

# Report

City of Merritt  
REGULAR Council Meeting  
September 20, 2022

File Number: 2510-20

**To:** Sean Smith, Chief Administrative Officer  
**From:** Christine Carlson, Director of Human Resources  
**Date:** September 16, 2022  
**Subject:** City Hall trial of extended opening hours and compressed work week

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**RECOMMENDATION:**

**THAT Council adopt a one-year trial for City Hall to extend its opening hours from 8am – 5:45pm, with a compressed work week (Monday closure).**

**Executive Summary:**

Staff believe that running a compressed work week pilot will lead to improved staff morale and job satisfaction, while also maintaining or increasing public access to services. This pilot is being brought to Council as it will result in service level changes that must be approved by Council if they are to be implemented.

**Background:**

At a Closed Council meeting on May 26<sup>th</sup>, 2022, Council directed staff to investigate compressed work week models in response to concerns regarding staff retention, morale and attraction. This report is presented as a follow-up to that resolution.

Staff propose changing the hours of operation for City Hall in such a way that would lead to City Hall being open for fewer days but with extended hours on those days it is open.

Staff considered a 4-day work week model that extended hours, while remaining open on Monday-Friday. While this would have drastically increased the number of hours available if feasible, the City doesn't have sufficient staff in customer facing roles to maintain coverage through periods of vacation. As a result, FTE increases would be required. Additionally, this would result in Mondays and Fridays both seeing significant numbers of personnel who are off, which ultimately reduces the levels of service that we can provide on those days, even if the doors are open. For staff, this model also makes organizing meetings and collaboration difficult, due to the need to schedule meetings during the three days when everyone is at work.

The proposed hours for City Hall to be open to the public are Tuesday to Friday, from 8:00 AM to 5:45 PM, where the current hours are from 8:30AM to 4:30 PM. Both options result in 35 hours of service to the public when considering a lunch hour closure.

This four-day extended work day/compressed work week schedule has potentially significant benefits for the City of Merritt, staff, and residents, without high financial costs.

Staff believe that moving to a compressed work week will have advantages in the following notable areas:

### **1. Benefits for residents**

City Hall would be open half an hour earlier and an hour and fifteen minutes later, making services more accessible to residents before work and after typical business hours. This would help residents who need to come to City Hall to conduct business, for example paying their taxes or meeting with staff, but who themselves work Monday-Friday in ordinary office hours.

## 2. Benefits for the City of Merritt and staff

### a) *Combating turnover*

The City of Merritt (the “City”) has experienced significant turnover in the past. While some turnover is healthy, too much turnover is extremely damaging for an organization, particularly when losing highly productive employees and senior management<sup>1</sup>. Not only does turnover create direct recruitment costs, it also carries high indirect costs for the organization that can be significant. Those include:

Issue	Implications for the City
Loss of organizational knowledge	Knowledge resides with employees; when they leave the City, the organization loses experience and knowledge <sup>2</sup> .  E.g. Systems are implemented by people who leave. The City is left with little access or knowledge to continue their effective use.
Lost dollars spent on training people (training dollars)	Learning curve for new hires: transferring knowledge and getting up to speed before new staff become highly productive <sup>3 4</sup>
Change	Transitions causing change can impact staff, mental health, further increasing turnover at all levels and causing the City’s strategy execution to fail <sup>5 6</sup>

### b) *Attracting and retaining talent*

Turnover leaves the City searching to replace talented staff, which is costly. In addition, hirings are not keeping pace with job openings, which puts further stress on remaining employees<sup>7</sup>. Canada is facing an overall shortage of skilled workers due to the aging of the Canadian workforce, a low birthrate and not enough people to fill jobs even with increased immigration to increase population numbers<sup>8</sup>.

As a result, the City is competing for talent in a tight labour market where inflation is high and salaries for skilled workers are increasing. In the City's experience, we have found:

- that job seekers (qualified and semi-qualified) request significantly higher salaries than a year ago;
- There is often a shortage of skilled workers; we have had no qualified applicants for some of our key jobs, leaving unfilled vacancies.

The City has maintained an in-office, in-person environment and does not currently offer flexible remote work benefits. Current budget constraints make it cost-prohibitive for the City to compete with larger and organizations that offer higher salaries or more attractive benefits packages.

