

OEMC Municipal Conference

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Succession Planning – to do or not

By

Templeman Consulting Group Inc.

&



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Succession Plan: To Do or Not - a discussion

By

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Agenda – Succession Planning

- **What is succession planning? Why incorporate such a plan in your business planning?**
- **Benefits and Challenges**
- **Questions to ask**
- **“Best Practices” in establishing a Plan**

Agenda

- **Key Features in Succession Planning**
- **Successful Succession Planning**
- **Potential Candidates' Profile**
- **What other municipalities are doing**
- **Current Issues in Labour & Employment Law**

Human Resources Planning - Types

- 1. Succession Planning**
- 2. Replacement Planning**
- 3. High Potential Employee Program**
- 4. Cross Functional Program**
- 5. Career Path Planning**

“Succession” Planning

The identification and grooming of one or more replacement for senior (and in some instances) middle management positions.

“Replacement” Planning

Establishment of a list of qualified employees to “take the watch” when the incumbent is absent from a key position.

“High Potential Employee” Program

The identification and development of an “evergreen” list of employees with the potential to advance two or more management levels in the municipality.

“Cross Functional” Program

A planned set of lateral career steps intended to enable high calibre professional and management employees to gain experience in a variety of functions.

“Career Path” Planning

A planned set of vertical career steps designed to attract, develop, motivate and retain a team of high calibre professional and/or management employees.

What is Succession Planning?

Succession planning is the process of identifying and developing internal candidates with the potential to fill key leadership positions in the organization.

Why Incorporate a Succession Plan?

Sound corporate governance can and should ensure leadership continuity for the C.A.O., as well as other members of the senior management team.

Why have a Succession Plan?

- **The Conference Board of Canada predicts a shortage of as many as 190,000 workers in Ontario by 2020.**
- **Baby boomers that entered the workforce in the 70s and 80s are poised to leave in record numbers in the coming years.**

Why have a Succession Plan?

- **The OMERS pension plan average retirement age is 58 years old.**
- **No emerging group of potential employees on the horizon as in past generations (baby boomers, women entering the workplace, large waves of immigration).**

Why have a Succession Plan?

- **Vacancies in senior/key positions are occurring simultaneously and demographics indicate there are statistically fewer people available to fill them.**

Benefits of a Succession Plan

- **Means of ensuring the organization is prepared in the event of the departure of a member of senior management - avoidance of a temporary void in leadership as a vacant position is filled.**

Benefits of a Succession Plan

- **Provision of ready now (or soon) replacement for all or nearly all senior management positions.**
- **Continual supply of qualified, motivated individuals (or a process of identifying candidates) who are prepared to take over for current staff upon their departure.**

Benefits of a Succession Plan

- **An alignment between the organization's mission and human resources that demonstrates an understanding of the need to have appropriate training to achieve strategic goals.**
- **A commitment to developing career paths for employees – assisting in the organization's ability to recruit and retain top performing employees.**

Benefits of a Succession Plan

- **Develop an external reputation as an employer that invests in its employees and promotes opportunities and support for advancement.**
- **Delivers a message to employees that they are valuable.**

Challenges Facing a Succession Plan

- **Size of the organization – may not have the ability to offer opportunities for advancement; employee's may move to larger organizations in order to advance their careers.**
- **Lack of financial resources – organization may not be able to provide the salary and benefits required to retain qualified individuals.**

Challenges Facing a Succession Plan

- **Indiscriminate inclusion of employees in the succession plan including those who are disinterested, unmotivated or lack the capacity to advance.**
- **Inadequate training and development resulting in an employee who is not prepared for advancement.**

Challenges Facing a Succession Plan

- **Plans that do not promote individuals in a timely manner – leading potential successors may leave the organization to seek new opportunities.**
- **Poor communication – can result in confusion and turmoil within the organization as staff speculate about what the succession plan entails.**

Questions to Ask

- **How many employees are over 45, 50, 55 and 60?**
- **How many of those employees are in frontline, supervisory, management positions?**
- **Do the supervisory positions get filled from the frontline ranks?**

Questions to Ask

- **Do the management positions get filled from the supervisory ranks?**
- **How long does it take to train a new employee to the point of competence at each of these levels?**

Questions to Ask

- **What has been the average retirement age in your organization over the last 10 years at each of these levels?**
- **Who are you in competition with for your workforce? Neighboring municipalities, industry? Is your competition facing a similar challenge?**

Questions to Ask

- **What are the implications of running key departments understaffed for significant periods?**
- **Are there any implications in your Collective Agreement (if applicable) in terms of opportunities for employees to transfer between jobs?**
- **Are there alternatives to hiring?**

“Best Practices” in Establishing a Succession Plan

- 1. Determine who will oversee the program.**

Ensure that person understands the succession planning process and has the proper authority to oversee the process. Be realistic in terms of who has the time required to lead and direct a program of this nature.

