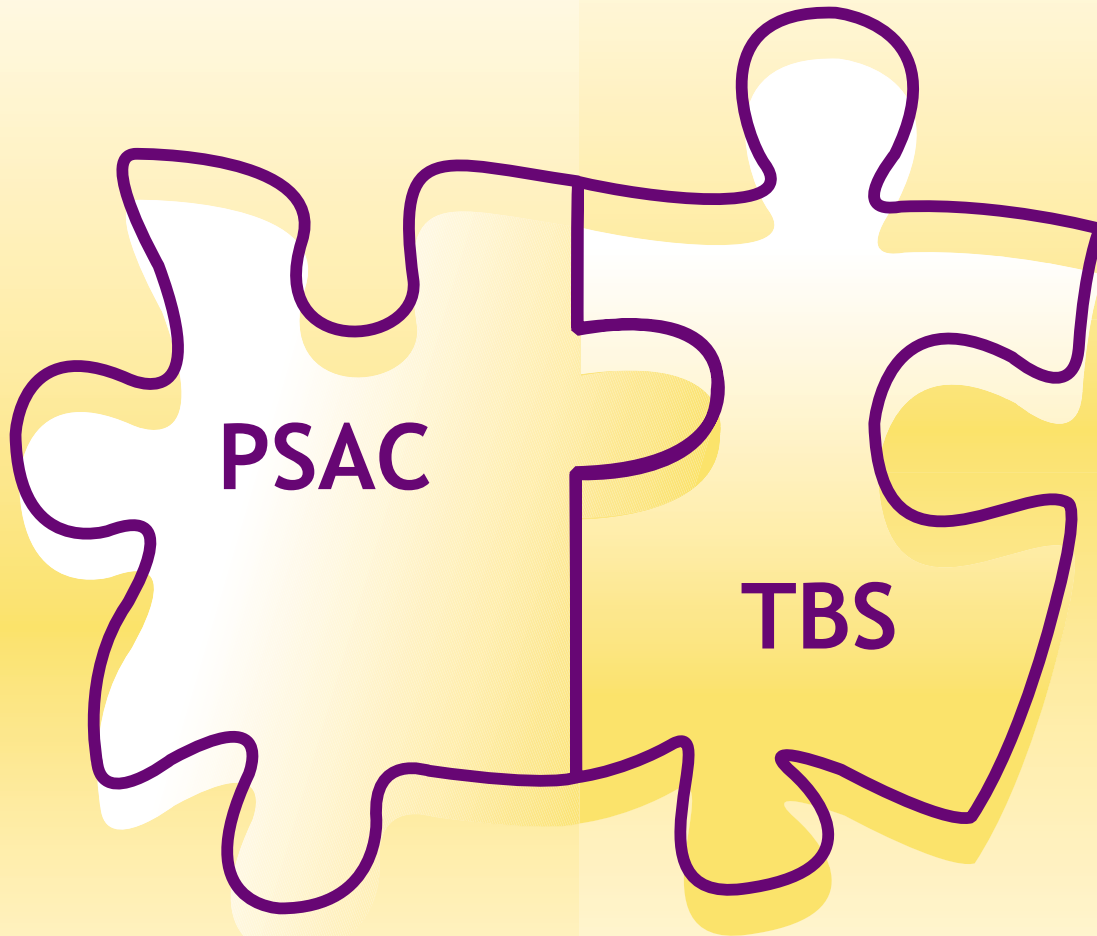




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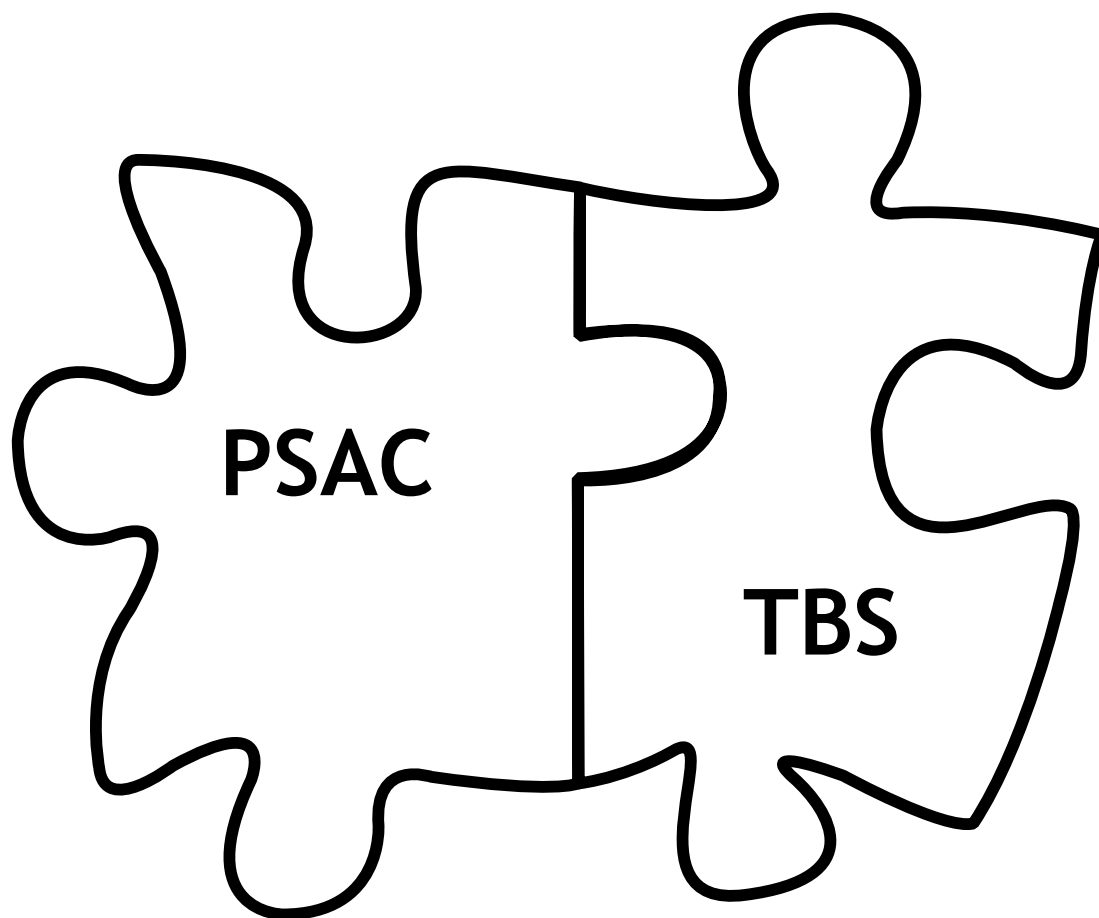
TERM EMPLOYMENT STUDY



REPORT
August 2002

The Joint **PSAC/TBS**

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This report is hereby approved and signed by the Joint Public Service Alliance of Canada (P.S.A.C.) and Treasury Board Secretariat (TBS) Committee on Term Employment Study.

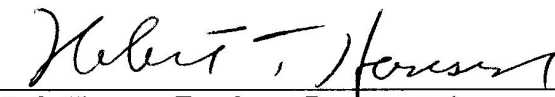

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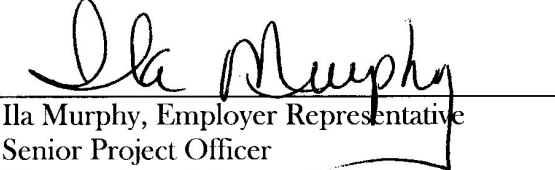

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Supporting Document B – Survey of Hiring Managers in the Federal Public Service

Supporting Document C – Joint PSAC-TBS Term Employment Study Web Site Report

Supporting Document D – Stakeholder Consultations Joint Term Employment Study

Supporting Document E – Focus Group Report to the Joint PSAC-TBS Committee on Reactions from Managers and Term Employees to Solutions on the Use, Recruitment, Retention and Treatment of Term Employees in the Federal Public Service

Supporting Document F – Design of the Forecasting Model

Supporting Document G – Long Term Specified Period Employment Policy

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We would like to thank all those who provided input on the web site, who filled out our Hiring Managers' Survey, and who took time out of their busy lives to attend our focus and discussion groups, and our town hall meetings. Your input was invaluable in helping us create viable recommendations. Thanks also to your organizations and managers for supporting your participation.

We want to acknowledge the regional P.S.A.C. representatives who organized town hall meetings and local discussion groups, which were jointly attended by P.S.A.C. and Employer representatives. Thanks also to the managers of the work sites we visited; your employees' time and insights were appreciated.

Our research would not have been complete without the help of the Public Service Commission, Research and Analysis Directorate; the Treasury Board Secretariat, Research and Compensation Directorate, Employment Equity Division; and, the departments and agencies that helped us obtain information and market the study within their respective organizations. Thank you.

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Executive Summary

The Public Service Alliance of Canada (P.S.A.C.) and the Treasury Board (TB) agreed in November 2001 – during the last round of collective bargaining – to the formation of a Joint Committee made up of an equal number of P.S.A.C. and employer representatives to study term employment for the Program and Administrative Services, Operational Services, Technical Services and Education and Library Sciences bargaining units.

The objective of the study was to produce recommendations on four themes – the use of term employment, and the recruitment, treatment and retention of term employees in the Public Service – by conducting research and consulting all interested parties including term employees and managers.