Strategically, if the City is unable to fill vacancies:

- It will not have the talent necessary to carry out its objectives
- The costs paid to contractors who can do the work will rise (and often the quality is not as high as what a skilled, experienced employee would produce)
- Training costs will increase because the City will hire under-qualified people who may not stay with the City (flight of training dollars)
- Vacancies may lead to closures of operations or reduction in services where staff or contractors are not available or able to cover operational requirements (e.g. lack of lifeguards, building officials, etc.)
- Existing employees may experience burnout as they attempt to support roles and fill functions outside of their job scope and area of expertise

The most effective, low-cost tool at the City's disposal is to use desired benefits to help attract and retain talent in today's market<sup>9</sup>. The world of work is evolving, and job seekers are looking for employers who offer work-life balance, flexibility, and remote and/or hybrid work<sup>14 16 17</sup>. Therefore, the City can improve its competitive advantage at a low-cost<sup>10 11</sup> with practices that improve engagement. There is strong evidence indicating that a 4-day work week can improve engagement by 30% with similar

increases in productivity<sup>12</sup>. Further, offering benefits that are valued by staff is an effective way for organizations to foster loyalty when employees may otherwise be considering leaving<sup>13 14</sup>.

Engaged employees lead to better business outcomes and workplace success<sup>15</sup>. To date, the City has focused on improving the culture through enhancing management and leadership practices to foster a caring, respectful and inclusive culture for a better employee experience<sup>16 17 18 19 20</sup>. These attributes help engage employees and recruit and retain talent making the City a great place to work, while improving productivity, innovation, resilience and the City's ability to weather organizational change<sup>21 22 23</sup>.

When the labour market is tight, and skilled workers are scarce, organizations that provide benefits that are valued by employees help them retain talent and remain productive<sup>24</sup>. Management met with the employees at City Hall and following positive initial feedback, gathered information by way of a survey.

All City staff were consulted and surveyed about piloting a four-day week with extended days, and staff are investigating how this can be piloted in each location. Most of these changes will be invisible to public and not result in any service level changes, and therefore can be handled at a staff level, with appropriate engagement between management, employees, and the union.

### ***c) Workplace wellness***

Health impacts people in and out of the workplace. For the second year in a row, the Aon Health Survey, 2021 found that employers ranked mental health as the most critical well-being issue<sup>25</sup>, impacting an employee's productivity levels and focus at work and burnout<sup>26 27</sup>.

The average Canadian spends about 60% of their waking day at work, which makes it the ideal setting to support good health<sup>28</sup>. Plus, workplace wellness can also help curb

absenteeism and loss of productivity, improve morale and productivity, and support a healthy culture in which people feel valued. It creates a caring culture which helps attract and retain the qualified people required to carry out the organization's objectives<sup>29</sup>.

We anticipate that an extended workday with a compressed workweek will improve wellness among staff, leading to increased morale and productivity<sup>30</sup>.

### **Options / discussion:**

1. Council can adopt a one-year pilot for City Hall to extend its opening hours with a compressed work week.
2. Council can instruct staff to investigate alternative arrangements to improve work/life balance among staff
3. Council can receive this report for information.

### **Others consulted:**

All City Hall employees (as part of the wider consultation with all City staff)

**Respectfully submitted,**

**Christine Carlson**  
**Director of Human Resources**

<sup>1</sup> [The Truth About Turnover \(gallup.com\)](https://www.gallup.com)

<sup>2</sup> [https://www.researchgate.net/publication/252026873\\_Turnover\\_impact\\_into\\_organizational\\_knowledge\\_management\\_The\\_case\\_of\\_employee\\_turnover\\_in\\_Portuguese\\_real\\_estate](https://www.researchgate.net/publication/252026873_Turnover_impact_into_organizational_knowledge_management_The_case_of_employee_turnover_in_Portuguese_real_estate)

<sup>3</sup> Cross, R., Rollag, K., Salvatore, P., (2005). Getting new hires up to speed quickly. <https://sloanreview.mit.edu/article/getting-new-hires-up-to-speed-quickly/>

<sup>4</sup> Stibitz, S., (2015). *How to get a new employee up to speed*. Harvard Business Review. <https://hbr.org/2015/05/how-to-get-a-new-employee-up-to-speed>

<sup>5</sup> [The Hard Side of Change Management \(hbr.org\)](https://hbr.org);

<sup>6</sup> [Understanding the Impacts of Change \(isixsigma.com\)](https://isixsigma.com)

<sup>7</sup> NCSU and Protivity, (2021). *Executive Perspectives on Top Risks: Key issues being discussed in the boardroom and C-suite*. NC State University's ERM initiative and Protivity.

<sup>8</sup> Adecco, (2021). *The Canadian labour market: beyond the pandemic*. Adecco Canada. [The Canadian Labour Market: Beyond the Pandemic | Adecco](https://www.adecco.ca)

<sup>9</sup> Durme, Y., Hauptmann, M., Roy, I., Schwartz, J., (2019). Rewards: Closing the gap. 2019 Global Human Capital Trends. Deloitte Insights. <https://www2.deloitte.com/global/en/insights/focus/human-capital-trends/2019/rewards-employees-want-most.html>

<sup>10</sup> Great Place to Work, (2022). Best Workplaces in British Columbia. Great Place to Work Institute.

