PROPOSAL

FOR AN

ORGANIZATIONAL REVIEW

OF

LACOMBE COUNTY

January 3, 2017
Introduction

Lacombe County wishes to have an independent third party review of the Municipality’s organizational structure as well as its overall efficiency and effectiveness, ensuring the best use of staff and municipal resources. This review will ascertain staffing and overall management needs, staffing competencies, succession planning, appropriateness of organizational structure, appropriate delivery of service, and the general efficiency and cost effectiveness of all operations.

Our Methodology

Organizations today, in both the private and public sectors, are faced with the economic necessity of becoming as cost effective as possible while providing excellent products and services. An organizational review is a useful means to accomplish the following goals:

1. To review the effectiveness of the organization and its ability to meet current and future demands by providing an objective third party analysis utilizing the knowledge, experience, and “best practices” of other organizations in all sectors.

2. To create a cost effective and efficient organizational structure and division of work that provides optimum customer service and flexibility for future growth and increased work demands.

3. To ensure that administrative and management practices and procedures are efficient, cost effective and up-to-date, and provide excellent service with minimal bureaucracy.

4. To create a productive workplace that fosters the use of those management practices such as delegation of responsibility and participation of all staff in order to promote teamwork, service, quality, individual accountability and ownership, and adaptability to future change.

5. To ensure that human resource management policies and practices in such areas as performance management, recruitment and selection, and compensation add value by fostering productivity and customer service and promoting individual responsibility and accountability.

Our methodology is based on the following principles:

- We believe that the process itself that is used to perform an organizational review is as equally important as the outcomes of the review; in fact, the success of the outcomes is directly influenced by the process used. Our experience with organizational reviews, reengineering, and restructuring in general has shown time and again that if staff at all levels are not fully involved in the process, there is no commitment or buy-in and the organization is left with poor morale and does not achieve the cost effectiveness and competitive advantage that were the reasons for the review in the first place.
• Encouraging and capitalizing on the participation, commitment and buy-in from all staff levels will enhance the success of any restructuring and reengineering. We believe that better decisions and outcomes are arrived at through the participation of all concerned. Regardless of our expertise and experience in organizational behavior and development, it is the individual employees who fully understand the work that they do on a daily basis and who can, therefore, contribute the most about how that work can and should be organized to provide the best service in the most cost effective manner.

• Our clients will ensure that recommendations are consistent with their requirements. As consultants we provide our experience, expertise and advice; we do not try to impose predetermined outcomes. We start with a blank page.

• Delegation of decision making to the level at which the work is performed will increase customer service and organizational effectiveness. This delegation also fosters individual responsibility and accountability without which you cannot have good customer service. Front line employees must have delegated authority to make reasonable decisions on the spot in order to satisfy customer needs. The less the bureaucracy and the simpler the organizational structure, the greater the cost effectiveness and the flexibility to meet future growth and increased customer requirements.

• All human resource management practices should only be used if they add value to the “bottom line” by promoting better productivity, accountability, service and cost effectiveness. We do not, for example, promote the use of pay practices that are based on rigid arithmetic formulas and seniority rather than performance.

• The organizational review and consequent restructuring acts as a catalyst for ongoing change and development. The participative approach by all employees and management serves to start building the desired team approach, commitment, and organizational culture that is required if the organization is to be productive and adaptable to future changes.

• We review all means of improving service, quality and cost effectiveness. We review:
  • Organizational structure and division of work.
  • Overlap, duplication and redundancy.
  • Organizational and staff performance.
  • Administrative policies and procedures.
  • Human resources management.
  • Role and Effectiveness of Council.
  • Role and effectiveness of Committees, Boards, Joint Use Agreements etc.
  • Council and administration relationship.
  • Teamwork, delegation and accountability.
  • Alternative means of service delivery.
  • Possibilities of shared services.
  • Work methods, policies and procedures.
• We don't just write a report and leave; we recommend practical solutions and can help you make it work. We can provide staff and management development workshops and
personal coaching where required. We can leave you with the policies, practices and procedures to continue operating in a cost effective and efficient manner.

- **We tell it like it is.** We call a spade a spade and you don’t have to read between the lines to determine what the problem is. We do not tell you just what we think you want to hear.