Research

The Joint Committee reviewed and analyzed existing research to gain a deeper understanding of the issues, identify information gaps, and establish new areas of focus for additional research. Seventeen reports were reviewed. Several over-arching themes emerged from the review. First, term employment has become a solution to the operational and administrative difficulties managers face in the Public Service. Moreover, its prevalence has created a hiring culture that could make it difficult to rise to future recruitment challenges.

The profile of term employees shows that overall, term employees are younger than the indeterminate population, are well educated, diverse and mainly concentrated in the administrative categories. With the exception of persons with a disability, the employment equity statistics indicate that there is a higher representation of designated group members in the term population than in the indeterminate population. Overall, term employees appear to have many of the attributes that would make them an attractive source of recruitment for indeterminate positions.

While the research phase uncovered general information on term employment in the Public Service, there was no one study that focused exclusively on the issue of term employment. In addition, the Joint Committee felt it lacked specific research on the perspectives and experiences of term employees themselves. These gaps led to extensive consultations.

Validation of Research

The Joint Committee met with approximately 1000 employees and managers and heard first-hand their input on the four research themes. Their participation provided a much richer, more complete foundation for developing and testing solutions related to term employment in the Public Service. The Joint Committee also conducted benchmark research on provincial

governments' practices regarding time before conversion¹ to indeterminate status. In addition, feedback was received from 1251 term employees and 1101 managers through the use of web site and survey tools. Major findings from the research and consultations include:

Use of term employment

- Term employment is being used in situations where there is clearly a continuing function.
- Managers are using term employment as an extended probationary period or the “try before you buy” approach.
- The current cumulative work of five years before being appointed indeterminately is too long. A majority of respondents favoured a period of three years or less.
- Term employees are not always considered for acting or assignment opportunities because of their tenure.
- Performance evaluations are seldom completed.
- Perception of lack of union support for term employees.
- With the exception of persons with a disability, the employment equity statistics indicate that there is a higher representation of designated group members in the term population than in the indeterminate population. This suggests that perhaps more could be done to access the term population of designated group members to increase the indeterminate representation.
- The majority of Canadian provincial governments offer term employment options, and most convert their “term” employees to indeterminate at the two year point or shorter.

Recruitment of term employees

- Funding pressures, including the lack of consistent and stable funding with links to human resource planning or the lack of human resource planning are key contributing factors to the reliance on term employment.
- A strong majority of term employees stated that they had to undergo rigorous testing and assessment before recruitment, usually through a PSC competition.
- Long and complex internal staffing processes lead managers to use term employment.

¹ In this report “conversion” is used to refer to “appointment” as per the Long Term Specified Period Employment Policy.

Retention of term employees

- Term employees are repeatedly assessed and asked to re-qualify for their positions prior to renewal. This results in a waste of human and financial resources, and negative stress for the term employees.
- There is little or no support for term employees whose terms are not being renewed.
- Notice period of renewal of term employment is often very short and last minute which contributed to the high levels of uncertainty that was experienced by term employees.
- Term employees are repeatedly extended for short periods.

Treatment of term employees

- Many term employees feel they are treated as ‘second-class citizens’, especially in the areas of training and development and attendance at conferences, meetings and retreats.
- A large number of term employees feel that they are on continual probation. This affects their confidence and work practices.
- On initial appointment to the Public Service, term employees generally feel uninformed, e.g., not knowing what their entitlements are and what their status means.

Testing Potential Solutions

Two potential solutions scenarios were created to address the issues uncovered in the previous phases. The scenarios were tested with P.S.A.C. term employees, managers, and financial and human resources communities to gauge possible obstacles in implementation, to guard against potential negative consequences, and to identify changes required to make each solution feasible.

Issues such as better orientation and regular performance feedback, which could be addressed by implementing recognized good management practices, were not tested. Instead, they were set aside for review during the recommendations development.

The two tested scenarios provided different strategies for addressing the main issues identified. The first scenario explored lowering the threshold for conversion to indeterminate status, and eliminating the requirement that cumulative service be within the same department. The second scenario explored the possibility of eliminating term employment in the federal Public Service altogether and having all employees hired on an indeterminate basis.

Scenario One

A strong majority of both term employees and managers felt that the options considered in this scenario were more feasible, and most favored lowering the threshold for conversion to indeterminate status to two years. A shorter period would lead to increased use of casual/contract employees and consultants, and affect secondment and leave opportunities, while a period of more than two years was deemed unnecessarily long by both managers and term employees.

Scenario Two

All of those consulted had reservations about Scenario Two – eliminating term employment in the Public Service. Managers felt it would reduce staffing flexibility, affect service to the public, increase overtime costs and workforce adjustment situations, as well as reliance on casuals and contract employees. Term employees agreed that the use of casual employees would increase, making it more difficult to enter the federal Public Service. The general consensus was that this was too drastic a change for the Public Service and that the negative consequences outweighed the benefits.

Forecasting Model

In addition to testing two scenarios, the Joint Committee contracted with the Demographic and Forecasting Unit of the Public Service Commission's Research Directorate to test the impact of changing the threshold for conversion to indeterminate status through a forecasting model.

The forecasting showed that while an immediate 2 year conversion policy was feasible over time, the initial implementation would be problematic; term employees who would be converted in the first fiscal year would outnumber the vacant positions created by the expected indeterminate departures by 2,234. This number was considered too high to be absorbed by departments, and could lead to some term employees being released prematurely to prevent them from obtaining indeterminate status. It could also lead to increased workforce adjustment situations.

The forecast model did show, however, that phasing in a 2 year conversion policy with an initial conversion of term employees with three years or more of service in the first fiscal year, not only allows for the conversion volumes to remain within the overall indeterminate demand, but also allows for some indeterminate recruitment.

Recommendations

With the research, consultations, tested solutions, and the forecasting model in hand, the Joint Committee has produced 30 recommendations for: making changes to the current policy; improving practices within the accepted framework of good human resource management; proceeding with implementation; and, monitoring and evaluating changes.

For a complete list of the Joint Committee's recommendations, please refer to Section 7.0 of the report.

1.0 Preface

The Joint Public Service Alliance of Canada/Treasury Board Secretariat Committee is pleased to present the findings and recommendations resulting from the Joint P.S.A.C./TBS Term Employment Study.

This report is the result of the agreement reached by the Public Service Alliance of Canada (P.S.A.C.) and the Treasury Board (TB) in November 2001 – during the last round of collective bargaining – to form a Joint Committee made up of an equal number of P.S.A.C. and Employer representatives to review term employment for the Program and Administrative Services, Operational Services, Technical Services and Education and Library Sciences bargaining units.

From the beginning, our Joint Committee – made up of five employee representatives from P.S.A.C. and five Employer representatives – has believed that studying term employment in the federal Public Service meant meeting and understanding the people behind the issue. In support of this belief P.S.A.C. chose to include three term employees on the Joint Committee. In addition, we traveled our country and met with a great number of P.S.A.C. term employees, Public Service managers and other stakeholders. Through our travels and meetings we gained a better understanding of the issues related to term employment, and the options for moving forward and addressing the challenges faced by term employees and managers.

This report presents our findings and recommendations.

2.0 Introduction

The use of term employment has been debated for a number of years and has been an item on the agenda for both union and management, especially in recent years. It is generally accepted that there are legitimate requirements for using term employment such as backfilling temporary vacancies resulting from indeterminate employees on leave, acting/developmental assignments, short-term projects and fluctuating workloads. However, many believe that the use of term employment has strayed from its intended purpose and are concerned about the impact this is having on term employees and how this may affect the Public Services' ability to recruit and retain talented employees.

From the beginning, the Joint P.S.A.C./TBS Committee recognized the need for a better balance between the flexibility in meeting short term needs and the fair treatment of the employees hired to meet those needs; it is especially important if the Public Service is to remain attractive in an increasingly competitive job market. This led to consultations with term employees, managers, and key stakeholders, to produce recommendations on the use of term employment, and the recruitment, treatment, and retention of term employees in the Public Service.

The Joint Committee also held the deep conviction that the richest and most relevant information would come from the people behind this issue. For this reason, the study plan was constructed to allow for as many opportunities for input as possible.

In Phase 1, the Joint Committee reviewed and analyzed existing research to gain a deeper understanding of the issues, identify information gaps, and establish new areas of focus for additional research. They also used the information to paint a picture of current term employment in the Public Service mainly as it pertains to P.S.A.C. term employees.

In Phase 2, over 3000 P.S.A.C. term employees, managers, and stakeholders were asked to provide input through web site consultations, surveys, focus groups, town hall meetings, discussion groups, and worksite visits. Their input was used to validate the findings from Phase 1 and to create potential solutions to the issue.

The Joint Committee then used the information from Phases 1 and 2 to create two potential solutions scenarios and focus group test them with P.S.A.C. term employees, managers, financial officers, and the human resources community. The testing ultimately helped with the development of viable recommendations for changes and implementation.

Testing potential solutions with those who would be affected, and creating a forecasting model to anticipate the impact of potential solutions helped the Joint Committee produce viable recommendations on: making changes to the policy for term employment; improving practices within the accepted framework of good human resource management; proceeding with implementation; and, monitoring and evaluating changes.

The findings and recommendations presented in this report will serve to a) inform the policy review on the Long-Term Specified Period Employment Policy, which is targeted to start in the fall of 2002, b) complement the work of the HR Modernization Task Force with respect to term employment, and c) potentially assist in the next round of collective bargaining between the employer and P.S.A.C.

3.0 Research Phase

3.1 Introduction

The research phase was a critical first step in this study, laying the foundation for work that had to be done before the Joint Committee could formulate recommendations. Through a significant review of existing data and studies on term employment, the Joint Committee was able to gain a deeper understanding of the issues, identify information gaps and establish new areas of focus for additional research.