“Best Practices” in Establishing a Succession Plan

2. Set realistic goals, timelines and establish measurements, milestones and evaluation methods to review, analyze and address issues during the process.

3. Communication is essential.

Develop a communications plan – the more transparent the better.

“Best Practices” in Establishing a Succession Plan

4. Identify Position Requirements.

In conjunction with current incumbents, develop a clear description of the roles (jobs) including the demands of the jobs and the qualifications and characteristics required of the individual in order to be a successful replacement.

“Best Practices” in Establishing a Succession Plan

5. Consider Internal Talent Pool.

Survey the internal pool to determine the level of interest and potential.

“Best Practices” in Establishing a Succession Plan

6. Conduct a Gap Analysis.

Compare the qualifications and characteristics required of the subject jobs against those of the candidates interested or identified as having potential in filling said jobs.

“Best Practices” in Establishing a Succession Plan

7. Know your budget.

Make sure your budget reflects training needs, recruiting costs and other expenses necessary to fill gaps.

8. Determine Optimal Source of Talent.

Using the results of the gap analysis to form a career action plan for the candidates.

“Best Practices” in Establishing a Succession Plan

9. Develop a Training Plan.

Ask: who, what, where, when, why, how.

10. Re-Assess.

Conduct regular follow up to ensure plan remains on track and adjust as necessary when changes occur in goals, qualifications, staff and/or organizational structure.

Key Features

- **Specific rather than general (i.e., identification of skill requirements for the next level position); more accurate determination of when candidates will be ready.**
- **Measurable (e.g., extent of grooming has been established by assessing number and type of skill gaps; timing of candidates' readiness can be more specific).**

Key Features

- Requirement to meet or nearly meet all of the skill requirements of current position before being considered for advancement.
- Performance based (e.g., addition of requirement for meeting or exceeding current performance objectives/expectations) – a major component of “Performance Management”.

Key Features

- **Use of tailored grooming/development plans to address the individual candidate's development needs.**
- **Process fully documented to facilitate annual review by the C.A.O. and Council.**

Key Features

- **Individual responsibility/accountability for development (i.e., municipality provides definition of requirements and opportunity for development; each candidate is personally responsible for a successful completion of his/her development plan).**

Key Features

- **Not all positions in a municipality require replacement planning, only key management, professional, technical/operational and administrative support positions.**

Key Features

- **Succession Planning is essential to ensure the leadership continuity for the C.A.O. and senior management team of a municipality.**
- **This represents part of the role Council should carry out in regard to sound corporate governance.**

Successful Succession Planning

- **Secure support from senior management and Council – shows how important succession planning is to the organization.**
- **Review and update your succession plan regularly.**

Successful Succession Planning

- **Develop job descriptions/procedures and update as required.**
- **Allow adequate time to prepare successors.**
- **Understand that your succession plan will be a unique reflection of your organization.**

Potential Candidates' Profile

“Ready now”

If a vacancy occurs, there is an internal candidate willing and able to succeed as a C.A.O., Commissioner or Director.

Potential Candidates' Profile

“Ready within 2 years or less”

The candidate is assessed as nearly possessing the required skills and experience to advance, but would need an additional short term period of grooming to qualify for appointment to the next level position.

Potential Candidates' Profile

“Ready within 2-5 years”

The candidate is judged to have the potential to advance to the next level provided that he/she successfully completes an extended period of grooming (i.e., 2 to 5 years).

Potential Candidates' Profile

- **Likely be some senior management positions where no internal candidate is identified as having the potential to advance to the next level.**

In this instance, the municipality must rely on recruitment of external candidates.