- **We provide follow-up.** We provide ongoing advice and assistance and emergency help when needed. We are available to ensure that all is working well and to “fine tune” where required.

## Components of Review

- Gather all relevant data such as job descriptions, organizational charts, relevant policies, salary ranges, financial statements, etc. for study, review and analysis of existing organizational structure, positions, practices, and division of work.

- Confidential interviews with all Councillors.

- Confidential individual interviews with all management and staff, wherever possible and appropriate, to:
  - verify current duties and responsibilities.
  - discuss suggestions for improvement, reengineering, and restructuring.
  - discuss suggestions for more efficient division of work, staffing requirements, and effective organizational structure.
  - discuss suggestions for improved customer service.
  - discuss areas of possible delegation, empowerment, and consolidation for improved customer service and cost effectiveness.
  - discuss all possible areas for shared services or alternative delivery of services.
  - discuss areas of possible cross-training and multi-skilling for greater flexibility in delivery of service, improved cost effectiveness, and enhanced ability to meet increased demands.
  - discuss and promote concepts of teamwork and accountability.

- Confidential interviews, if required and appropriate, with others such as customers, relevant Boards, other parties to shared service agreements, neighboring municipalities, etc.

- Review and assess current manpower to determine appropriate staffing levels as well as required individual competencies, training and staff development needs, and appropriate succession planning.

- Comparison of staffing levels and organizational structure with other municipalities of similar size.
Assess all possibilities for shared services and/or alternative delivery of services for greater cost effectiveness.

Review organizational structure, division of work, delegation of responsibility, and relevant administrative policies and processes, to determine organizational effectiveness and all possible means for improvement for more productive use of staff, best customer service, and greater cost effectiveness.

Review and assess the role and effectiveness of Council including Committees, Boards, Joint Use Agreements, etc.

Review and assess the effectiveness of Council / administration relationship including Council agendas and minutes, determination and tracking of priorities, and performance review.

Review of all existing human resource management areas such as Performance Management and Staff Development to ensure that policies and practices reflect productive, cost effective human resources management and that they support a productive organizational culture.

Verbal presentation of all data, discussions, and draft recommendations to Council, senior management and others, as required.

Presentation to Council, senior management and others, as required, of written Final Report that presents in detail an improved organizational model based on principles of cost effectiveness, delegation of responsibility and accountability, customer service, teamwork, and flexibility to meet changing and ever increasing future demands. Recommended new processes and procedures where required.

N.B. The Commissioner will be briefed on an ongoing basis as to the progress of the Organizational Review and any impediments that might be encountered. We will be onsite for most of the review and readily available.

HR Group

HR Group is a partnership, founded in 1993, of highly experienced management consultants who specialize in organizational effectiveness and human resources management - the “people side of the business”. All partners are Certified Human Resource Professionals (CHRP) with extensive senior level management experience in both the private and public sectors.

Our clients are drawn mainly from the western provinces, although we also have clients across Canada. Our practice primarily involves reviewing the organizational effectiveness of our clients and assisting them to implement more productive, cost effective, and efficient management practices. We are committed to the concept that true continuing productivity is only sustained
when employees at all levels have both responsibility and accountability for the work that they do and its outcomes.

We currently operate several toll free “help” lines to provide advice and guidance to a variety of clients on all aspects of organizational effectiveness and human resource management. These clients include the members of the Better Business Bureaus of Southern Alberta and Lower Mainland, B.C. and the Military Family Resource Centres of the Department of National Defence across Canada.

**We have successfully completed over 90 organizational reviews during our years in practice. The municipal reviews include, among others, the following clients:**

- The Cities of Wetaskiwin, Cold Lake, and Camrose in Alberta.
- The City of Fort St. John, the Regional District of Central Okanagan, the Alberni Clayoquot Regional District in British Columbia, Kings County in Nova Scotia, and the Municipalities of McDougall and Whitestone in Ontario.
- The Towns of Tofield, Turner Valley, Fort Macleod, Coalhurst, Three Hills, Devon, Beaverlodge, and Nanton in Alberta.

We have also conducted numerous organizational reviews of several regional library systems, seniors housing foundations, and many organizations in the private sector.

