we believe that the appropriate diagnosis would have been on two levels, specific to the business units, if required, and broader for the SRH.

¹⁴ GPMO (2008): Vulnerability study (for vulnerable positions and jobs).

Policy (2011): Strategic and highly vulnerable positions.

PMO Guide (2012): Highly vulnerable business segments, jobs and positions.

¹⁵ GPMO – Degree of vulnerability:

- LOW: Succession potentially ready, requires less than six months on-the-job learning;
- MEDIUM: Potential succession to be identified and developed, requires more than six months on-the-job learning, mid-level investment to implement a solution;
- HIGH: No presumed succession due to the scarcity or lack of non-competitive employment conditions, the need for lengthy on-the-job learning or a high-level investment to implement a solution.

¹⁶ Areas of vulnerability: imbalance between current resources and future needs that could compromise operations.

Scope of the Diagnosis

The City's staff is made up of a significant proportion of temporary workers (25%).¹⁷ The process proposed by the Direction générale looked at permanent employees and a portion of temporary employees. In fact seasonal workers, who represent nearly half of the temporary employees, were excluded from the data provided to the business units. Given their staffing structures, however, some business units expanded their diagnoses to include all staff. This was true of Ville-Marie borough, for example, which deemed it necessary to include these staff members to ensure a quality diagnosis and an appropriate action plan. As a result, although a picture was provided by the SRH, the borough had to redraw the detailed list of all its staff and positions by manipulating the data extracted from infoRH application, thereby multiplying the efforts of the users involved in the process. Based on the comments received, this was counterproductive. We believe, therefore, that all temporary staff who are involved for the most part in direct delivery of services to citizens should also have been considered in the GPRH process, not only because of their significant proportion but also because of the sizeable proportion of resignations they represent. According to the information we received, temporary employees represent 70% of resignations.

Indicators Provided

Furthermore, the indicators¹⁸ provided for the GPRH process were somewhat limited—six, two of which included 2019 targets (absentee rate due to illness and OHS frequency rate)—and gave an overall picture for each business unit. A breakdown by management and accreditation would have helped identify local issues (e.g., for a given business unit or job), something that was not possible with overall statistics. Some business units did so, with considerable effort, by making the data extracted from infoRH application representative and relevant to the picture provided by the SRH. In the case of other business units, the diagnoses were simply limited to the data provided, running the risk that problems would not be identified.

Limiting the scope of the data and indicators to be analyzed in this way was deemed more appropriate by the SRH to simplify the initial diagnosis.

To encourage the business units to perform quality diagnoses, we believe that it would have been relevant and even preferable to consider the option of a detailed analysis based on a more complete picture, identification of all the vulnerabilities and provision of relevant and detailed indicators.

¹⁷ 25% of the City's employees are "temporary," the majority of whom (89%) are white collar and blue collar workers, and 73% of these work in the boroughs. (Source: Vision et Stratégies RH – Employeur de choix 2025).

¹⁸ General HR statistics – GPRH: Rate of sick leave, rate of absenteeism, rate of OHS frequency, rate of voluntary turnover, rate of vacant positions, number of resignations (2018).

In summary, because of the many internal and external factors that need to be considered and the absence of clearly defined terminology and criteria to identify vulnerabilities, each business unit's diagnosis risks not being representative of the actual situation. This will have consequences on the quality of the local and corporate action plans that will be developed later.

Ability and Expertise of Practitioners

During interviews conducted with HR practitioners in the boroughs and within the Direction PARH, issues related to the expertise of resources in succession management were raised. More specifically, the HR practitioners in the boroughs stated that they had only general knowledge of succession management and did not always know whom to turn to at the SRH to find the required expertise. They also said that they were unable to guide managers in operational planning and strategic thinking exercise. We believe that these concerns warrant more in-depth analysis since existing conditions are not ideal to encourage them to take responsibility for succession management and its maintenance. As mentioned previously, the recent guide of the GPRH – Action Plan refers to the professional services and reference tools available from the SRH. However, HR practitioners did not seem to be fully informed about the professional services and tools available to them. We believe that means should be taken to improve the competency of HR practitioners regarding succession management so that they are able to fulfill the responsibilities expected of them. Furthermore, we also believe that the SRH should plan information sessions to raise awareness about the services that are available from them as a centre of expertise.