Potential Candidates' Profile

- **After internal candidates identified, create and implement a grooming/development plan as required to prepare the candidates for advancement to the next level - may be formal and specific or, more typically, informal and general. E.g. designating a candidate to act as a replacement when the current incumbent of the next level position is absent.**

Potential Candidates' Profile

- **Once a year, the CAO and Council would review the status of succession planning for each senior management position, evaluate the actions taken since the last review and determine what can and should be done over the next 12 months.**

Potential Candidates' Profile

- **Important to convey that a promotion is not automatic.**
- **Unless “ready now”, the internal candidate needs to successfully acquire additional skills and experience.**

Potential Candidates' Profile

- In a “perfect” situation, there would be more than one internal candidate being groomed.
- If not, the internal candidate could be competing (ideally) with external candidates to demonstrate he/she is the best choice to fill the position when it is vacant.

Municipalities & Succession Planning

Thunder Bay

Initiated a formal “Leadership Development” program in 2006, in which 100 City employees have participated in. Using the City’s strategic plan, HR put together a list of key positions where current incumbents were not far from retirement.

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- **Steering committee was formed and developed the program. Individuals apply to be a participant in the program. Successful applicants participate in 360° leadership skills assessment. Training plans are developed by the results of these assessments.**

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- **Participants also take part in 9 off site training days over the course of one year, covering a variety of topics including team building, customer service, financial accountability, health and safety and change management.**

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- **At end of year, individual training plans are developed for the following year and may include special projects, secondment, job shadowing, further coursework. Mentoring links are also available with senior managers.**

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Kapuskasing

- **After completing an organizational review, the Town developed a new organizational system consisting of 3 General Manager positions, each reporting to the C.A.O., with all other positions reporting to one of the general managers. This organizational design makes the General Manager position a natural progression to C.A.O.**

Municipalities & Succession Planning

Sioux Lookout

- **With the current CAO's contract ending in 2012, the municipality has created "Assistant Manager" positions for each department. This position can act in the capacity of the manager in his/her absence as well as prepares the individual to act as back-up and possible step into the role in the event of the current incumbent's departure.**

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- **Has also created an “Acting C.A.O.” program where managers can apply for acceptance into the program. Upon acceptance, individuals take turns acting as the C.A.O. in his absence, with a briefing before he leaves and a de-briefing and coaching when he returns.**

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Schrieber

- **Participate in the AMCTO's Municipal Internship Program. Current Clerk-Administrator began his internship with the Township. When his term expired, the Township kept him on. When the Clerk-Administrator position became vacant, he applied for and was the successful candidate for the position.**

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North Bay

- **Senior Management team identifies internal employees who demonstrate skills and potential to meet the City's future needs. The City worked with the local community college to tailor the Ontario Management Diploma Program to meet the City's requirements. Since 2006, 50 City employees have successfully entered into the program.**

Municipalities & Succession Planning

Stirling – Rawdon Township

Town of Bancroft

Renfrew County

Town of Petawawa

Current Issues in Labour and Employment Law

September 16th, 2011

By

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Partner (TM) & Managing Partner (TCGI)

*Accessibility for Ontarians With
Disabilities Act, 2005*

An Update

AOD Act, 2005

Purpose:

To make Ontario fully accessible for persons with disabilities by 2025.

Gradual establishment and implementation of accessibility standards for the following areas: customer service, transportation, information and communications, the built environment, and employment.

AOD Act, 2005

The goal of this legislation is voluntary compliance.

The *AODA* envisions an enforcement process involving compliance reporting, inspectors, director's orders, and the oversight of a tribunal.

Non-Compliance

Employers who do not comply with the standards could be subject to administrative penalties and be found guilty of an offence with fines of up to *\$100,000* for each day or part of a day that the offence continues to occur.

Non-Compliance

A person who is found guilty of an offence could face a fine of up to \$50,000 per day. Because of this, employers would do well to begin preparing their policies and procedures earlier, rather than later.

Customer Service Standard

The first standards to be implemented under the AODA were the *Accessibility Standards for Customer Service*.

Designated Public Sector Organizations (which includes municipalities) were to have complied with the Standard by January 1, 2010 and were to have filed their first accessibility report by March 31, 2010 and annually thereafter.

Other Standards Currently in Place

On July 1, 2011 the *Integrated Accessibility Standards* came into force.

This regulation contains the standards dealing with information and communications, transportation, and employment.

Work continues to be done on the development of the *Built Environment Standard*.