As a result of these reviews and our extensive experience in general, we are well aware of the issues and challenges that organizations in both the private and public sectors face and what “best practices” are.

We also publish newsletters and articles on best practices (copy attached). Please visit our website for access to all of our newsletters and other published articles as well as our book, *Core Management Principles*.

The biography of the consultant that would be assigned to this project is attached.

Our goal is to assist our clients to create an organizational culture that fosters and maintains competitive productivity, excellent customer service and a high level of staff satisfaction and motivation.

**Time, Costs, & Deliverables**

We can start this review by January 29, 2017 and are able to complete this review by April 1, 2017, as requested.
Our proposed fee for the complete Organizational Review is $32,000 plus GST and expenses for travel. As a matter of policy in our consulting practice, we do not charge our clients for administrative overhead such as clerical services, phone calls, or photocopies.

The overall review will include, where relevant:

- Appropriate division of work, staffing requirements, and role definitions.
- Assessment of staff competencies as required.
- Recommended roles of Council and administration to ensure appropriate delegation of responsibility and accountability.
- Recommendations regarding Committee structure, Boards, Joint Use agreements, etc.
- Recommendations for improved service delivery.
- Recommendations for shared services and/or alternative means of service delivery wherever relevant.
- Opportunities for multi-skilling and cross-training for enhanced flexibility.
- Recommended means of obtaining greater cost effectiveness and meeting future growth such as outsourcing, contracting out, training and development of existing staff, succession planning, etc.
- Recommended changes, where relevant, in all areas such as communication systems, use of computer systems, work practices, one-stop customer service/reception, office layout, etc., to enhance cost effectiveness and customer service.
- Recommended changes to all human resource management policies and procedures where required.
- New organizational structure, where required, to support recommendations.
- Budget implications of recommendations as appropriate.
- Verbal and written reports.
- Reasons for all recommendations.
DIMITRI POJIDAEFF, CHRP
Partner

Dimitri Pojidaeff has extensive, diversified and hands-on experience in all areas of Human Resources Management, Organization and Staff Development and Employee Relations. He has reviewed and improved the effectiveness of numerous private and public organizations and has established and restructured complete Human Resources functions for several large organizations across Canada. Dimitri has developed and presented management development seminars on such topics as Effective Communication Skills, Recruitment & Selection, Performance Management and Participative Workplaces and has taught University credit courses in such subjects as Human Relations in Business, Management of Organizational Behaviour, and Management of Human Resources.

A graduate of Phillips Academy - Andover, Columbia University, and the Banff School of Management, he has broad training in Human Resources Management, Organization and Staff Development and Employee Relations. As a result of his extensive hands-on practical experience, together with his knowledge of organizational effectiveness and human resources management practices, Dimitri offers his clients first-hand experience and expertise in what works, what doesn’t and why, and what organizational change is required to effect and sustain participative and productive workplaces.

Dimitri’s consulting practice primarily involves assisting organizations to become more productive, cost effective and efficient through organizational and human resource management practices that add value. He is committed to the concept that true continuing productivity is only sustained when employees at all levels have both responsibility and accountability for the work that they do and its outcome.

Clients are not just left with a written report based on preconceived ideas. Dimitri works with the client and all staff to determine appropriate solutions that fit the client’s unique requirements. He personally assists and coaches them in implementing recommended changes and remains available and follows up to ensure that the changes work and are not neglected.

Key result areas for Dimitri’s clients can be summarized as follows:

- Greater cost effectiveness through minimal organizational hierarchy and elimination of unnecessary bureaucracy.
- Increased productivity through delegation of responsibility to the level at which the work is done and accountability on the part of all staff for that responsibility.
- Greater initiative on the part of all staff and ownership of problems and solutions through participative management processes.
- Increased teamwork, problem solving ability, and adaptability to ongoing future change.
- Human Resource Management policies and practices that support and sustain such changes.
Key Project Experience

- Over 90 Organizational Reviews in both the private and public sectors with recommendations for restructuring, reengineering, and added value human resource management practices. All reviews involved a highly participative process involving all staff wherever practicable. Key results were more cost effective and efficient organizational structures, clearer role definitions with delegated responsibility and accountability, flexibility through cross-training and multi-skilling, and reduction of wasteful bureaucratic policies and practices. Provision of required staff development to assist in implementing changes and to ensure that the client was left with the appropriate competencies. Facilitation of “team” meetings to explain required changes and to foster staff buy-in and ownership. Ongoing coaching, advice and assistance to all management staff and/or owners.