RECOMMENDATION

3.2.1.2.B. We recommend that the Service des ressources humaines establish a standardized terminology to be used to identify vulnerabilities, as well as criteria to help assess vulnerabilities, and communicate these formally to all the stakeholders involved, so that the business units can properly and consistently identify succession issues for all of Ville de Montréal.

RESPONSE

3.2.1.2.B. *The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.*

RECOMMENDATION

3.2.1.2.C. We recommend that the Service des ressources humaines include, in its guidelines for producing future diagnoses, the possibility for business units to perform a more detailed analysis and that it provide them with relevant and detailed indicators to ensure adequate support for a quality diagnosis.

RESPONSE

3.2.1.2.C. *The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.*

RECOMMENDATION

3.2.1.2.D. We recommend that the Service des ressources humaines take the necessary means to improve the succession management skills of the human resources practitioners who provide first-line services to managers in all the business units, so that they can fully discharge their duties.

RESPONSE

3.2.1.2.D. *The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.*

RECOMMENDATION

3.2.1.2.E. We recommend that the Service des ressources humaines plan information sessions for the human resources practitioners who provide first-line services to managers of all the business units, to raise awareness of the expertise services available to help them better equip themselves to fulfill the responsibilities expected of them.

RESPONSE

3.2.1.2.E. *The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.*

3.2.2. Measures and Action Plans

3.2.2.A. Background and Findings

As a second step in succession planning, the expectation is that measures will be identified to reduce the vulnerabilities mentioned in the HR diagnosis stage and that these will be integrated into an action plan. According to best practices, these measures should be planned and complementary. For example, measures can involve recruitment, training, skills development, and total compensation.

To this end, we looked at whether measures aimed at addressing succession issues had been established regarding the vulnerabilities identified, and whether they were found in action plans.

At this stage, our findings highlighted major shortcomings in HR succession management, in particular the lack of a comprehensive picture of succession issues and the absence of a forecasting culture. These findings are also valid for the Direction générale, which has no comprehensive picture of succession issues nor any action plan to address them. With the exception of Verdun borough and the Service de l'évaluation foncière, we found a general absence of any action plan to address succession issues within the audited business units.

In fact, the Verdun borough has maintained a practice of GPMO succession management since 2017, based on which actions are integrated into an action plan with timelines. The Service de l'évaluation foncière produced an action plan in 2018 to meet identified succession issues. It includes definitions of targeted impacts and measures planned to address them.

We noted that the absence of planned approach and action plans has prevented the other audited business units from having a comprehensive view of the measures to be implemented, prioritizing them based on their impact on the delivery of services and planning a realistic timeline. We believe, however, that the business units must develop such a system to draw up the proposed action plans for June 2020, within the framework of the GPRH, to protect their service delivery from the consequences of inadequate succession management (e.g., loss of expertise, key positions that remain vacant, unqualified staff).

In general, we found that succession management was carried out reactively to solve problems as they arise, instead of being planned and complementary based on best practices, to increase the collective effectiveness of succession management. The current system means that, if structured measures are implemented within a business unit for a given branch, they are not extended to other branches that could also be facing this same issue.

On the other hand, it is important to specify that the audited business units, with the exception of Verdun borough and the Service de l'évaluation foncière, claim to have implemented sporadic measures in recent years whenever succession problems arose. The SRH, for instance, which is responsible for establishing cross-sectional issues, put in place some corporate programs that the business units benefit from.

Regardless of whether the measures were integrated or not into an action plan, we sought to obtain proof that they had been put in place, without conducting a full audit. It should be noted that local measures were established within each of the audited business units, as well as cross-sectional measures established by the SRH and deployed throughout the City. These will be described in detail below.