Integrated Accessibility Standards **Regulation**

In addition to setting out the aforementioned standards, the *Integrated Accessibility Standards* regulation also:

Sets out a framework for administrative penalties for non-compliance.

Designates the License Appeal Tribunal as the tribunal to hear appeals under the *AODA*.

The Employment Standard

Part III of the *Integrated Accessibility Standards* regulation sets out the *Employment Standard* under the *AODA*.

This standard sets out specific requirements for the recruitment, retention and accommodation of people with disabilities.

The *Employment Standard* applies to all organizations with at least one employee in Ontario.

Important Milestones – Jan. 1st, 2012

Every employer is to provide individualized workplace emergency response information to employees who have a disability, if the disability is such that the individualized information is necessary, as soon as practicable after becoming aware of the need for accommodation.

Important Milestones – Jan. 1st, 2012

The information provided to the employee must be reviewed when the employee moves within the organization, when the employee's overall accommodations are reviewed and when the employer reviews its general emergency response policies.

Other Important Dates

The other requirements of the *Employment Standard* are staged, depending on the size and type of organization.

For designated public sector organizations with 50 or more employees, the deadline for compliance is Jan. 1, 2014.

For designated public sector organizations with more than 1 but fewer than 50 employees, the deadline is Jan. 1, 2015.

Other Employment Standards Requirements Under the AODA

Other Employment Standards relate to:

- 1. Providing information regarding accommodation policies during the recruitment process.**
- 2. Informing employees of policies used to support employees with disabilities.**

Other Employment Standards Requirements Under the AODA

Other Employment Standards relate to:

- 3. Providing information to employees in accessible formats or using communication supports.**
- 4. Developing a written process for the development of documented individual accommodation plans for employees with disabilities.**

Other Employment Standards Requirements Under the AODA

Other Employment Standards relate to:

- 5. Developing a return to work process for employees who have been absent from work due to a disability and require disability-related accommodations in order to return to work.**
- 6. Taking into account the accessibility needs of employees with disabilities when using performance management process in respect of employees with disabilities.**

Other Employment Standards Requirements Under the AODA

Other Employment Standards relate to:

- 7.** Taking into account the accessibility needs of employees with disabilities as well as any individual accommodation plans, when providing career development and advancement to employees with disabilities.
- 8.** Taking into account the accessibility needs of employees with disabilities when redeploying employees with disabilities.

Bill 168 – Amendments to the *Occupational Health and Safety Act* – Workplace Violence and Harassment

Are You In Compliance?

Bill 168 – Are You In Compliance?

On June 15th, 2010, Bill 168 came into effect, amending the *Occupational Health and Safety Act* to deal with workplace violence and harassment.

Bill 168 – Are You In Compliance?

Employer Requirements

Develop written policies with respect to workplace violence and harassment and to post these policies in a conspicuous area.

Bill 168 – Are You In Compliance?

Employer Requirements

Develop programs to implement these policies, including:

- measures and procedures to control risks.**
- measures and procedures for immediate assistance in the event of workplace violence/harassment.**
- measures and procedures to report incidents.**
- employer investigation procedure.**

Bill 168 – Are You In Compliance?

Employer Requirements

Assess the risks of workplace violence and harassment and report the results of these assessments to the joint health and safety committee.

Bill 168 – Are You In Compliance?

Employer Requirements

Conduct training with all staff with respect to these policies and procedures.

Bill 168 – Are You In Compliance?

Employer Requirements

Review Workplace Violence and Harassment policies annually.

Bill 168 – Are You In Compliance?

Employer Requirements

Designate a person in the workplace to act as the workplace co-ordinator with respect to workplace violence and harassment.

Bill 160 – Amendments to the *Occupational
Health and Safety Act*

Bill 160

Bill 160 was enacted in response to the final report of an Expert Panel on Occupational Health and Safety, which was released in December 2010 after a comprehensive review of Ontario's workplace health and safety system.

Bill 160 received Royal Assent on June 1, 2011, and many of its provisions came into force on that day.

The Chief Prevention Officer

Bill 160 enacted on of the priorities identified in the report by establishing the position of Chief Prevention Officer.

As of August 2011 Ontario has appointed its first Chief Prevention Officer.