- Implementation of participative workplace practices under new “gainsharing” agreement for national company’s manufacturing plants in two provinces.

- Merger of two hospitals with a combined staff of 4000 and six unions. Analysis of organizational structure and recommendations for restructuring, reengineering, downsizing and “flattening” of organizational hierarchy.

- Restructuring and management of complete Human Resource functions in a variety of large organizations with over 2000 staff and multiple bargaining units. Scope of departments varied with up to 33 staff and direct budgetary responsibilities of over $2 million.

- Developed, marketed and presented seminars on such topics as Effective Communication Skills, Performance Management, Recruitment, Selection & Interviewing, Effective Meeting Skills, Team Building, Time Management and Productive Workplaces.

- Design and implementation of management compensation and management performance programs, including self-assessment and multi-rater feedback, for several large organizations. Conducted 360° evaluations of national company’s executive staff in two provinces.

Publications
Shared Services are Inevitable. Municipal World, October 2000.
Shared Services: You Can’t Have Your Cake And Eat It Too. Municipal World, August 2004.
Productive Workplaces newsletter written and published quarterly with over 1000 circulation.

Please visit our website at www.hrgconsulting.com

to access all our articles and newsletters.
CAN’T FIND THEM? BETTER TRAIN THEM!
By Dimitri Pojidaeff, HR Group Management Consultants
Originally published in the October 2002 issue of Municipal World

Can’t find a good millwright? Can’t find a good public works superintendent? Can’t find an assistant town manager for a northern location? Can’t find qualified and experienced staff in general? Too many valuable staff retiring? Not enough qualified graduates? Qualified tradesmen all but disappearing? Good staff leaving for better paying jobs at levels you can’t afford? Tired of paying around $4,000 for one advertisement in the career section of a major newspaper? Welcome to the new economy.

What do you do? Most public, let alone private, employers don’t have the money to compete with the very large industries. Even if you did, you can’t “buy” staff for any length of time before someone outbids you. You can’t wait for our educational institutions to catch up; there’s always a cyclical time lag between the supply of graduates and the demand for them. Besides you need well experienced and qualified staff in many positions, not recent graduates without any experience. Internship programs are great, but suffer from the same problem if they are geared to recent graduates.

There’s really only one viable alternative: train your valued staff and keep training at all times.

Unfortunately most organizations suffer from adherence to a very traditional mindset that views work in terms of discreet jobs that are filled by recruiting people who have already acquired the specific education, training and experience required for the job. As pointed out by William Bridges (1994) in Job Shift, however, this approach can get in the way of the work that needs to be done, because we learn to focus narrowly on the “job” rather than the overall work.

What is desperately needed is a new outlook which views the workforce in a more fluid and less rigid and compartmentalized manner. All staff need to be valued not only for their specific skills, but for their overall intrinsic ability and desire to learn and problem solve so that their talents can be applied to the work in general throughout the organization. This is part of the required shift in management thinking that has been so well articulated by Peter Senge (1990), author of The Fifth Discipline: The Art and Practice of the Learning Organization.

Many municipalities are quickly becoming in desperate need of qualified staff in many areas. They are needed now, not 5 or 10 years from now after they have gained the required experience and hands-on knowledge. Qualified chief administrative officers and public works superintendents, for example, to name just two positions, are extremely hard to find. It only makes good business sense to train your own existing staff so that you’re better prepared at all times for the loss of staff, organizational growth and cyclical demands. You will also gain a more productive, creative and innovative workforce. As the March 2002 issue said, “Prepare for the HR crunch ahead!”