Local Measures – Business Units

Local measures are the result of joint thinking by HR practitioners and managers about succession issues identified. In particular, these are:

- **Letters of Agreement:** Various agreements reached between Ville-Marie borough and the union of blue collar workers (between 2013 and 2016) with the primary objective of stabilizing positions and staff attached to various public works activities deemed to be critical to maintaining the delivery of services (e.g., the position of Class 1 and Class 3 drivers, roadwork) provide mechanisms for transferring learning and skills development to maintain the quality of operations and to plan the succession for subsequent years following the retirement or other movements of the WF.
- **Skills Management Program** (the SIM since 2016): The plan, put in place in 2016 in one of the SIM's branches, is aimed at identifying and evaluating potential employees for management positions, as well as developing the skills of potential employees identified in order to ensure succession for senior and management positions.
- **Work Reorganization:** This measure is best illustrated by the creation of public works teams with various areas of expertise within Ville-Marie borough (e.g., water and sewer, paving work) to encourage the development of expertise and have pools of skills to ensure succession. Also, Verdun borough has conducted various re-assessments of positions to properly plan the succession resulting from anticipated departures due to retirement.
- **Transfer of Critical Job Skills:** Knowledge transfer, a measure put in place by the SIM and Saint-Léonard, Verdun and Villeray–Saint-Michel–Parc-Extension boroughs, is primarily aimed at positions involving expertise deemed to be critical or whose level of complexity is high (e.g., borough director).

- **Structural Reorganization:** In 2017, the Service de l'évaluation foncière undertook a review of the structure and organization of work (e.g., job descriptions) in one of its branches, to mitigate the vulnerability of its operations in the face of a succession issue involving certain critical positions (e.g., commercial appraisers).
- **Salary Reclassifications:** Ville-Marie borough is considered key (in recognition of its "Downtown" status) largely because of its complexity and traffic density. Given that its public works operations are more complex, steps were taken to recognize additional salary grades to encourage the retention and mobilization of senior management positions.

We also found that succession management for the SIM is not carried out by the practitioners of the SRH's Direction PARH but rather by a second-line practitioner responsible for implementing talent development measures for one of this Department's branches.

Cross-Sectional Measures – Service des ressources humaines

Stemming from the GPMO, three cross-sectional measures were deployed by the SRH to ensure the succession of management positions and jobs in various areas of expertise common to the boroughs or specific to the business units. It should be noted that the cross-sectional measures put in place by the SRH required a considerable investment of time and resources and involved a considerable number of stakeholders at all levels. These support measures are, as follows:

- **Programme de formation Inspectorat:** To address major recruitment and staff retention problems, this program (in effect since 2018) is aimed at developing and supporting inspection skills, featuring a structured and harmonized practice in which inspectors have a common understanding of their role, common standards and effective strategies.

- **Programme de développement des compétences de gestion:**

This program, put in place in 2013, and developed and administered in collaboration with the École nationale d'administration publique (ÉNAP), is aimed at developing the skills enshrined in the "*Profil de compétences génériques de gestion de la Ville de Montréal.*"¹⁹ It is intended for managers. The training covers the following practices:

- Manager Selection;
- Management Skills Development;
- Performance Management;
- Succession Management.

On this subject, while succession management training targets managers, it does not specifically deal with succession planning. For example, matching the needs and talents of the organization, developing employability or managing talents are not the subject of this training. Furthermore, based on the information obtained, this development program is not intended for all the City's managers.

We believe that the succession management component should be developed more specifically and be addressed to all managers, given the importance of their role in the GPRH process.

- **Programme des contremaîtres:** A training and development program specific to the work of foreman was put in place to address the issues of this now critical position, in particular due to major issues (e.g., difficulty attracting, recruiting and retaining people for these positions, as well as gaps in the level of training of the current foremen).