This section lists and offers a brief description of some of the research the Joint Committee reviewed, presents the associated findings along with a term population profile, and suggests implications for the future recruitment and staffing in the Public Service (PS).

3.2 Literature review

Research sources were selected based on their relevance, and include:

– The Public Service Commission

Contingent Work Arrangements - Pros & Cons, November 1997

Reports on positive and negative impacts of alternative resourcing, based on a series of focus groups with Public Service managers and HR specialists.

PSC Annual Report, 2000-2001

Looks at statistics on distribution of hiring to PS, appointment within PS, and new indeterminate entries. Outlines challenges and makes suggestions to move Public Service from ad hoc temporary staffing to a more planned approach.

Joining the Core Workforce, March 2001

Examines the recruitment experience, job satisfaction and career plans of a representative sample of nearly 1,000 people hired into indeterminate positions in the Public Service between July 1, 1999 and June 30, 2000. Findings show that more than 60% of respondents had been converted from term to indeterminate status.

Developing, Sharing and Retaining Talent in the 21st Century: Mobility as a Path to Success, May 2001

Examines ways to integrate business and HR planning so that adequate resources can be made available to support employee development and mobility and examines the feasibility of establishing a centralized pool of indeterminate employees to meet short term staffing needs.

The Road Ahead: Recruitment and Retention Challenges for the Public Service, February 2002

Examines term employment as one of the challenges; concludes that poorly planned use of contingent workers will have a negative impact on government in the long-term; identifies the need for a fully integrated approach to HR planning.

– **Auditor General**

*Auditor General's Report to Parliament, 2001
Chapters 2 and 3*

Describes key findings of an Auditor General audit into recruitment in the Scientific and Professional, Administrative and Foreign Service categories; highlights "unacceptable" levels of term hiring as a response to flaws in current practices and systems.

– **Committee of Senior Officials (COSO) Sub-Committee Reports**

Report of the COSO Sub-Committee on Recruitment, July 2000

Lists strategies for promoting a longer-term approach to hiring in the Public Service.

Report of the COSO Sub-Committee on Workplace Well-being, September 2000

Looks at reasons for the trend toward hiring short-term workers; makes recommendations.

– **Conference Board of Canada**

Contingent Work: Trends, Issues and Challenges for Employers, February 1997

Presents findings of an August 1996 survey of 87 Human Resources executives from organizations in the Conference Board of Canada's Centre for Management.

Contingent Work: Lessons from Individuals and Organizations, December 1997

Summarizes lessons learned by Bell Canada, Digital Equipment of Canada and TD Bank in managing contingent employees (unionized and non-unionized).

Contingent work: Trends, Issues and Challenges for Labour, October 1998

Explores key issues facing business and labour in responding to the trend toward a core/contingent employment model. Based on surveys with employers and labour and two roundtable discussion groups.

– **Canadian Council on Social Development**

Temporary Employment in Canada: Profiles, Patterns and Policy Considerations, January 1996

Explores the dynamics of temporary employment and associated issues; provides international comparisons; looks at union issues; describes the Canada Post/CUPW experience.

– **Employment and Immigration Canada (EIC)**

National Review of Term Employment in Employment and Immigration Canada (1986)

Presents results of focus groups with senior line and staff officers on the benefits of increasing the indeterminate staff mix; provides recommendations. Despite older data, the report is relevant to the current context.

– **Treasury Board Secretariat**

Employment Statistics for the Public Service, April 1, 2000 - March 31, 2001

Summarizes employment statistics for the Public Service, including statistics on the term employee population.

Employment Equity in the Federal Public Service, Annual Report 2000-2001

Provides statistics on representation of designated groups within Public Service as a whole and within term employee population.

– **U.S. National Academy of Public Administration**

New Options, New Talent - The Government Guide to the Flexible Workforce, August 1998

Outlines key steps for managing a flexible workforce; recommends action to change federal laws and regulations.

– **Privy Council Office**

Ninth Annual Report from Clerk of the Privy Council to the Prime Minister

March 28, 2002

Outlines the Clerk of the Privy Council's concern for the "looming 'human capital' challenge" and the impact of short term hiring on the workforce, workload and service to the public.

3.3 What the research told us

Several over-arching themes emerged from the review of existing research. First, it is clear that term employment has become a solution to the operational and administrative difficulties managers face in the Public Service. Moreover, its prevalence has created a hiring culture that could make it difficult for government to rise to future recruitment challenges.

According to the reports, if the Public Service is to succeed in moving from a short- to a longer-term focus in its hiring strategies, it must anticipate future priorities and identify the needs associated with them. Thinking in the longer term is especially critical in light of today's increasingly competitive labour market, the impact of information technology on traditional jobs, and the departure of experienced employees.

Key overall findings

- Term employment issues have been studied for years but few changes have resulted.
- Years of downsizing under Program Review have created a climate in which hiring temporary staff has become a fast, convenient way to meet deadlines, minimize workforce adjustment risks, and maintain service standards.
- In relation to indeterminate employees, employment equity groups are over-represented in the term population with the exception of persons with disabilities, who are under-represented.
- Weaknesses in HR planning, funding pressures and the need for improved recruitment tools have also contributed to term employment levels.
- Short-term hiring focuses on immediate solutions to workload problems and discourages longer-term strategies.
- There is a perception that the corporate approach to budgeting may act as a disincentive to cost-effective change or long-term thinking.
- To staff their operations more effectively, managers want greater delegation of authority, clear but broad policies and guidelines; they are prepared to be accountable for their decisions.
- 81% of hiring activity, excluding casuals, into the Public Service is into term employment.
- 62% of indeterminate appointments come from the term employee population. However, this increases to 71% within the P.S.A.C. membership.
- Continued short-term hiring will have major long-term repercussions within the PS.

3.4 Term population profile

As at September 2001, the average age of employees in the Public Service was 43 and the average age for term employees was 37. With respect to education, survey findings contained in the *Joining the Core Workforce* report indicated that of the 478 term employees who responded, 15% had high school education, 33% had a college/technical certificate or diploma, 30% had a bachelor's degree, while an additional 20% had a post-graduate degree (i.e., a Master's degree, professional degree, or doctorate). These same findings were in line with the web site survey completed in Phase 2 by 1251 P.S.A.C. term employees (high school – 17%; registered apprenticeship, trade or vocational certificate or diploma – 5%; college/technical certificate or diploma – 42%; Bachelor's degree – 24%; and post-graduate degree – 11%). See supporting document C for the Web Site Report.

Chart I
Percentage of term employees by total Public Service population

Year	Month	PS Population	Term Population (all term employees)
1998	October	181,264	25,265 (14%)
1999	October	184,522	27,780 (15%)
2000	October	152,722 (minus CCRA)	23,889 (16%)
2001	October	160,654	23,919 (15%)
2002	March	164,221	24,082 (15%)

From October 1998 to March 2002, the percentage of term employees in the Public Service has remained fairly constant, averaging about 15 percent. As of October 2001, departments with the highest numbers of term employees had term populations that ranged from 10 percent to 24 percent of their total employees.

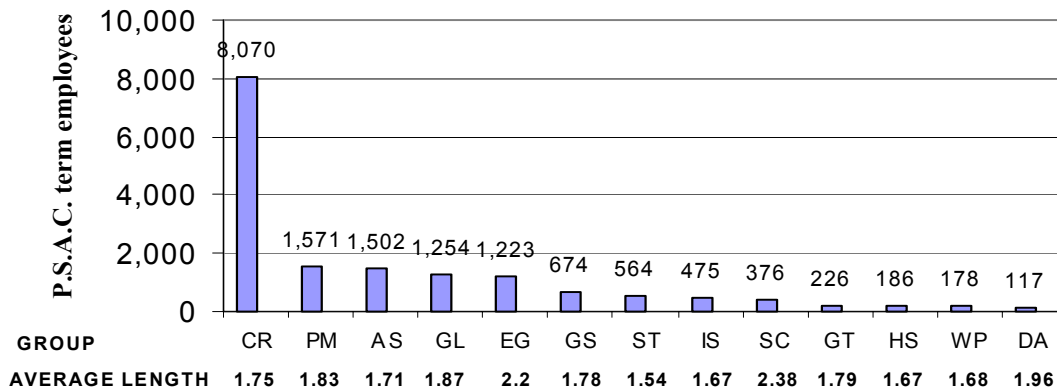
Chart II
Term Population by Bargaining Agent and Geographic Distribution – Dec 2001

Location	UNIONS					Grand Total
	Other	PIPSC	P.S.A.C.	SSEA	Not Barg.	
Alta	18	168	836	16	52	1090
BC	129	262	1787	19	157	2354
Man	24	185	670	12	23	914
NB	10	81	889	5	48	1033
NCR	202	1858	6742	638	302	9742
Nfld-Lab	20	58	453	7	41	579
NS	86	161	724	6	48	1025
Nunavut		9	11	1		21
NWT	1	36	73	3	4	117
ONT	164	412	2405	28	57	3066
Out of Canada	1	8	4	1	2	16
PEI	1	10	276	3	6	296
Quebec	120	606	2147	50	51	1974
Sask	2	98	521	6	43	670
Yuk		7	62	1	2	72
Grand Total	778	3959	17600	796	836	23969

The above chart indicates that 73% of the total term population is found in the groups represented by the P.S.A.C.

