

**CITY OF HAMILTON**

**CITY MANAGER'S OFFICE  
Human Resources Division**

<b>TO:</b> Mayor and Members of General Issues Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> April 18, 2012	
<b>SUBJECT/REPORT NO:</b> Organization Restructuring Policy (Outstanding Business List Item) HUR12002 - (City Wide)	
<b>SUBMITTED BY:</b> Chris Murray, City Manager	<b>PREPARED BY:</b> Helen Hale Tomasik ext. 4155
<b>SIGNATURE:</b>	

**RECOMMENDATION(S)**

- (a) That the Organization Restructuring Policy, attached as Appendix "A" to HUR12002 be approved; and
- (b) That the subject matter be identified as completed and removed from the Outstanding Business List.

**EXECUTIVE SUMMARY**

The City of Hamilton is committed to an ongoing process of review and design of organization structures that align with business strategy, citizen services and the changes required to deliver what needs to get done in the most effective and efficient way possible.

The Organization Restructuring Policy, attached as Appendix "A" to HUR12002, outlines the consultation and approval requirements for reorganizations within and across City of Hamilton departments.

*Alternatives for Consideration – N/A*

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS**

**Financial:** N/A

**Staffing:** N/A

**Legal:** N/A

**HISTORICAL BACKGROUND**

During the 2011 budget deliberations, staff were asked to develop policies for budget control, budgeted complement control and organization restructuring. On February 22, 2012, Council approved the two corporate budget policies - budgeted complement control and budget control.

The Organization Restructuring policy is a Human Resources policy which is in alignment with these newly approved corporate budget policies. The Organization Restructuring policy will be effective upon Council's approval.

**POLICY IMPLICATIONS**

Currently, there are no formal policies governing organization restructuring. The policy document contained in Appendix "A" to this report is recommended to address this issue.

**RELEVANT CONSULTATION**

Various municipalities were consulted in the development of this policy. Senior Management Team reviewed and approved this policy.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

The policy submitted for Council consideration balances a need for proper administrative oversight for organization restructuring initiatives and the benefits of allowing some discretion and flexibility to departments to adjust resources to ensure efficient and effective service delivery.

Staff have developed more detailed guidelines to accompany the policy, guidelines which have been approved by Senior Management Team.

**ALTERNATIVES FOR CONSIDERATION:**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

The recommended policy provides a balance between Council oversight and administrative flexibility to the City Manager and department heads. Alternatively, Council could amend the policy to create either greater or less control mechanisms.

**CORPORATE STRATEGIC PLAN**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

***Skilled, Innovative & Respectful Organization***

- A skilled, adaptive and diverse workforce, i.e. more flexible staff
- An enabling work environment - respectful culture, well-being and safety,


**APPENDICES / SCHEDULES**


Appendix "A" to Report HUR12002 - Organization Restructuring Policy.

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## ***Organization Restructuring***

<b>POLICY STATEMENT</b>	<p>The City of Hamilton is committed to an ongoing process of review and design of organization structures that align with business strategy, citizen services and the changes required to deliver what needs to get done.</p> <p>This policy outlines the consultation and approval requirements for reorganization within and across City of Hamilton (“the City”) departments. Prior to any reorganization implementation taking place, the approval levels outlined in this policy must be obtained.</p>
<b>SCOPE</b>	This policy applies to all City Departments.
<b>DEFINITIONS</b>	
<b>Organizational Structure</b>	Organizational structure determines where authority is located and is comprised of organizational components, their relationship and hierarchy. The structure is what is shown on a typical organization chart.
<b>Reorganization(Restructuring)</b>	Refers to any change in reporting relationship; reallocation of fundamental duties or responsibilities, or, addition or reduction of a section, division, or department.
<b>Minor Reorganization</b>	A minor reorganization would be one that is contained within a division and is within the approved budget.
<b>Major Reorganization</b>	<p>Any of the following changes would result in a major reorganization:</p> <ul style="list-style-type: none"> <li>• has division-wide or department-wide impact</li> <li>• changes the number of levels of management</li> <li>• is outside the approved division/department budget</li> </ul>
<b>Consultation &amp; Approval Requirements</b>	<p><b>All reorganization changes must be within the approved corporate budget, otherwise Council approval is required.</b> All reorganizations need to be consistent with collective agreements and Human Resources policies, including Job Evaluation, Request to Post and Fill a Vacant Position, as well as Corporate Budget policies, specifically, Budgeted Complement Control and Budget Control. Human Resources can advise on relevant human resources policies and procedures.</p> <p><b>Consultation Required</b></p> <ul style="list-style-type: none"> <li>• Once it has been determined that a major or minor reorganization is required, <b>there must be consultation</b> with the Department General Manager &amp; Executive Director of Human Resources (or designates) prior to implementation.</li> <li>• Departments are required to consult with Human Resources prior to changing position titles.</li> <li>• Departments are required to consult with Human Resources before engaging an external consultant to perform any organization design work.</li> </ul>

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	<p><b>Pre-Approval Requirement</b></p> <p>The General Manager and the Executive Director of Human Resources (or designates) are required to provide the City Manager with the following information in memo format for pre-approval prior to moving forward with <b>a major reorganization</b>:</p> <ul style="list-style-type: none"> <li>• reorganization plan overview,</li> <li>• rationale for the organizational change,</li> <li>• comparison of the current organizational chart and the proposed organizational chart,</li> <li>• financial impact outlining cost-benefit analysis (severance costs, computer user fees, licensing agreements, increased salaries, increased/decreased complement, etc.),</li> <li>• staffing impacts including workplace culture, supportive work environment, workplace health and safety requirements, impacts on individual employee health,</li> <li>• change communication strategy that enables a healthy transition for impacted employees including, where possible, a plan to engage employees in the restructuring process,</li> <li>• other relevant information, and</li> <li>• final recommendations.</li> </ul> <p><b>Final Approval Requirements</b></p> <ul style="list-style-type: none"> <li>• All minor reorganizations need to be approved by the applicable General Manager or equivalent.</li> <li>• All final recommended major reorganizations need to be approved first by the General Manager and the Executive Director, Human Resources (or designates), and then the City Manager. The Senior Management Team is informed of the outcome.</li> <li>• Prior to City Manager’s final approval, Council consultation is required if reorganization involves:             <ul style="list-style-type: none"> <li>• changes to first level senior management and statutory officials of the City in accordance with By-Law 08-307,</li> <li>• a change to citizen facing service delivery that will directly impact the public,</li> <li>• transfer of budgeted complement between divisions or departments,</li> <li>• a change to the overall approved corporate budget.</li> </ul> </li> </ul> <p><b>Communication</b></p> <ul style="list-style-type: none"> <li>• The City Manager and General Managers communicate all major reorganizations to members of Council, their departments and other areas of the organization as per change communication strategy.</li> <li>• For reorganization changes that result in a new contact person for services aligned with the City’s political Wards, the department is responsible for providing this information update to impacted members of Council.</li> </ul>	
<b>RELATED DOCUMENTS</b>	<ul style="list-style-type: none"> <li>• Budgeted Complement Control Policy</li> <li>• Budget Control Policy</li> </ul>	

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	<ul style="list-style-type: none"> <li>• By-Law No. 08-307 To Appoint and To Prescribe the Duties and Responsibilities of the Chief Administrative Officer</li> <li>• Organization Structure/Restructuring Guidelines</li> </ul>	
<b>HISTORY</b>	This policy was drafted by Human Resources and reviewed by Senior Management Team. SMT approved policy on 2012-03-08 and made refinements 2012-03-22.	
<b>APPROVAL</b>	Council approval pending	