It should be noted that the SRH's *Programme des contremaîtres* is considered by the various stakeholders we met as an excellent initiative that they hope will be broadened to other types of jobs.

We also found that online guides had been made available to managers and HR practitioners. These deal in particular with mentoring, support, integration and professional development.

The practitioners we met deplored not knowing about all the tools that were available to them and that access to a guide was insufficient to ensure the implementation of proper measures to address succession issues.

In an organization the size of the City's, which includes approximately 2,000 managers, it is necessary for everyone to have the skills needed to ensure the succession management of their business unit.

¹⁹ The profile of the City's generic management skills, considered essential, are aligned with the organizational challenges and values of the City, as well as with the expected role of managers within their teams. These include:

- Basic management skills: coordinating the daily work of the teams;
- Complexity management skills: acting as a liaison between orientations and operational issues;
- Strategic management skills: defining and deploying organizational orientations.

We should also mention that the SRH reached a framework agreement for professional services with an outside firm, offering the possibility for managers to be guided through WF management actions (e.g., group support, team development and a plan to transfer knowledge and expertise). Taking advantage of such services requires prior identification of a succession issue (e.g., the transfer of expertise from key resources before their retirement) and includes costs that must be covered by the business units in their budget.

In summary, measures addressing succession problems within the City are not part of a comprehensive and permanent strategy because they are ad hoc. Some stakeholders that we met claimed that the WF diagnosis they performed as part of the GPRH (in October 2019) showed that some vulnerabilities had persisted since the GPMO. Under these circumstances, it is fair to have doubts regarding the comprehensiveness of the measures put in place in recent years by the audited business units to take responsibility for all succession issues, or to question the lack of follow-up. The SRH claims that, because of the lacklustre performance of HR planning within the City, there were major losses and organizational inefficiencies (e.g., the departure of key resources, the absence of any transfer of knowledge and expertise, the reduction of an available qualified WF) that currently require considerable effort to catch up.

Means of Ensuring the Measures are Followed Up

To be able to eventually follow up the proposed measures, certain methods must be established beforehand, where applicable:

- A designated person in charge;
- A timeline;
- The targeted objective or impact;
- The required budgets.

We set out to determine whether such methods had been put in place, and whether the impact targeted by measures developed by the audited business units and the SRH were clearly identified and assessed in terms of efficiency and effectiveness.

In general, we found that the methods used to follow up on the implementation of the measures were not systematically provided for all the measures put in place within the audited business units. This situation includes the following risks:

- That the effect targeted by the deployed measures will not be achieved;
- That the measures will not be deployed due to a lack of budgeted funds;
- That a follow-up will not be done due to the lack of a designated person in charge.

While the practitioners we met claimed that they were able to see the effect of the measures deployed on their operations and to make adjustments when necessary, we believe that the business units (local action plan), as well as the SRH (corporate action plan), should determine the objectives as soon as the measures are chosen, acquire indicators to enable them to perform a proper follow-up and assess the extent to which the targeted effects have been attained, in order to bring appropriate corrective action when required. Ultimately, these indicators will enable managers to inform the Direction générale of the implementation of their action plans for the succession management of their HR.

Generally speaking, based on the information we obtained, up to now the business units have met the costs related to measures deployed for succession management out of their operating budget. Given the scope and importance of succession planning, the considerable efforts that must be expended and coordinated at both the local and cross-sectional levels require that the financial resources needed be evaluated and budgeted. To assure implementation and follow-up of the measures chosen, we believe that it is necessary for the required budgets to be provided for in the (local and cross-sectional) action plans of all the business units.

Action Plan – “Gestion prévisionnelle des ressources humaines”

Within the framework of the GPRH process, begun in January 2019 as a result of diagnoses made in October 2019, business units are expected to develop action plans by June 2020. According to the guide produced by the SRH, the objective regarding identified vulnerabilities must be limited, and the measures identified. These measures must include a realistic timeline and cost estimate. Such a process requires that the business units prioritize actions and plan for their management and budget. We strongly encourage this practice.