Chart III

P.S.A.C. term employees* by Groups with greater number of term employees & Average Length of Service as at September 2001



* Population covers term employees with more than 3 months service

The largest concentration of term employees in groups represented by the P.S.A.C. is the CR (Clerical and Regulatory) group. It is interesting to note that the average length of service for P.S.A.C. term employees is less than two years with the exception of the EG (Engineering and Scientific Support) and SC (Ships' Crews) groups which are just over 2 years.

Chart IV

Percentage of term employees by total Public Service population – October 1991 to October 2001

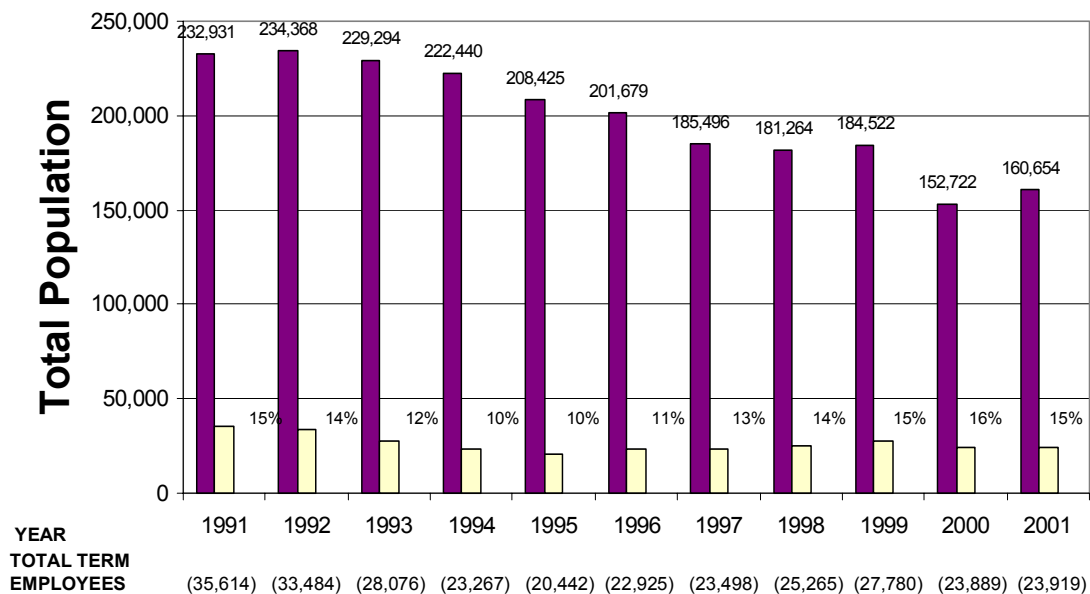
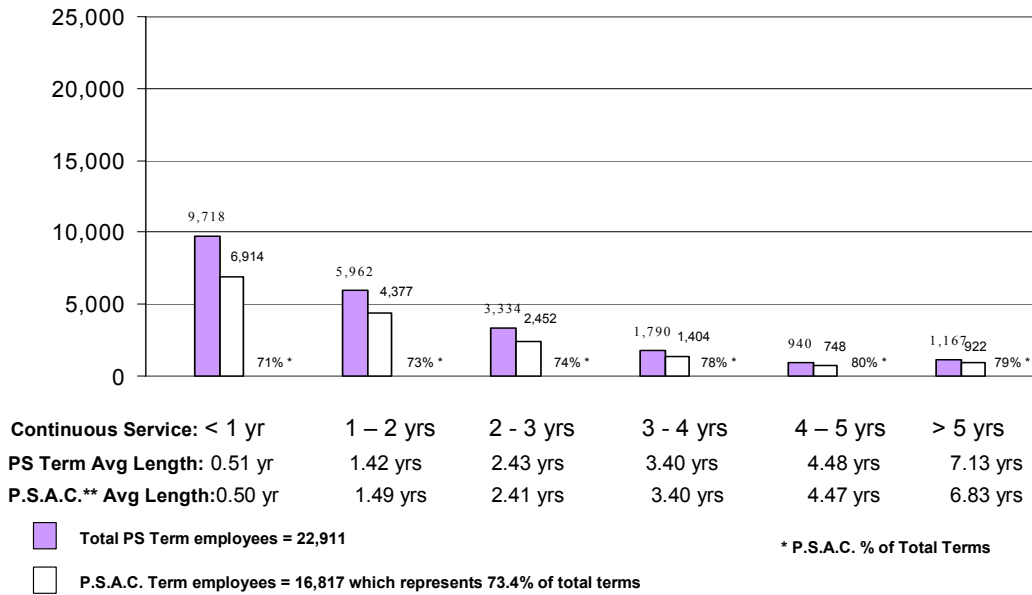


Chart V

Term employees with more than 3 months service by Length of Service as at September 2001



The above chart further confirms that the majority of term employees within the Public Service and within P.S.A.C. have less than 2 years of service. As the length of service increases, the number of term employees decreases substantially.

It should be noted that length of service is defined according to the current policy as continuous employment without a break in service greater than 60 days. As a result, some term employees have had longer employment in the Public Service than illustrated in the above chart due to breaks in service. These 'long-term' term employees could be included in any of the above categories.

Chart VI

Employment Equity – Distribution of designated groups in the federal Public Service 2000-2001

Designated Group	Public Service (%)	Term Population (more than 3 months) (%)
Women	52.1	61
Aboriginal	3.6	4.3
Persons with disabilities	5.1	3.5
Visible Minorities	6.1	7.7

Over the past several years, most term employees – now almost eight in 10 – were members of the designated groups.

Chart VII

Growth in the P.S.A.C. Term Population

Year	P.S.A.C. Indeterminate	Long Term (3 months or more)	Growth
1999	74,575	14,272	
2000	73,605	15,419	Growth of 1147 or 8%
2001	76,239	16,960	Growth of 1541 or 9.9%

While the overall term population has remained fairly constant over the past few years, the P.S.A.C. term population has shown important growth during the last two years.

The growth rates are based on the growth of the term population as observed over the last two fiscal years starting at 31st March 2001. When taken together, these two figures of 8% and 9.9% give you approximately 9% aggregated across the last two years.

The profile of term employees shows that overall, term employees are younger than the indeterminate population, are well educated, diverse and mainly concentrated in the administrative categories. Overall, they appear to have many of the attributes that would make them an attractive source of recruitment for indeterminate positions.

3.5 Outcome of the research phase

3.5.1 *Gaps*

While this research phase uncovered general information on term employment in the Public Service, its composition, and the reasons for its growth, there was no one study that focused exclusively on the issue of term employment. In addition, the Joint Committee felt it lacked specific research on the perspectives and experiences of term employees themselves.

3.5.2 *New areas of focus*

To produce meaningful recommendations the Joint Committee not only had to validate the existing research, it had to ensure that it had a full understanding of the needs and priorities of key stakeholders. In particular, term employees had to have a voice and needed an opportunity to tell their stories. It was also important to seek the views and experiences of Public Service managers.

This allowed the Joint Committee to establish a framework for further research, comprising four themes: the use of term employment and the recruitment, retention, and treatment of term employees.

The need for these types of input, and the need to ensure that the research findings were in line with the current realities of P.S.A.C. term employees and Public Service managers, moved the Joint Committee into a validation of research phase.

4.0 Validation of Research

4.1 Introduction

The key objectives of this phase were to:

- Determine whether the findings from the Phase I research were still applicable and relevant to current P.S.A.C. term employees and managers;
- Conduct research directly on the issue of term employment, and on related areas which had not been explored in previous research; and to,
- Gain a better understanding of some of the problems and challenges of term employment from the perspective of term employees themselves, something which had not been covered by earlier federal PS research.

One of the main goals of the P.S.A.C./TBS Joint Committee was to provide as many opportunities as possible for stakeholders to make their voices heard. Considering the very tight timeframes under which the Joint Committee was operating, it selected research tools to quickly reach a large number of current and former P.S.A.C. term employees, hiring managers and human resources advisors, while preserving confidentiality. It also strove to choose research strategies that would complement one another and elicit the most detailed and varied views.

During this phase, the Joint Committee met approximately 1000 employees and managers and heard first-hand their input on the four research themes. Their participation provided us with a much richer, more complete foundation for developing and testing solutions related to term employment in the Public Service. In addition, feedback was received from 1251 term employees and 1101 managers through the use of web site and survey tools.

This section contains information on each of the research activities conducted during this phase, including:

- the main research themes;
- the methodology used for each activity;
- a summary of common findings across all of the research activities;
- detailed analysis of findings broken out by research theme; and,
- conclusions based on these findings.

4.2 Main research themes

Regardless of the tool used, all research in this phase centered on the study's four main themes. What follows is a summary of the type of information sought under each.

The use of term employment

Is term employment being used for its intended purpose (i.e., to fill short-term vacancies or staff short-term projects)? Or is it being used to fill indeterminate functions, extend probationary periods, and/or deal with unstable funding and poor HR planning?

The recruitment of term employees

How are term employees recruited? How rigorous is the selection process? How are their initial appointments and employment status described to them?

The retention of term employees

Does the current use of term employment have an impact on the retention of qualified employees? Will this affect the Public Service's ability to meet future recruitment challenges?

The treatment of term employees

Are term employees treated differently than indeterminate employees? Do they have access to the same training, benefits and developmental opportunities? Do they feel that the federal PS is responsive to their needs?

