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Staff Report

Administration – Human Resources

Report To: **Committee of the Whole Meeting**
Meeting Date: August 9, 2022
Report Number: FAF.22.125
Title: Human Capital Management Software
Prepared by: Sarah Traynor, Manager of Human Resources

A. Recommendations

THAT Council receive Staff Report FAF.22.125, entitled "Human Capital Management Software";

AND THAT Council direct staff to research and implement a Human Capital Management Software solution;

AND THAT Council approve the creation of a $35,000 budget for a Human Capital Management Software solution to be funded from the one-time efficiency grant.

B. Overview

This staff report is requesting that Council allocate funds to acquire and implement a Human Capital Management (HCM) software to streamline and automate Human Resources services and improve the employee experience.

C. Background

A Human Capital Management (HCM) software, sometimes referred to as a Human Resources Information System (HRIS), encompasses many functions within the employee life cycle. These functions include payroll processing and administration, employee data storage, benefit administration, employee self-service tools, as well as extensive talent management capabilities, including recruiting, employee onboarding, learning and development, performance management, and employee engagement.

The Town's current payroll system and HRIS module functionality and reporting is limited. The Town's Human Resources system needs have outpaced the functionality of the current system, thus requiring Human Resources staff to develop and rely on numerous manual and paper-based processes or non-integrated additional supplemental systems when business requirements cannot be met within the current payroll system and HRIS module.

The Town currently uses the following software and processes to manage Human Resources functions:

Human Resource Function	Software/Process
Payroll	Microsoft Dynamics GP-Diamond Canadian Payroll
Time Tracking and Leave Requests	CentralSquare HRISMyWay, Physical and Digital Files
Tracking Training, Qualifications and Records	CentralSquare HRISMyWay and Spreadsheets
Compensation	Spreadsheet and Digital Files
Employee Benefits and Leaves of Absence	Physical Files
Performance Reviews	Physical and Digital Files and Spreadsheets
Health and Safety and Orientation	Physical and Digital Files and Spreadsheets
Discipline and Grievances	Physical and Digital Files
Human Resources Policies and Job Descriptions	Physical and Digital Files
Job Postings, Applicant Tracking and Interview Scheduling	Digital Files, Outlook Inbox and Email
Employee Records and Files	Microsoft Dynamics GP-Diamond Canadian Payroll, Physical and Digital Files

A capital budget request of $65,000 was included in the 2022 budget to purchase HCM software if a grant funding source was made available. Unfortunately, there have not been any grant funding opportunities available to date.

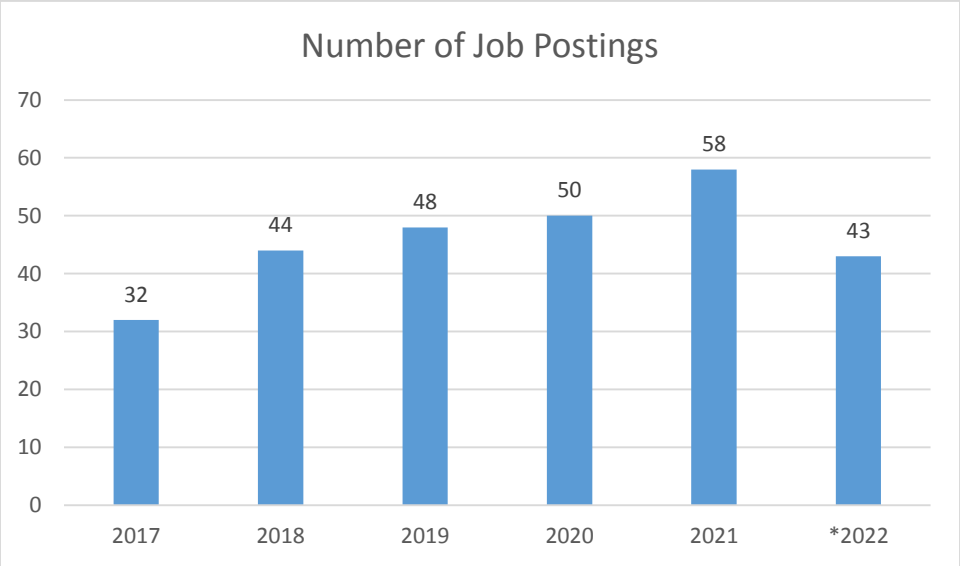
Staff is requesting that Council allocate $35,000 to acquire and implement an HCM software solution, starting with modules for recruiting, employee onboarding and offboarding, employee data storage and performance management, to begin to automate Human Resources workflows and administrative tasks with the goal of streamlining processes, reducing errors, supporting more responsive and accurate organizational decision making and improving the employee experience.