In the interim, based on the information we obtained, the process provides for neither the validation of the measures set out in the action plans nor the validation of the diagnoses performed. Given that succession management within the City is more reactive and that HR practitioners insist that they are not sufficiently equipped to properly support management, SRH guidance (validation by the SRH) is vital. In particular, support is needed to ensure that the action plans expected for June 2020 (the GPRH) match up with the identified succession issues.

We also believe that the deployment of measures (local and cross-sectional) should be prioritized to ensure identified vulnerabilities are dealt with. In addition, this implementation should be followed up, and methods used to assess the measures' effectiveness should be established so that the appropriate corrective actions are taken and, potentially, reported.

RECOMMENDATION

3.2.2.B. We recommend that the Service des ressources humaines provide all managers with training to develop succession management skills, so that they can take proper responsibility for the succession issues in their respective business units.

RESPONSE

3.2.2.B. *The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.*

RECOMMENDATION

3.2.2.C. We recommend that Saint-Léonard, Ville-Marie and Villeray–Saint-Michel–Parc-Extension boroughs, the Service de l'évaluation foncière and the Service de sécurité incendie de Montréal establish succession management action plans that address the issues previously identified in their diagnoses and in which measures will be prioritized based on their impact on the delivery of services and strategic orientations, and realistic timelines and a budget will be established to facilitate the follow-up of their implementation and, possibly, to report on them to the decision makers.

RESPONSE

3.2.2.C. *The audit report was issued to the business units concerned between March 9 and 20, 2020. The business units agree with all the recommendations concerning them. The Bureau du vérificateur général has asked them to establish action plans for implementing these recommendations by June 29, 2020.*

RECOMMENDATION

3.2.2.D. We recommend that the Direction générale prioritize the corporate actions that must be put forward and allocate the necessary budgets to both the Service des ressources humaines and the central departments, to enable them to implement the measures determined to ensure succession management and foster the attainment of the expected benefits.

RESPONSE

3.2.2.D. *The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.*

RECOMMENDATION

3.2.2.E. We recommend that Saint-Léonard, Verdun, Ville-Marie and Villeray–Saint-Michel–Parc-Extension boroughs allocate the necessary budgets to implement the succession management measures determined, in order to foster the attainment of the expected benefits.

RESPONSE

3.2.2.E. *The audit report was issued to the business units concerned between March 9 and 20, 2020. The business units agree with all the recommendations concerning them. The Bureau du vérificateur général has asked them to establish action plans for implementing these recommendations by June 29, 2020.*

3.2.3. Follow-Up of Measures

3.2.3.A. Background and Findings

Following up on the implementation and benefits of the measures deployed is essential to enable managers to evaluate the progress achieved and to realign the action plans, if necessary, to ensure that the overall succession of their business units is effectively managed. To this end, mechanisms that provide this follow-up must be put in place (e.g., regular meetings, periodic reviews).

With this in mind, we sought to determine whether follow-up mechanisms, an essential component of good management, were in place in the audited business units.

It should be noted that methods that enable measures to be followed up (e.g., targeted effects, budget, timeline) are not systematically provided within the audited business units. As a result, we generally found that mechanisms to follow up on the measures deployed were not planned by all the audited business units. However, we observed the following elements:

- Verdun borough made provision in its methodology for implementation of a follow-up process to gauge the state of progress of the *Plan de gestion prévisionnelle de la main- d'oeuvre* by the Division des ressources humaines, financières et informationnelle. It also asserted that the follow-up of the action plan was the subject of management committee discussions;
- To ensure follow-up of talent development measures in one of the SIM's branches, the HR practitioner (second-line SRH) responsible for their implementation conducts a documented follow-up of their progress and observed benefits;
- The Service de l'évaluation foncière produces an annual report titled "Bilan et perspective" that provides a status on the progress of planned actions and observed benefits regarding HR issues.