4.3 Methodology

With timeliness and broad access in mind, the Joint Committee developed a series of qualitative and quantitative research tools. In partnership with the research directorate of the PSC, the Joint Committee developed a detailed Hiring Managers' Survey and shorter surveys of current and former P.S.A.C. term employees and managers. Consultations with stakeholders were held through an interactive web site, town hall meetings, discussion groups and worksite visits so that the Joint Committee could collect more detailed personal and experiential information.

You will find the full reports from each of these activities in supporting documents A to F.

4.3.1 Focus groups

In April 2002, the Joint Committee contracted to conduct 14 focus groups among term employees who were P.S.A.C. members in the federal Public Service. The Joint Committee determined that, in addition to the National Capital Region (NCR), focus groups would be held in the five cities across Canada with the highest concentrations of term employees. Consequently, two focus groups were conducted in April 2002 in each of the following cities

(except for the NCR where four were held): the National Capital Region, Toronto, Montreal, Halifax, Winnipeg and Vancouver.

The focus group participants were selected randomly, using lists of term employee names supplied by the Treasury Board Secretariat from the central pay system. In total, 83 term employees participated in the 14 focus groups, representing a wide variety of federal government departments and agencies. Participants were also diverse in terms of age and term experience, with some in their initial terms and others having been term employees for as many as six or seven years. In addition, equity groups, such as women and visible minorities, were well represented.

With input from the Joint Committee, a discussion agenda was created which allowed for in-depth exploration of the main study themes, and probed for participants' personal views and experiences.

4.3.2 *Online surveys*

4.3.2.1 Hiring managers

In partnership with the Public Service Commission, the Joint Committee decided to conduct a survey of hiring managers to determine what motivates their decisions and behaviors in using term employment.

The confidential survey was fielded between April 10, 2002 and April 29, 2002. The base sample for the Hiring Managers' Survey was established by initially drawing 5975 randomly selected names from the pool of EX, EX equivalents, EX minus-1 and EX minus-2 population in the TBS pay system database as of the end of September 2001. A total of 973 hiring managers completed the survey.

The survey focused on the four main themes of the study, including questions on:

- treatment of term employees;
- reasons for hiring a term employee;
- term extension practices (extension duration, number of extensions, reasons for extensions, notification of extensions);
- why term employees leave;
- hiring term employees into indeterminate positions (frequency, extending or terminating assignments);

- term to indeterminate appointment (five-year policy requirement): acceptable number of years; number of extensions given before converting to indeterminate appointment; reasons for not converting; whether periods of employment in different departments should count; and,
- breaks in service (frequency, reasons for).

4.3.2.2 Web site consultation with current and former P.S.A.C. term employees and managers

To reach as many stakeholders as possible as quickly as possible, the Joint Committee developed an interactive web site where current and former P.S.A.C. term employees and managers could share their opinions on term employment, propose improvements and answer a brief survey.

The Joint Committee contracted to develop the site (building upon an already successful Treasury Board Secretariat "Principles" web site). The resulting Joint P.S.A.C./TBS Term Employment web site was made available from April 15 to May 31, 2002, and marketed extensively beforehand to create awareness among the largest possible PS audience. Marketing tactics included distribution of 4500 bookmarks, departments cascading information throughout their organizations, regular briefings to the Regional Federal Councils, inclusion of information in community newsletters including the Association of Professional Executives of the Public Service of Canada (APEX) and Small Agency Administrative Network (SAAN), links on the P.S.A.C. web site, and verbal marketing at the many in-person activities that were jointly attended.

The web site was updated as the study progressed, and contained information on the nature and origins of the study, the composition of the Joint Committee and a link to the Long Term Specified Period Employment Policy. It also contained an online Employee Survey for current P.S.A.C. term employees and a Manager Survey which complemented the more exhaustive Hiring Managers' Survey. In addition, it gave current and former P.S.A.C. term employees and managers the opportunity to share their written views, experiences, ideas and solutions on term employment directly with the Joint Committee. A total of 1251 employee surveys were submitted, along with 128 manager surveys (which, in addition to the 973 completed Hiring Manager Surveys, made for a total of 1101 manager surveys submitted), and 410 written views, ideas and potential solutions.

4.3.3 Town hall meetings, work site visits and other employee consultations

The Joint Committee organized and attended other consultative forums to allow term employees who had not been selected as focus group participants, or did not have Internet access, to provide their input.

For example, town hall meetings were organized between April 16th and April 30th 2002 in each of the focus group cities; these were open to current and former P.S.A.C. term employees as well as P.S.A.C. members. During these meetings, the Joint Committee received a number of written

submissions, including one from the Youth Network. Committee members also attended worksite meetings in Montreal, Winnipeg, Vancouver and the NCR, where they met with term employees in a broad cross-section of workplaces, representing a wide variety of occupational groups. To include the employment equity group perspective, the Joint Committee met with the Halifax Anti-racism Action Committee on April 18, 2002 and attended the P.S.A.C. Access Conference in Toronto May 13. Finally, the Joint Committee organized a series of discussion groups in April with a cross-section of human resource practitioners in Montreal, Halifax and Vancouver for a more detailed exploration of issues such as staffing.

All discussions focused on the four research themes (use of term employment, recruitment, retention, and treatment of term employees), with the goal of eliciting the type of detailed personal input received through the focus groups. The discussion agenda for the worksite visits and meetings with HR practitioners was the same as the one used for the focus groups. The Joint Committee prepared a moderator's guide for the town hall meetings, and a special survey for the Access Conference to determine whether there were issues unique to disabled term employees, such as accommodation and inclusiveness.

4.4 Benchmarking against Canadian provincial government practices

One of the goals of this phase was to conduct research that had not been found in the previous phase. The Joint Committee felt it was important to benchmark the federal Public Service's term employment options against provincial governments. More precisely, the Joint Committee wanted to explore their policies on how long employees would maintain in term tenure before becoming permanent.

It was found that all provincial governments had a similar type of employment option. While there were variances on conditions attached to conversion from term to indeterminate, the majority of them convert their "term" employees at the two year point or less.

British Columbia converts their "auxiliary" employees after they have worked over 1800 hours over a period of 33 consecutive pay periods or about 15 months. In Alberta, it is normally one year; however, they do have "term" employees with up to 3 years service who are closely monitored by the union. In Manitoba, term employees are converted after 2 years in the same position unless the employer can prove to the union that this is not continuing work.

Ontario has two conversions, 18 months for employees who are not backfilling for an employee on leave (which was 24 months before their last round of collective bargaining) and a new concept was recently introduced for employees in classified term positions who are automatically converted after 3 years. In Quebec, term employees are made permanent after 2 years. In Nova Scotia, it is 3 years cumulative working period and in Newfoundland and Labrador it is 2 years.

Saskatchewan, New Brunswick and Prince Edward Island do not have a policy that would see a "term" employee being converted indeterminately after any specified period of time.

4.5 Findings

This section provides a detailed analysis of the findings for each of the four research themes. It is followed by an at-a-glance summary of the major findings. Please note that, although the Joint Committee has categorized the findings for the sake of convenience, there is some overlap among them, e.g., some findings fall into more than one of the research themes.

4.5.1 *Use of term employment*

It is important to note that virtually all those consulted -- whether managers or term employees -- agreed that term employment must remain as an option for meeting legitimate short-term needs (e.g., backfilling temporary vacancies that result from indeterminate employees on leave or acting/developmental assignments, short-term projects and fluctuating workloads).

However, most managers and employees also agreed that the current requirement for term employees to complete five years of cumulative service before conversion to indeterminate status was too long. While the suggested timeframes ranged from six months to five years, the majority preferred the two- or three-year options. For example, 65% of the nearly 1000 respondents to the Hiring Managers' Survey indicated that three years or less was a reasonable period of time to reach indeterminate status.

In benchmarking against Canadian provincial governments, the Joint Committee found that the majority offer term employment options, and most convert their "term" employees to indeterminate at the two year point or shorter.

The findings also consistently showed that term employment is being used in situations where there is clearly a continuing function. For example, a full 15% of the 1251 term employees who completed the Web Survey on Term Employment reported that they had held their term job for three to four years, with a further 12% reporting five years or more. Some workplaces, notably operational units like call centres, contain a large percentage of term employees -- from 25% to almost 100% -- in what appear to be continuing functions. In addition, there are term employees who are recalled regularly during certain periods of the year, which indicates ongoing seasonal employment.

"I think [term employment] is over-used...because almost everybody's term, term, term, term. Even the boss, my boss wasn't even permanent, he just got permanent over a year ago."

The impact of the three-year freeze² has resulted in some term employees having up to eight years of cumulative service before becoming indeterminate.

² Service between the periods of 1995 – 1998 was not considered cumulative for appointment to indeterminate employment.

Finally, the study found that term employment is sometimes used as a way to determine the suitability of individuals for permanent employment. In a sense, term employment has become an indefinite probationary period, giving managers a chance to evaluate employees without a long-term commitment and to terminate their employment more easily than if they were permanent.

4.5.2 Recruitment of term employment

The lack of stable funding and the timing of fund allocation were universally cited as major reasons for hiring term employees. As well, uncertainty about funding and late allocation contribute to the practice of extending term employees for short periods and failing to give adequate notice of the renewal or non-renewal of term employees. Managers expressed high levels of discomfort in adding to the permanent workforce, with the result that term service is broken in some cases to prevent appointment to indeterminate status.

Weaknesses in human resources planning also appear to contribute to short-term hiring levels. Situations were reported in which term employees backfilled the positions of indeterminate employees who were on long-term leave of absence, acting, or on assignment and did not return. As one manager put it: “there is a reluctance to risk filling these long-term absences permanently.”