The overall goal is to replace current manual Human Resources processes and systems and integrate other modules, such as payroll, time and attendance and project costing, with the new HCM software.

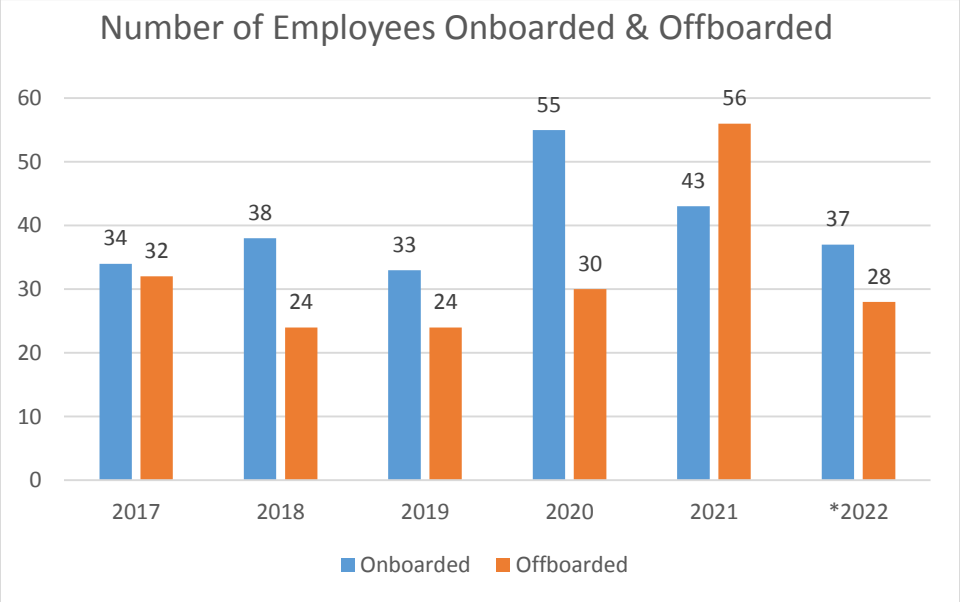
D. Analysis

In 2021, administrative tasks related to recruitment and selection as well as onboarding and offboarding of employees accounted for 34% of Human Resources staff time (1678 hours). In Q1 and Q2 of 2022, administrative tasks related to recruitment and selection, onboarding and offboarding continue to account for 34% (719 hours) of Human Resources staff time.

Recruitment volume has been increasing annually. The following graphs illustrate the number of job postings/competitions processed and employees onboarded from 2017 to date:



Job Postings/Competitions includes Town, Library, BIA, and Blue Mountains Attainable Housing Corporation
*Data as of July 15, 2022 (includes open and unfilled competition files)



*Data as of June 24, 2022

A new HCM software solution will reduce administrative tasks relating to recruitment and onboarding by at least 40% (saving approximately 671 hours per year). The estimated time savings comes from eliminating or reducing time allocated to administrative tasks, including scheduling interviews, setting up requisition folders, downloading resumes, reviewing and sorting application emails, and generating offer letters. The time saved can be re-allocated to health and safety program development, corporate training, employee engagement, and retention strategies. Currently, only 15% of Human Resources staff time is spent on health and safety, corporate training, and employee engagement combined.