As for the cross-sectional measures deployed by the SRH, since these are ongoing measures involving different stakeholders, it is the Direction de la dotation, des talents et du développement organisationnel that is responsible for maintaining them (e.g., the *Programme des contremaîtres*).

Regarding the recent deployed GPRH process, we observed that it does not provide for mechanisms to follow up the action plans that will be developed by the business units. To encourage taking proper responsibility for succession issues and applying appropriate corrective actions when required, we believe that follow-up mechanisms must be established for each business unit's *Plan d'action local* and for the SRH's *Plan d'action transversal*.

RECOMMENDATION

3.2.3.B. We recommend that Saint-Léonard, Verdun, Ville-Marie and Villeray–Saint-Michel–Parc-Extension boroughs, as well as the Service de l'évaluation foncière, the Service de sécurité incendie de Montréal and the Service des ressources humaines, put in place mechanisms to follow-up the succession management action plans, to evaluate whether the targeted effects have been achieved and to apply appropriate corrective action when required to ensure proper succession management of strategic and highly vulnerable positions.

RESPONSE

3.2.3.B. *The audit report was issued to the business units concerned between March 9 and 20, 2020. The business units agree with all the recommendations concerning them. The Bureau du vérificateur général has asked them to establish action plans for implementing these recommendations by June 29, 2020.*

3.3. Accountability

3.3.A. Background and Findings

When a business unit implements the orientations of the municipal administration, it must follow their progress, periodically evaluate them and report on them. Reporting mechanisms must be put in place within the structure so that informed decisions are being taken in a timely manner.

With this in mind, therefore, we looked at whether formal reporting mechanisms had been put in place to properly inform decision makers of the effectiveness of the succession management measures implemented. We examined the existence of reporting mechanisms on succession management within the business units and to the director general.

First, in the case of the audited business units (with the exception of Verdun borough and the SRH), based on the information obtained from the persons we met or contacted, there was verbal reporting to the senior management committee on the proposed measures to solve problems specific to succession.

In the case of Verdun borough, the GPMO process initiated in 2017 is included in its strategic plan (2015–2025). Within the framework of this plan, mechanisms for annual reporting to elected officials are provided, especially to follow up on implementation of the GPMO (2017–2019) action plan.

It should also be noted that, as part of the GPRH process initiated in 2019, all the audited business units produced the first deliverable requested by the director general, their HR diagnoses, in October 2019. According to this process, the second deliverable to be produced (for June 2020) will be a *Plan d'action local* in line with

the diagnoses they produced. As part of this process, the SRH was required to report to the director general on the progress of the GPRH project. The SRH will also have to produce a first deliverable, i.e., the picture of the City's WF, and a second deliverable, i.e., recommendations on the implementation of structural projects over a three- to five-year timeline. In the first case, the SRH is currently working on a document that should be presented to the director general. The second deliverable will be completed only after the action plans are received by the director general.

In previous processes (the 2009–2011 and 2012–2014 GPMO) prior to this GPRH process, reporting mechanisms were also put in place within the business units involved. Each of the business units was required to produce a WF plan using the planned methodology. A WF plan for the City with a focus on succession management was produced by the SRH for the director general since he is the driving force behind this process.

While the GPRH process is under way, we observed that reporting mechanisms on the implementation of the measures that will be retained to mitigate the vulnerabilities diagnosed have not been planned to date. We believe that such mechanisms should be provided for at the business unit level to report on the extent to which the objectives envisioned in their action plan have been achieved.

It is important, however, not to lose sight of the fact that, at the time that the GPRH process was undertaken, the anticipated benefits were to:

- Ensure an available and qualified workforce;
- Anticipate retirements;
- Reduce the business risk related to workforce vulnerabilities;
- Plan the succession and anticipated recruitment;
- Foster the development and transfer of expertise.