In addition, the findings show a strong need for culture change. A comment received through the web survey supports this:

“The current way term employees are used [long term use in the same position] has become part of our corporate culture and is also an indication of poor business planning.”

Respondents agreed there must be a new emphasis on recruiting for the future.

The top two reasons for hiring term employees cited in both the online survey and the Hiring Managers’ Survey were to meet short-term requirements and secondly, the need to fill an opening quickly. Respondents often made the point that external term hiring was used to avoid the cumbersome, time-consuming and not always successful, internal staffing process. A strong majority of term employees stated that they had to undergo rigorous testing and assessment before recruitment, usually through a PSC competition. Managers found the process to be much more expeditious when inventories were in place.

In the National Capital Region (NCR), many participants mentioned being a casual or a temporary agency person under contract before entering the selection process for term employment. In the NCR, many considered this to be the route for entry into the Public Service. All of these types of employment were seen as insecure.

In a number of situations, term employees were hired initially for less than three months, excluding them from collective agreement benefits, only to have their employment extended later on. Term employees in these situations felt that their exclusion from benefits was unfair.

If a term was not going to be renewed, there did not seem to be much effort to place the employee elsewhere. Both managers and term employees saw these situations as a loss of investment that could be curtailed through better human resource planning and by establishing and managing employee pools.

4.5.3 Retention of term employees

Term employees consistently reported having to re-compete, at times with outside applicants, or re-qualify many times for the same job. Most were unsure of the reasons for this and some referred to lapsing eligibility lists. All pointed to the tremendous stress they experienced in such situations, noting that the practice is detrimental to morale, and wastes time and money.

“If I know I've worked three years and ... I'm trying my best to hang on for another year just to reach that indeterminate and I lose all of that, that's like taking away your hope. You strive for that, you worked hard for that and you're taking that away? It's as though you're being robbed.”

“...when they do hire sometimes, there's a policy when some people get in without competition and then other times you have to keep on competing for this job. You're there for 5 years, 4 years, 3 years and you're still competing for positions that you already have...I mean why didn't they get rid of you in the first place if you were no good?”

In a number of instances, term employees indicated that they could not compete for indeterminate positions, which were open only to permanent employees. They also mentioned that it was difficult for them to be considered for acting and assignment opportunities.

Participants often reported that term appointments were repeatedly extended for short periods of one month or less. Again, such practices were described as stressful and financially wasteful, and contributed to some valuable term employees leaving the Public Service.

During the focus group meetings, term employees noted that insecurity about their futures had a negative effect on productivity and morale. Oftentimes, the first two months of employment are dedicated to learning and orientation (usually not assisted) and the last two months to job seeking. The shorter the employment term, the greater the uncertainty about extensions, and the more time devoted to job hunting.

“Because we are term, we spend a lot of time looking around for work elsewhere which undermines our ability to do our job as well as we possibly could otherwise.”

There is little or no transition support or career counseling for term employees who are ending their terms. At the same time, employees with extended terms do not usually have learning plans and have limited access to career counseling. Consequently, many have difficulty planning their lives. As 62% of indeterminate staffing comes from the term population, it would be in the best interests of the Public Service to provide this type of support.

Term employees often mentioned that, unlike permanent employees, they do not have termination benefits, priority for appointments to other jobs, or any other transitional support measures to help them find continuing employment in the Public Service.

This is especially true since many term employees wish to remain in the Public Service, and their average educational level is quite high. For example, 83% of web site survey respondents possessed some form of post-secondary education, and 35% had a university degree.

Employment equity representation in term jobs (with the exception of persons with disabilities) is higher than average: representation of women in the term population is 61% in the term population and 50.5% in the indeterminate population; 4.3% for aboriginal peoples in the term population and 3.4% in the indeterminate population; and 7.7% in the term population for persons in a visible minority group and 5.9% in the indeterminate population. For term employees with disabilities, work tools were not always provided to allow them to perform all of their duties.

4.5.4 Treatment of term employees

This study shows that term employees often feel like “second class citizens.” While in some work environments, they feel they are treated the same as indeterminate employees, in others – especially workplaces with a large percentage of term employees -- there is often a definite class structure and “pecking order.”

With varying frequency, respondents also reported that term employees were not included in meetings, retreats and conferences. In a similar vein, while most term employees are given training to do their own jobs, access to training for broader skills development is limited or non-existent. Overall, term employees generally lack the very training and development opportunities which would enable them to compete successfully for indeterminate positions.

Study findings also indicate that performance evaluations for term employees are seldom completed. Again, these individuals are not receiving the kind of feedback that would help them find indeterminate work.

It is clear that the majority of term employees feel insecure about their employment. The stress of continued extensions, combined with frequent lack of advance notice of renewal, create almost intolerable pressure, both at work and in their personal lives.

“Term employment is like living in a bubble – you never know when it is going to burst.”

For example, many term employees reported feeling under constant pressure to perform at 110% for fear of non-renewal. As well, many feel they must constantly demonstrate their value by working unpaid overtime, forgoing sick leave when ill, and never voicing opinions or concerns that superiors might view as criticism.

“It’s different if people are permanent. They can argue. That’s the scary thing in the term employment. Sometimes you’re scared to raise your voice even if things go wrong.”

Most term employees also complained of an inability to make future plans. Due to the temporary nature of term employment, employees are often refused loans and mortgages. As one term employee plainly stated:

“I feel like my life is on hold!”

Many added that they were reluctant to start a family, and some related at length the impact of this insecurity on family dynamics.

“Another disadvantage is...I am a single parent and I put a down payment on the house ...and I live out-of-town, and it is pretty scary every time the end of the term comes around.”

Although not a major finding, there was sufficient mention of term employees that were not extended for maternity reasons to warrant inclusion in the report.

A perception of lack of union support for term employees was raised at town hall meetings, focus groups and in written web site submissions.

Throughout this phase, term employees pointed to a lack of orientation for new term employees. In many cases, term employees were not aware of the Long Term Specified Period Employment Policy beyond vague rumours, nor were they aware of benefits, entitlements, staffing policies and practices, the existence of probation periods, or the meaning of terminology such as "indeterminate status."

4.6 At-a-glance major findings

Use of term employment

- Term employment is being used in situations where there is clearly a continuing function.
- Managers are using term employment as an extended probationary period or the “try before you buy” approach.
- The current cumulative work of five years before being appointed indeterminately is too long. A majority of respondents favoured a period of three years or less.

- Term employees are not always considered for acting or assignment opportunities because of their tenure.
- Performance evaluations are seldom completed.
- Perception of lack of union support for term employees.
- With the exception of persons with a disability, the employment equity statistics indicate that designated groups are more highly represented in the term population than the indeterminate population. This suggests that perhaps more could be done to access the term population of designated group members to increase the indeterminate representation.
- The majority of Canadian provincial governments offer term employment options, and most convert their “term” employees to indeterminate at the two year point or shorter.

Recruitment of term employees

- Funding pressures, including the lack of consistent and stable funding with links to human resource planning or lack thereof are key contributing factors to the reliance on term employment.
- A strong majority of term employees stated that they had to undergo rigorous testing and assessment before recruitment, usually through a PSC competition.
- Long and complex internal staffing processes lead managers to use term employment.

Retention of term employees

- Term employees are repeatedly assessed and asked to re-qualify for their positions prior to renewal. This results in a waste of human and financial resources, and negative stress for the term employees.
- There is little or no support for term employees whose terms are not being renewed.
- Notice period of renewal of term employment are often very short and last minute, which contributed to the high levels of uncertainty that was experienced by term employees.
- Term employees are repeatedly extended for short periods.

Treatment of term employees

- Many term employees feel they are treated as ‘second-class citizens’, especially in the areas of training and development and attendance at conferences, meetings and retreats.
- A large number of term employees feel that they are on continual probation. This affects their confidence and work practices.

- On initial appointment to the Public Service, term employees generally feel uninformed, e.g., not knowing what their entitlements are and what their status means.

4.7 Conclusion

Our research and consultations show there is recognition for the continued need for term employment in the federal Public Service; however, it is evident that major change is needed in the use of term employment, and the recruitment, retention and treatment of term employees. Clearly, some of the updated practices should already be in place in organizations applying good human resource and financial management principles. For example, we expect that performance feedback to term employees and managing the probation period is already in practice in some organizations.

Other potential solutions are more far reaching and need to be tested with key stakeholders before formulating final recommendations. For example, reducing the cumulative work period from the current five years to something less is something that is clearly required, but its impact on those affected must be tested before it can be formally recommended.

Our Phase 2 research, along with the wealth of information gathered from term employees, managers, and other stakeholders, validated Phase I findings and confirmed they are indeed relevant for today's Public Service stakeholders. In addition, information gaps were filled. This provided the Joint Committee with a solid framework to develop and test solutions.

5.0 Testing Potential Solutions

5.1 Introduction

As described in the previous section, the Phase 2 research allowed the P.S.A.C./TBS Joint Committee to fill in gaps in Phase 1 research, focus exclusively on term employment issues, and obtain varied and detailed input directly from as many term employees, managers, and other stakeholders as possible.

Consistent with Phase 1 findings, Phase 2 uncovered a series of problems with term employment in the federal Public Service, in particular in the way term employment is often used, as well as in the areas of recruitment, retention, and treatment of term employees. It is clear that inequities have resulted from misapplication of the current policy and that these must be corrected in a comprehensive and credible way. If they are not, it may become increasingly difficult for the Public Service to attract and retain the best and the brightest.