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<sup>11</sup> Jones, K., (2017). The Most Desirable Employee Benefits. Compensation and Benefits. Harvard Business Review. <https://hbr.org/2017/02/the-most-desirable-employee-benefits>

<sup>12</sup> *Why trial a 4 day week?* 4 Day Week Global. <https://www.4dayweek.com/>; <https://www.4dayweek.com/why-pilot>

<sup>13</sup> re:Work. Wegmans: Understanding how employees value their benefits. Google. re:Work. <https://rework.withgoogle.com/case-studies/Wegmans-conjoint-analysis/>

<sup>14</sup> HRWorks (2011). Taking a closer look at benefits: the Wegmans way. HRWorks. <https://hrworks-inc.com/blog-post/taking-closer-look-benefits-wegmans-way/>

<sup>15</sup> Gallup, (2022). What is employee engagement and how do you improve it? Gallup. Workplace. <https://www.gallup.com/workplace/285674/improve-employee-engagement-workplace.aspx#:~:text=01%20Employee%20Engagement%20Definition,elements%20of%20your%20workplace%20culture.>

<sup>16</sup> re:Work, (n.d.). Project Aristotle. re:Work. Google. 2022. <https://rework.withgoogle.com/print/guides/5721312655835136/>

<sup>17</sup> Weller, C., (2020). Here's why inclusion unlocks the power of diversity. Neuroleadership Institute. [https://neuroleadership.com/your-brain-at-work/inclusion-unlocks-diversity-benefits/?utm\\_term=&utm\\_campaign=Solutions+-NA&utm\\_source=adwords&utm\\_medium=ppc&hsa\\_acc=6445333425&hsa\\_cam=15017298938&hsa\\_grp=134194049883&hsa\\_ad=587988290338&hsa\\_src=g&hsa\\_tgt=dsa-841672166293&hsa\\_kw=&hsa\\_mt=&hsa\\_net=adwords&hsa\\_ver=3&gclid=Cj0KCQjwvZCZBhCiARIsAPXbaisuwKtUtz-kWkfE5svpCXd0QXRheuYmqz5Bs6Atq7l80c6xymEFPDEaAhNKEALw\\_wcB](https://neuroleadership.com/your-brain-at-work/inclusion-unlocks-diversity-benefits/?utm_term=&utm_campaign=Solutions+-NA&utm_source=adwords&utm_medium=ppc&hsa_acc=6445333425&hsa_cam=15017298938&hsa_grp=134194049883&hsa_ad=587988290338&hsa_src=g&hsa_tgt=dsa-841672166293&hsa_kw=&hsa_mt=&hsa_net=adwords&hsa_ver=3&gclid=Cj0KCQjwvZCZBhCiARIsAPXbaisuwKtUtz-kWkfE5svpCXd0QXRheuYmqz5Bs6Atq7l80c6xymEFPDEaAhNKEALw_wcB)

<sup>18</sup> Jones, K., (2017). The Most Desirable Employee Benefits. Compensation and Benefits. Harvard Business Review. <https://hbr.org/2017/02/the-most-desirable-employee-benefits>;

<sup>19</sup> Levy, L., (2020). 5 Reasons kindness matters at work. workhuman <https://www.workhuman.com/blog/5-reasons-kindness-matters-at-work/>

<sup>20</sup> Brown, B. & Guillen, B., (2022). Why every leader needs to worry about a toxic culture. Brene Brown. Dare To Lead Podcast. <https://brenebrown.com/podcast/why-every-leader-needs-to-worry-about-toxic-culture/>

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<sup>23</sup> Kar R., (2022). If executives aren't engaged, employees won't be either. Gallup. <https://www.gallup.com/workplace/390830/true-impact-leadership-engagement.aspx>; Desimone, R & Pitonyak, J., (2022). How to engage frontline managers, Gallup. <https://www.gallup.com/workplace/395210/engage-frontline-managers.aspx>

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<sup>25</sup> Aon, (2021). *The Aon health survey, 2021 and beyond*. Aon. <https://www.aon.com/2021-health-survey-results>

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<sup>27</sup> Benefits Canada, (2022). *Burnout tops list of reasons Canadian employees are considering leaving their jobs: survey*. Benefits Canada. <https://www.benefitscanada.com/news/bencan/trashed-22/>

<sup>28</sup> *Why a healthy workplace matters*. Healthy Workplaces. Canadian Cancer Society. HealthyWork.ca. <https://healthywork.ca/why-a-healthy-workplace/why-healthy-workplace-matters/>

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