These objectives are not formulated in measurable terms and, as a result, it will be difficult to assess the adequacy of the results that will be achieved. We believe, therefore, that measurable objectives related to expected benefits should be established beforehand. Performance indicators must also be identified to measure the extent to which these objectives have been achieved. In our opinion, this exercise should be done at both the local level and the corporate level. Thereafter, reporting mechanisms should make it possible to inform the municipal administration of the extent to which the objectives have been achieved so that informed decisions can be made.

RECOMMENDATION

3.3.B. We recommend that the Direction générale, in collaboration with the Service des ressources humaines, establish measurable objectives to evaluate whether the expected benefits have been attained under the “Gestion prévisionnelle des ressources humaines” process and to put in place reporting mechanisms to facilitate informed decision-making.

RESPONSE

3.3.B. *The audit report was issued to the business units concerned between March 9 and 20, 2020. The business units agree with all the recommendations concerning them. The Bureau du vérificateur général has asked them to establish action plans for implementing these recommendations by June 29, 2020.*

RECOMMENDATION

3.3.C. We recommend that Saint-Léonard, Verdun, Ville-Marie and Villeray–Saint-Michel–Parc-Extension boroughs put in place reporting mechanisms to demonstrate the effectiveness of the “Gestion prévisionnelle des ressources humaines” process and measures deployed, in order to facilitate informed decision-making.

RESPONSE

3.3.C. *The audit report was issued to the business units concerned between March 9 and 20, 2020. The business units agree with all the recommendations concerning them. The Bureau du vérificateur général has asked them to establish action plans for implementing these recommendations by June 29, 2020.*

3.4. Sustainability of the Gestion prévisionnelle des ressources humaines Process

3.4.A. Background and Findings

As mentioned in the introduction, a great number of employees will be eligible to retire in the coming years, and the number of voluntary departures is on the rise. The City has become less attractive. At the same time, filling positions has become more difficult because of the realities of the labour market (e.g., aging of the working population, volatility of employees). The City is exposed, therefore, to the loss of expertise that can have major repercussions on operations. This represents costs to the City.

Given this situation, which is unfavourable to staffing, WF planning becomes more and more essential and important to facilitate the implementation of the strategic plan, the achievement of operational objectives and the delivery of services that

citizens expect. As mentioned previously, managers are called upon within all the business units to assume responsibility for the delivery of services. They are the ones who identify WF needs. HR specialists are also called upon as experts or in an advisory role. In short, many resources are involved at all stages of the succession management process and all must work collaboratively to achieve the objectives.

The current GPRH process was initiated by the director general, as were the other previous processes. In this case, the GPRH process is an organizational priority and all department managers and borough directors are committed to collaborating in achieving the requested deliverables as part of their performance evaluation.

This approach seems to have functioned well, since at the time of our audit work, all the diagnoses had been forwarded to the director general by the scheduled date. The next deliverable, i.e., the action plans, is expected in June 2020.

For the GPRH process to achieve the expected results in the long term and for everyone's contributions to meet expectations, we believe that the process must be ongoing and that the administrative frameworks must reflect this. We found that the only administrative framework approved by the executive committee is the *Politique de dotation et de gestion de la main-d'œuvre*, adopted in 2011. Given the importance of the succession management process, we believe that this Policy, currently in effect, must cover all aspects of succession management, including accountability. Failing that, it should be updated.

RECOMMENDATION

3.4.B. We recommend that the Direction générale ensure that the *Politique de dotation et de gestion de la main-d'œuvre*, adopted by the executive committee on September 28, 2011, cover all aspects of succession management and, if necessary, that it be updated to foster sound succession management aimed at supporting the delivery of services offered to the public and the achievement of strategic objectives.

RESPONSE

3.4.B. The audit report was issued to the business unit concerned between March 9 and 20, 2020. The business unit agrees with the recommendation. The Bureau du vérificateur général has asked the business unit to establish an action plan for implementing this recommendation by June 29, 2020.

4. CONCLUSION

For the past 10 years, the Ville de Montréal (the City) has been faced with a high number of retirements, a growing number of voluntary departures and an increasing turnover rate. These factors are of concern since the labour market has also evolved during the same period. For example, there have been technological changes, a scarcity of skills in certain industry sectors and a different view of the labour market held by new generations of workers. These realities make filling some positions within the City more difficult.