5.2 How tested scenarios were developed

Based on Phase 1 and 2 findings, the Joint Committee developed two potential solutions scenarios for testing. The rationale for testing was to:

- gauge stakeholder reaction;
- identify possible obstacles in implementation;
- estimate the impact of each solution on managers' and term employees' behaviour;
- assess the unforeseen consequences of each solution;
- identify changes needed to make each solution feasible; and,
- use an inclusive approach to problem solving which builds on the strengths and knowledge of those who would be affected.

The two scenarios the Joint Committee developed provide different strategies for addressing the main issues identified in research Phases 1 and 2. The first scenario explored changing certain elements of the current policy, such as lowering the threshold for conversion to indeterminate status, and eliminating the requirement that cumulative service be within the same department. The second scenario explored the possibility of eliminating term employment in the federal Public Service altogether and having all employees hired on an indeterminate basis.

Both scenarios also reflected ideas and solutions proposed by stakeholders in Phase 2 research (focus groups, online surveys, and input at town halls meetings and other venues).

In reviewing the main Phase 2 findings, the Joint Committee identified many issues, such as better orientation and regular performance feedback, which could be addressed by simply implementing better management practices. Since findings such as these did not need to be tested, the Joint Committee set them aside for review when developing their recommendations.

5.2.1 *Design of Scenario One*

As the Phase 2 research showed, there is a clear consensus that current term employment policies and practices must change.

For example, both term employees and managers believe that the current five-year threshold for conversion to indeterminate status is too long. In focus groups, term employees favoured a period of three years or less, as did 65% of the respondents in the Hiring Managers' Survey. With this in mind, the Joint Committee tested conversion thresholds of one to three years to determine an optimum length of time that would balance the need for flexibility expressed by managers with the need for stability and fairness expressed by term employees.

Besides assessing the potential consequences of and the changes required to implement a new conversion threshold, the Joint Committee developed scenarios to test the interrelationship of this threshold with other policy elements. Specifically, Scenario One tested for whether: the reduced working period should be in the same position or different positions; the working period should be within the same department or with other departments or agencies; or if the 60-day service break rule should be changed or eliminated. During the exploration of these themes, discussion also focused on solutions that various stakeholders submitted during the Phase 2 of the study, such as increasing the notice period for term re-appointments, and making initial term appointments longer.

5.2.2 *Design of Scenario Two*

The Joint Committee developed a second scenario proposing that term employment in the federal Public Service be eliminated and all employees be hired on an indeterminate basis.

The major factor that influenced the development of this scenario was an interview with the former Clerk of the Privy Council, Mel Cappe, that appeared in the *Ottawa Citizen*³ in which he shared his views on term employment and suggested that in future, all employees would be hired on an indeterminate basis and that term employment would be eliminated. He also noted that doing this would have to come with tough performance management standards. While a small percentage of participants supported this option during the Phase 2 research, the statements from the Clerk of the Privy Council provided the Joint Committee with the opportunity to gauge how a

³ May, Katherine, "Only Canadians seeking full-time, permanent work need apply for jobs in the public service of the future, says Canada's top bureaucrat." in *The Ottawa Citizen*, April 21, 2001, p. A1

broader spectrum of stakeholders would react to that scenario and to determine the changes needed to make it work.

During focus group and other discussions of this scenario, participants were told that there would still be mechanisms for dealing with short-term workforce needs such as contract and casual labour, and student programs. They were also told that the scenario could involve creating a pool of indeterminate employees with various qualifications who would be available for short-term assignments.

5.3 Testing methodology

5.3.1 Term employee/manager focus groups

To collect detailed information from term employees themselves on potential solutions, the Joint Committee contracted to conduct a second round of focus groups among term employees who were P.S.A.C. members working for the federal government, as well as past and present managers of term employees in the federal PS. The Joint Committee determined that, in addition to the National Capital region, focus groups would be held in the five cities across Canada with the highest concentrations of term employees.

Fourteen focus groups were conducted-- seven among past and present managers of term employees in the federal Public Service, and seven among term employees who are P.S.A.C. members working for the federal government. Two groups were conducted in May in each of the following locations: Toronto, the National Capital Region (NCR) in French, Winnipeg, Vancouver, Montreal, Halifax, and the NCR in English. In each location, an afternoon session was conducted among managers in the federal Public Service, followed by an early evening session among term employees.

Focus group participants were selected randomly, using lists of names of term employees supplied by the Treasury Board Secretariat central pay system database. Managers were selected randomly using lists of names and phone numbers supplied by the National Managers' Community. More than 60 term employees and over 60 managers participated in the 14 focus groups, representing a wide variety of federal government departments and agencies.

The participants in the term employee sessions were also diverse in age and term experience, with some serving their initial term and some having been term employees for as many as six or seven years. Managers ranged from those who directly supervised a number of term employees to those who did not currently but had done so in the past. Some of the managers worked in human resources and others were operational managers. Employment equity groups, such as women and visible minorities, were well represented among the participants in both the term and manager sessions.

In addition to being presented with each scenario, term employees and managers were asked to formulate their responses based on the following questions:

- What impact would this change have on getting the work done in your department?
- How would your own behaviour change?
- What would have to happen to make this work?
- What kind of workplace would this change create?

The focus group report can be found in supporting document E of this report.

5.3.2 Meeting with departmental financial officers

Throughout research Phases 1 and 2, the Joint Committee repeatedly heard that unstable funding and timing of budget allocations were key factors in the reliance on term employment, as well as the continual extension of term employees, short and/or unpredictable extensions, breaks in service, and lack of advance notice of term renewals. Therefore, the Joint Committee was most interested in receiving feedback on the budget-related elements.

Invitations to attend a meeting for financial officers were sent to the 12 departments with the highest numbers of term employees. Three departments accepted: Statistics Canada, Citizenship and Immigration, and the Department of National Defence.

Held June 3, 2002, the meeting tested the reactions of financial officers to the two solutions scenarios and probed for perceived advantages and disadvantages in implementing them. The co-chairs of the Joint Committee facilitated this meeting, using the focus group discussion guide.

5.3.3 Meeting with human resources community

Because of its role in supporting managers in their human resource decisions and practices, the Joint Committee felt it was important to test the scenarios with the human resources community. Held May 27, 2002, the meeting brought together 16 participants who represented a good cross-section of departments. Again, this meeting was facilitated by the co-chairs using the focus group discussion guide.

5.3.4 Meeting with the Association of Professional Executives of the Public Service of Canada (APEX)

Throughout the study, the Association of Professional Executives of the Public Service of Canada manifested an interest in contributing to the testing of potential solutions. One focus group was struck to capture the input from this community. On June 20, 2002, the co-chairs of the Joint Committee met with six APEX representatives from small, medium and large

departments (DND, Supreme Court, Elections Canada, TBS, HRDC and Statistics Canada) who brought with them a wealth of experience relating to the management of term employees.

The co-chairs used the focus group discussion guide to facilitate this meeting.

5.4 Focus group findings

5.4.1 *Initial views on term employment*

5.4.1.1 Managers

Since this was the first opportunity for the Joint Committee to hear directly from managers in a focus group setting, managers were asked for their views on term employment as an “ice breaker”. For most managers, the issue of term employment cannot be separated from broader concerns about overall human resource policy in the Public Service as well as budget issues. Managers often pointed out that they would have less of a need to hire term employees if they had more stable funding for their programs, and if the human resources policies did not make it so onerous to hire indeterminate employees. In addition, there was nearly universal acknowledgement that the current five years a term employee must work before conversion to indeterminate status was far too long.

At the same time, it was very clear that managers view term employment as almost essential to Public Service functioning. In every session, managers spoke of situations in which there was no alternative to hiring term employees. These included: back-filling the positions of people who have been seconded or deployed elsewhere; covering for those on maternity leaves and leaves of absence; working on programs with defined life-spans; and, responding to peaks of workload and short-term replacements.

Managers all spoke of the pressures they are under to staff within budget parameters that vary from year to year. They saw the whole issue of term employment in a much broader context that raised fundamental questions about how the federal Public Service is run. Right now, “A” and “B” based budgets, and the lack of multi-year funding discourage managers from hiring indeterminate employees for whom they may not have enough money or work in the long-term. Since managers are required to manage within their budgets, hiring permanent staff is seen as high risk.

Many managers volunteered that their departments were already working to reduce the numbers of term employees and were converting term employees with several years experience to indeterminate status as quickly as possible.

5.4.1.2 Term employees

Term employees' views on term employment were described in Section 4.0. They feel stressed and in a constant state of worry about their lack of job security. They spoke of suffering from a lack of respect in the workplace, denial of training opportunities, the unfairness of having to work five years or more in the same department to become indeterminate, and the inability to get loans and mortgages.

There is a consensus that term employment is not often used in the spirit in which it was intended, and that many people are unduly kept as term employees, even though there is clearly an on-going need for their jobs. As it stands, there is nothing to prevent abuses and managers do not have to justify filling a position with a term employee.

Like managers, term employees do see a role for term employment in cases such as sunset programs, backfilling, and meeting peaks in demand. Term employees are also frequently told that there are budget issues that force their managers to be careful about hiring indeterminate employees.

5.4.2 Reactions to Scenario One

Reducing time worked for indeterminate conversion to one, two or three years

Overall, most managers and term employees seemed to think that reducing the time worked before conversion to indeterminate status from five years to one might be a bit drastic. One year would not even cover the length of a typical maternity leave, and other short-term programs typically have a life span of one or two years. Participants saw a one-year time limit as having the potential to convert employees who are term employees for perfectly legitimate reasons into indeterminate employees, with all the associated budget implications. A minority of managers and term employees felt that one year would be a good limit, but most seemed to settle on a two-year limit as being the most realistic.