A new HCM software solution will provide flexibility and efficiency for all users including hiring Managers, Human Resources staff and internal and external candidates. The hiring module will support hiring Managers by allowing them to initiate the recruitment process. It will allow Human Resources staff to easily create and edit questionnaires for automated screening as required. It will provide the ability to post on multiple websites simultaneously and allow Human Resources staff to track candidates through the recruitment process, ensuring ease of interview setup, offer letter management, background screening reports, and onboarding.

Reduced data entry will be achieved by automated integration of new hire information into the existing HRIS system and automated onboarding submission of forms collected from new employees. Candidates will experience a professional and engaging Town portal interface along with a hiring mobile app option. Candidates will be able to track the status of their applications and have multiple resumes on file if applying to multiple jobs.

An onboarding module would include employee self-onboarding services to upload documents needed for onboarding and eSignature capability. Additionally, a new HCM software will provide various analytics and reporting for time to fill, turnover rates, etc.

The HCM software solution selected would also include modules for Human Resources Management (employee records, training tracking, audit trail), advanced reporting components, tailored workflows and approvals, and performance management, including, employee goal tracking, self and manager assessment, peer feedback, assessment progress reports, automated email alerts, and employee performance reports.

An integrated HCM software solution will allow the Town to continue to transform how Human Resources services are delivered to employees, improve workforce productivity and help hire, engage and retain employees. It can help make data-driven decisions, automate workflows that may reduce direct labour and administrative costs, and optimize talent strategies.

If approved, staff will proceed with a Request for Proposal (RFP) as per the Town's Purchasing of Goods and Services policy.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders.

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

3. Community

We will protect and enhance the community feel and the character of the Town, while ensuring the responsible use of resources and restoration of nature.

4. Quality of Life

We will foster a high quality of life for full-time and part-time residents of all ages and stages, while welcoming visitors.

F. Environmental Impacts

Although the environmental impact will be minimal, there would be a reduction in the reliance and consumption of paper with a new Human Capital Management software. Reducing paper use within the Human Resources division will help to reduce the Town's carbon footprint.

G. Financial Impacts

In 2019, the Town received $642,347 in one-time provincial grant money to help municipalities modernize service delivery. In the 2020 approved budget, $80,000 was allocated for Electronic Time Sheets, however, only $45,000 was required. Staff are recommending that the remaining balance of the $35,000 be allocated for HCM Product and Implementation costs. This would use the remainder of the grant.

There would be an increase to the Human Resources operating budget of approximately $20,000 annually for ongoing software licensing, to be funded from annual taxation and user fees. This initiative will enable staff efficiencies as noted in the analysis section and would significantly delay a request for another Full Time Equivalent (FTE), an ask that would be necessary otherwise.

H. In Consultation With

Human Resources Staff

Ruth Prince, Director of Finance and IT Services

Senior Management Team

I. Public Engagement

The topic of this Staff Report has not been subject to a Public Meeting and/or a Public Information Centre as neither a Public Meeting nor a Public Information Centre are required.

However, any comments regarding this report should be submitted to Sarah Traynor, Manager of Human Resources at hr@thebluemountains.ca.

J. Attached

None

Respectfully submitted,

Sarah Traynor
Manager of Human Resources

Shawn Everitt
Chief Administrative Officer

For more information, please contact:
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519-599-3131 extension 244

Report Approval Details

Document Title:	FAF.22.125 Human Capital Management Software.docx
Attachments:	
Final Approval Date:	Jul 20, 2022

This report and all of its attachments were approved and signed as outlined below:

Sarah Traynor - Jul 19, 2022 - 12:51 PM

Shawn Everitt - Jul 20, 2022 - 11:06 AM