Training takes many forms:

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- **Cross-training and multi-skilling:** First and foremost staff should be as cross-trained and multi-skilled as possible in all areas so that there is maximum flexibility and cost effectiveness in staff coverage and manpower planning. You are not caught short because someone is off sick, on vacation or decides to retire. You are not caught short when you need someone to work overtime on a specific job or because of sudden changes in work requirements. Staff also benefit from obtaining additional skills, abilities and knowledge and from having less restrictive and less boring work. Why should one person purely handle accounts payable and someone else only utility billing; it makes no sense for organizational effectiveness or for job satisfaction and career development.

- **Apprenticeship programs:** We need more of them; not just the formal existing programs in most trades, but internal ones that are specific to the unique demands of the individual organization. We need to plan our manpower needs and create our own apprenticeship programs to meet them. Why not have Operator 1, 2 & 3 levels in Public Works, for example, and ensure that all staff are trained so that they progress to the third level. Pay them for the skills that they acquire. The same can be done for the office positions. Your payroll costs may rise slightly, but this will be more than offset by your savings in overtime, recruitment costs, manpower flexibility and succession planning. This also makes it far easier to attract and retain staff if they know that they are going to benefit from the training provided and have some career growth rather than just be hired into a specific pigeonhole with a hit or miss chance of advancing – we know of one organization that has significantly reduced their turnover by adopting such a philosophy.

- **Work specific training:** There are positions that by their very nature do not have any specific educational or training program. The position of public works superintendent, for example, requires a good general background in a number of different areas. Well qualified people in this field have usually acquired their expertise by working in a variety of positions and taking a broad variety of training on their own initiative in such areas as water and waste water treatment, road maintenance, facilities maintenance, preventative maintenance, capital planning and many other areas of technical and managerial expertise. Because of the lack of training, qualified individuals are extremely scarce in this area as we mentioned earlier. We know of more than one municipality that has had little success in filling this position recently.

- **Shared knowledge and best practices:** Some areas are taking new initiatives to help share knowledge and best practices. The Municipal Excellence Network in Alberta, for example, is a collaboration between Alberta municipalities and Alberta Municipal Affairs. A key part of this initiative is a database of practices that is contributed to by the provincial municipalities themselves and which all municipalities will be able to access. Practices are now being collected for governance and management functions and plans are to also include HR functions at a later date.

In British Columbia, as another example, the Local Government Management Association has instituted *TeamWorks*, “an innovative program that gives local governments access to additional, specialized resources, while creating unique learning opportunities for
participating local government staff.” This program facilitates the actual sharing of resources between local governments. Those that lack the skill and knowledge and perhaps the financial resources to obtain outside help can turn to other local governments for assistance. The resource provider, on the other hand, gains an opportunity to gain leadership and management skills and an outlet for professional development.

- **General management training:** Training current or future managers in effective management practices such as delegation, performance management, time management, effective communication skills, participative management, etc. is critical. One poor chief administrative officer or other senior manager, who fails to provide proper leadership, has a far greater negative impact on overall productivity, service and quality than one poorly qualified subordinate. A manager’s “people” and leadership skills are of far more importance than technical know-how.

- **Succession planning:** Many municipalities are having difficulty in filling key positions, because no thought was ever given to developing a successor to the incumbent who was retiring. It is far more cost effective, organizationally more efficient and better for staff morale to train successors internally. In fact you’re going to have to if you can’t find them externally.

- **Required competencies and behaviors:** These are not taught for the most part in any formal educational program yet they are critical for staff to be able to fulfill their responsibilities in the most effective manner. A receptionist with a poor telephone manner or the inability to deal with an irate taxpayer, for example, is not performing effectively no matter how skilled he or she is at word processing or handling customer accounts. One representative of the hospitality industry says that they “hire the one that smiles and teach them the rest.” It is said that most people are terminated for the lack of interpersonal skills that are required by their position; not because of a lack of technical expertise.

What is also needed is greater flexibility in retaining older staff on some sort of a part-time basis so that their knowledge is not lost and so that they can impart this knowledge to younger staff in both a formal manner and as a mentor where appropriate.

As many municipalities are now discovering, the supply of knowledgeable staff is not endless. Hopefully this difficulty in finding new staff will lead to more emphasis on internal staff training. Most organizations that have a proven and sustained record of success spend a significant amount on staff training and development. **It only makes sound business sense to do so and good employees prefer to work in such organizations.**

**References**