Since 2008, steps have been initiated by the then director general to prepare workforce (WF) plans (the 2009–2011 “Gestion prévisionnelle de la main-d’œuvre” (GPMO) and the 2012–2014 GPMO). While the degree of involvement of the business units has varied, WF plans were produced. Vulnerabilities were identified by the business units, for certain business segments and types of jobs, and measures were identified to ensure continuity. In 2014, the *Plan quinquennal de main-d’œuvre 2014-2018 (PQMO)* became the priority of the director general at the time. This plan was aimed primarily at eliminating 2,200 positions over five years, which was expected to generate substantial savings. While the GPMO should have been maintained in the context of major staff reductions, succession management efforts ran out of steam instead.

In January 2019, a new “Gestion prévisionnelle des ressources humaines” (GPRH) process was undertaken in all the business units. This process is an organizational priority of the current director general for 2019 and 2020. The process is aimed at anticipating Human Resources (HR) needs over several years, while taking into consideration the internal and external environment of the City. One of the goals is to ensure an available and qualified WF to address succession issues. In accordance with the scheduled timeline, a diagnosis was produced by all the business units in October 2019 and action plans are expected in June 2020. Local and corporate measures will then be provided. The success of this process depends on several winning conditions.

In the context of recent years, our audit work has led us to conclude that all the winning conditions have not been brought together to facilitate sound succession management for strategic and highly vulnerable positions. It is in the spirit of contributing to maintaining the delivery of the City’s services and achieving strategic objectives that we recommend, among other things, that the City:

- Formally communicate the roles and responsibilities to all the stakeholders involved in all the stages of the succession management process;
- Make means available to the business units to enable them to have an ongoing detailed picture of their WF based on all relevant data (internal and external data);
- Prepare succession management action plans in which measures will be prioritized based on their impact on the delivery of services and strategic orientations, and realistic timelines and a budget will be established;

- Provide for training adapted to the needs of all stakeholders involved in succession management, based on their respective responsibilities, at all stages of the process;
- Allocate the necessary budgets to the business units to enable them to implement the measures that will have been prioritized;
- Put in place mechanisms to follow up the succession management action plans;
- Establish objectives to measure the impact of the benefits expected from the GPRH process and put in place reporting mechanisms to demonstrate the effectiveness of the GPRH and of the measures implemented.

Given that succession management involves knowledge of the continually evolving picture of the WF and the state of vulnerabilities, it is critical that this practice be ongoing, all the more so because it contributes to the City's strategic orientations. It is also important that everyone put in the necessary effort to enable succession management to be conducted in a forward looking and strategic mode rather than a reactive and tactical mode as in the past. For these reasons, we believe that the municipal administration must ensure that the *Politique de dotation et de gestion de la main-d'œuvre*, adopted by the executive committee in September 2011, covers all aspects of succession management and update it, as necessary.

5. APPENDICES

5.1. Objective and Evaluation Criteria

Objective

To ensure that the City has put in place appropriate measures aimed at the sound succession management of strategic and highly vulnerable positions to maintain the delivery of services to citizens.

Evaluation Criteria

- Responsibilities for succession management are clearly stated and communicated to all business units.
- The Ville de Montréal has a comprehensive view of strategic and highly vulnerable positions, which allows it to identify succession issues.
- Ongoing measures to ensure the succession of strategic and highly vulnerable positions have been established in accordance with the current administrative framework and priorities of the municipal administration.
- Follow-up mechanisms have been put in place to ensure implementation of the established measures.
- Formal reporting mechanisms have been developed to ensure the effectiveness of the measures put in place for the succession management of strategic and highly vulnerable positions.

5.2. Gestion prévisionnelle des ressources humaines Process



Reference: "Le processus GPRH illustré", Service des ressources humaines.