The Chief Prevention Officer

The Chief Prevention Officer is responsible for:

- 1. Establishing standards relating to workplace health and safety training programs.**
- 2. Establishing effective delivery of injury prevention programs and services.**
- 3. Monitoring compliance with standards set by the Minister of Labour.**

Other Changes in Bill 160

Bill 160 also implemented other changes to Ontario's workplace health and safety system:

It establishes the Ministry of Labour as the lead for injury and illness prevention.

Other Changes in Bill 160

Bill 160 also implemented other changes to Ontario's workplace health and safety system:

It creates a Prevention Council, with representatives from unions, employers, non-unionized employees, the Workplace Safety and Insurance Board, and safety experts, to advise the Chief Prevention Officer on the prevention of workplace injuries and occupational diseases.

Other Changes in Bill 160

Bill 160 also implemented other changes to Ontario's workplace health and safety system:

- 3. It regulates changes proposed by the Minister of Labour to the funding and delivery of services for the prevention of workplace injuries and occupational disease.**
- 4. It sets out the consequences of non-compliance with the *Act* or non-cooperation with the Chief Prevention Officer's inquiries.**

Kingston (City) v. C.U.P.E., Local 109

Judgment Date: March 12th, 2010

Recent Case Dealing With Employee
Privacy

Background

This grievance arose after custodial employee dismissed by the City for dishonesty regarding absence from work.

The employee was away from work from Dec 28, 2007 until August 10, 2008, purportedly for medical reasons relating to back problems.

The employee returned to work on August 11, 2008 with modified duties.

Background

The forms filled out by the employee upon his return to work indicated that he was unable to bend or twist his lower back or lift more than 5 kg.

During the employees absence, the City was advised that the employee was golfing and had, in fact, won the K-Rock Tournament in July 2008.

Background

Upon questioning by the City, the employee was evasive and uncooperative, he eventually admitted to golfing since May 2008 and that he could lift more than 5 kg.

Background

In July 2008, while the employee remained off work, the City retained a private investigator to perform surveillance of the employee.

The investigator's report, given to the City on August 25, 2008, included video of the employee and noted that he was observed lifting objects and carrying items. The report also noted that the employee "did not appear to suffer any discomfort and displayed no signs of restrictions".

Background

The City provided the video surveillance, along with medical forms provided by the employee to a doctor for an independent medical opinion.

Upon receiving the doctor's report on September 19, 2008 the City concluded that the employee had been misrepresenting his condition and the decision was made to terminate his employment.

The Union grieved the termination.

Issues

At the hearing the Union argued that the private investigator's surveillance video and report should not be admissible onto evidence as they were taken in violation of the employee's privacy.

Issues

The Union also argued that the doctor's report of September 19, 2008 should not be admissible as a violation of the *Personal Information Protection and Electronic Documents Act (PIPEDA)*, *The Personal Health Information Protection Act, 2004 (PHIPA)* and the *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)*.

Decision

The Ontario Arbitration Board rejected the Union's arguments regarding both the surveillance and the doctor's report.

The Board held that the dismissal of the employee had been conducted in a proper manner and dismissed the grievance.

The Surveillance

The Board reviewed the jurisprudence relating to surveillance and determined that the video surveillance should be admissible because it was “relevant to the issue in dispute”.

The Surveillance

The Board noted that there might be circumstances in which “how, why or where” the surveillance was carried out would need to be examined, but that these issues did not arise in this case because the surveillance was carried out from a public place and captured activities done outside the employee’s house where there was no expectation of privacy.

The Doctor's Report

The Board held that the statutes cited by the Union were not applicable to the situation before it.

***PIPEDA* did not apply because the City does not disclose commercial information in the course of commercial activities and does not work in connection with the operation of a federal work or undertaking.**

The Doctor's Report

***PHIPA* was held not to apply to the City because it is not a “health information custodian” and did not receive the employee’s information from a health care custodian.**

The Doctor's Report

***MFIPPA* did not apply to the employee's medical records by application of s. 52(3) paragraph 1 because they relate to labour relations in the sense that the employee gave them for the purpose of getting sick leave or disability benefits under the collective agreement.**

Decision

Having ruled that the City's evidence was admissible, the Board concluded that the employee was "deceitful" in order to attempt to abuse the sick leave benefits in the collective agreement.

Decision

The Board held that, based on the seriousness of benefit fraud, upon the discrepancy between the employee's activities and assertions and the employee's refusal to explain his conduct, there was no basis to interfere with the City's termination of the employee.

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