7.   INFORMATION TECHNOLOGY - HUMAN RESOURCES STRATEGY

COMMITTEE RECOMMENDATION

That Council approve the implementation of the Information Technology (IT) Strategy recommendations to address the increasing problem of retaining and recruiting IT professionals due to escalating competition in the hi-tech labour market.

DOCUMENTATION:

1.   Human Resources Commissioner's report dated 28 Jan 98 is immediately attached.

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON

MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT

RAPPORT

Our File/N/Réf.
Your File/V/Réf.

DATE   28 January 1998

TO/DEST.   Co-ordinator
                Corporate Services and Economic Development Committee

FROM/EXP.   Human Resources Commissioner

SUBJECT/OBJET   **INFORMATION TECHNOLOGY - HUMAN RESOURCES
                STRATEGY**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee and Regional Council approve the implementation of the Information Technology (IT) Strategy recommendations to address the increasing problem of retaining and recruiting IT professionals due to escalating competition in the hi-tech labour market.

BACKGROUND

As most other public and private sector companies in the world, the RMOC is experiencing some significant difficulty in hiring and retaining qualified information technology (IT) specialists.

There is both a shortage of skilled resources and intense competition for qualified staff, particularly from the high technology and consulting sectors. The issue has become even more significant in light of the Year 2000 challenges faced by all companies, including the RMOC.

Within the business community, many companies have developed plans to face this challenge. The payment of signing bonuses and out of scale retention bonuses, opportunities for training and enhancements to work environments are common, recognized approaches to this issue.

To address the challenges within the RMOC and allow it to remain competitive in the present marketplace, the Region also needs to take steps to minimize the risks associated with its recruitment/retention efforts related to IT employees.

DISCUSSION

A number of steps have already been undertaken:

1. Modifications have been made to the Region's recruiting advertising to more effectively market the Region to IT specialists.
2. Arrangements have been made to advertise some IT positions on the Web.
3. Work has already been done to bring more IT interns and Co-op students into the Region to gain IT experience.

In addition, the following is proposed:

- a targeted, compensation approach of sequential, semi-annual retention payments paid between January 1998 and January 2000; and
- a mix of other factors which have shown to bear upon the success of retaining IT staff. These include: increased training opportunities, further investment in internship programs, and stepped-up development opportunities for existing regional staff who may wish to move into the IT field.

COMPENSATION

An external market review was conducted and does indicate that, as of May 1997, the Region could be more competitive in the existing market. Given the escalating competition, it is expected that the market will push compensation levels even higher.

It is believed that retention payments will begin to assist with the immediate problem related to turnover of existing staff. The approach proposed is to provide retention payments in the form of out of scale rates for targeted IT positions.

The selected positions would receive a series of retention payments according to the following schedule. These would not be adjustments to the base salary but lump sum payments. An annual market review will be conducted to evaluate the need to continue the payments beyond January 2000 and their amount.

DATE	Jan 98	Jul 98	Jan 99	Jul 99	Jan 2000
PAYMENTS	10%	5%	5%	5%	10%

CONSULTATION

Significant consultation has taken place on the development of this strategy, including with the unions. The unions recognize that the Corporation must act to protect its IT capability and are prepared to continue discussions towards the implementation of this strategy.

In July 1997, Regional Council approved as a budget direction for 1998 that $1.8 million of the Employer's annual temporary unused OMERS contribution be held in the Vested Benefits Reserve Fund. The remaining $1.0 million was to be provided to fund one-time technological and other staff development resulting from the RMOC's corporate renewal. In keeping with this objective, the IT strategy is proposed to provide the means to adapt our workforce to meet the IT needs of the Corporation.

This three year IT Strategy requires an annual budget of one million dollars. Approximately one third will fund the compensation need; two thirds will be dedicated to addressing the remaining components of the strategy.

CONCLUSIONS

A multi-faceted IT strategy is essential to position the RMOC to meet the information technology challenges of today and tomorrow. This strategy has been developed to mitigate the potential significant risks to our operations and the mounting costs and difficulties of staff replacement and training in a scarce labour market.

The IT Strategy is an effective and comprehensive solution to this challenge, and will permit the RMOC to obtain and retain sufficient qualified resources to undertake necessary work in technology. To respond to emerging issues in this rapidly changing IT environment, it is recommended that the CAO be given authority to implement the above solutions, or to modify them within the same budget parameter.

original signed by
Joyce M. Potter

SRW/slc

FINANCE DEPARTMENT COMMENT

Funds in the amount of $1.0 million have been provided in the 1998 Draft Operating Estimates to fund technological and staff development strategies.

Approved by K. Kirkpatrick
on behalf of the Finance Commissioner