Term employees felt that the reduction to two years would be a vast improvement over the current five years. Managers felt that a reduction to two years would be fairer to and less difficult for term employees, while still allowing managers the flexibility to use term employment when there is a legitimate need to do so.

There was little support for reducing the time before conversion to three years. Term employees considered it to be too long, while managers felt that reducing the period to two years was something they could manage.

5.4.2.1 Possible consequences

Term employees in all groups seemed quite aware of the possible negative consequences of making the rules on term employment too restrictive for managers. These consequences included increased use of casual and contract workers, and fewer job openings throughout the Public Service.

Managers also had concerns about the potential consequences of Scenario One if the time worked before becoming indeterminate were reduced to as little as a year. One consequence, they felt, would be the higher cost of using contract and casual employees and consultants. Another concern was that the Public Service as a whole would incur higher costs if managers had to find positions for term employees whose work was no longer needed.

In smaller centers with fewer Public Service employees, there were heightened concerns about the lack of staffing flexibility that would result from a one-year time limit.

5.4.2.2 Changes in behaviour

Term employees felt that reducing the period of time before conversion would have little impact on their behaviour. However, they believed that they would have better morale and would spend more of their time working and less time looking for other positions.

By comparison, managers felt that reducing the period of time before conversion to one year could have a major impact on their behaviour. Some, especially those in Montreal, Winnipeg and Vancouver, felt that reducing the time period to one year would remove their flexibility to the extent that they would:

- Work around the new rule by hiring more casuals, contract employees and consultants, or by requiring indeterminate employees to put in more overtime.
- Hire term employees for 11 months. In this situation, there could be a number of term employees with just under one year of work time who never worked long enough to be converted to indeterminate status.
- Be less willing to permit indeterminate employees to go on secondments and leaves of absence since it would be harder to temporarily backfill their positions.

On a more positive note, some managers said that lowering the time before conversion to indeterminate would reduce staff turnover and mean less time retraining new term employees.

5.4.2.3 Changes required to make Scenario One work

Term employees commented that care must be taken to close loopholes that allow managers to overuse casual and contract workers.

Managers said that if this kind of a change were made, other changes would be required as well, particularly if the period worked was reduced to as little as one year. They identified a variety of changes, including:

- Budgetary reforms to give managers more long-term, multi-year funding.
- Finding ways to dismiss poor performers more readily since non-renewal after one year will no longer be an option.
- Making someone other than the managers responsible for finding a position for a term employee who has automatically converted to indeterminate but who may have been working on a now-defunct sunset program. Finding new positions for term employees in such circumstances must become a corporate responsibility. Ideally a “career manager” in the department would deal with these issues.

5.4.2.4 Break in service policy

In principle, term employees and managers felt that credit should be given for time worked regardless of interruptions. However, if the five-year limit were shortened to one year, this credit becomes a moot point.

Participants suggested that the allowable length of a break in service could be a function of the time limit (i.e., if it is one year, allow a break of 15 days, 30 days if it is two years, etc.).

5.4.2.5 Mobility between positions and departments

Initially, some managers thought it might make sense for a term to work in the same position if they only had to put in a year before becoming permanent. However, they quickly concluded that the Public Service is a dynamic place and that it would be unfair to penalize a term for working a six-month term in one position, followed by a six-month term in another, different position.

If the time limit were reduced to as little as one year, it would make more sense to specify that the whole period be worked in the same position. However, if the period were two or three years, it would be feasible for the term employee to be exposed to other jobs in the department.

Opinion was divided on whether term employees should be able to accumulate time toward conversion while working in different departments or agencies. Almost all term employees and most managers acknowledged that, in theory, there is really only one employer: the Government of Canada. Many term employees felt that under the current five-year policy, it was unreasonable to penalize them for wanting to work in more than one department. Some departments and

agencies are very small and cannot offer continuous work. Term employees felt they should not be put in a position in which they cannot even consider a job in another department that could offer them more experience and learning opportunities.

Managers viewed inter-departmental mobility as less of a difficulty the greater the period of time before conversion. For example, if a term employee only had to work one year before becoming indeterminate, most managers and term employees felt that it was reasonable to say that the entire year should be with the same department. This would make it easier to evaluate the individual before renewing their term and avoid the problem of departments getting “stuck” with a term from another department.

However, if the period worked before conversion was set at two years or more, it would be reasonable to allow inter-departmental moves. Such movement would be facilitated if a government-wide pool of term employees were created to match individuals with particular skills to jobs in different departments, as needed.

5.4.2.6 Limits on number of term renewals

For the most part, neither managers nor term employees thought that it made sense to limit the number of term renewals allowed. Instead, they felt that conversion to indeterminate status should be based on the amount of time worked.

5.4.3 Reactions to Scenario Two

5.4.3.1 Possible consequences

For the most part, managers reacted negatively to the idea of eliminating term employment. They felt this step would severely limit the federal Public Service's flexibility to meet short-term needs, resulting in reduced service to the public, increased overtime for indeterminate employees, greater use of casual and contract workers and the higher costs associated with that use. Since it currently takes about eight months to hire an indeterminate employee, managers would either have to wait the eight months or train a series of casual workers. Because circumstances in the PS differ across the country, depending on departmental mandates and culture, managers expressed a need for continued flexibility.

They raised other concerns, such as:

- Higher risk of being saddled with under-performing indeterminate employees. Many people would get past their probation period before their faults came to light.
- Eliminating term employment is not compatible with the reality of fluctuating workloads and labour needs.
- Secondments and leaves of absence for indeterminate employees might have to be curtailed.

Term employees also had reservations about this scenario. Many felt it was too drastic and could result in increased use of casual workers – who are reportedly treated worse than term employees – or in work being done by indeterminate employees or not being done at all. Some feared that it would be much tougher to get a foot in the door with the federal Public Service.

In general, term employees and managers agreed it would be unrealistic to have a totally full-time Public Service with no term employees. It would require too many changes in the way government is run, including the way budgets are set and administered.

5.4.3.2 Changes in behaviour

As with Scenario One, term employees felt that with Scenario Two they would have better morale, loyalty and dedication and would spend much less time looking for other jobs.

Managers indicated that the federal Public Service would have to undergo a major culture shift to prepare for the change. For example, they felt they would need much better training in human resource management and in forecasting staffing requirements. Some managers also spoke of the need to develop ways around the new policy, such as arranging for deployments and secondments from other departments.

5.4.3.3 Other changes required

It was generally agreed that if term employment were eliminated, there would have to be a variety of reforms in government operations. The changes mentioned most often included:

- Having stable, multi-year budgets with money available earlier in the fiscal year.
- Making placements for indeterminate employees the responsibility of a central agency such as the Public Service Commission – particularly in cases where sunset programs come to an end and a large staff must be re-deployed.
- Simplifying the procedure for hiring new employees and dismissing poor performers.
- Requiring more inter-departmental coordination to share resources and move people with transferable skills.
- Taking steps to ensure that the “pool” of pre-qualified indeterminate employees available for short-term work assignments is managed by a central agency and does not become a refuge for poor performers.
- Having human resource planning occur at a broader organizational level to accommodate movement of indeterminate employees who are no longer needed.

- Ensuring that the various systemic changes required for Scenario Two are in place before its implementation, so that managers are not left carrying indeterminate staff who are not budgeted for.

5.4.3.4 Impact on use of contract and casual workers

The broad consensus among both term employees and managers was that if term employment were eliminated, the use of contract and casual workers would increase significantly. Other regulations might have to be introduced to prevent this practice from being abused.

5.5 Meeting with departmental financial officers – findings

Views on budget process and risk management

The general findings from this meeting were very similar to the findings of the focus groups held with other managers. Participants seemed to favour a period of two years before conversion to indeterminate status within the same parameters as identified by the other focus groups, and felt that the disadvantages of Scenario Two outweighed the advantages. However, this meeting allowed for a greater exploration of some of the budgetary themes identified during the Phase 2 research.

In response to specific questions on the budgetary process, participants said that there were certain “givens” in the budget process, i.e., activities that won't change and that recognize the need for long-term stable funding, and activities that are shorter term requiring flexible funding. That being said, there are aspects of the system that make it difficult to plan longer range staffing needs effectively.

The following summarizes their comments:

- There will always be “A” base and “B” base budgets.
- “B” base budgets are temporary resources for special projects and require staffing flexibility to hire temporarily.
- There are also carry-forward provisions that allow departments with lapsed money to carry forward 5% into the following fiscal year as temporary funding.
- “A” base could be considered multi-year. Changes to the “A” base are generally known well in advance and managers get a heads-up; re-allocation of “A” base budgets is done the previous fiscal year, not in April or May.
- Departments operate on a cost-recovery program basis – this makes prediction difficult and fuels temporary employment and extension of renewal of term employees (e.g., Statistics Canada surveys for other departments).

- Funds come in all through the year – “B” base. Departments have planning processes that are five years and three years out (as best they can), but there needs to be staffing flexibility because of the unknowns.
- In large departments, budgets are allocated initially at much higher levels and it could take three months or more for local office managers to be able to access what is available to them.

The view that emerged from this discussion was that the prevailing culture in the federal Public Service discourages budgetary risk taking. Managers are clearly told that they cannot go over budget, and that hiring term employees and letting them go is preferable. The freedom to risk manage appears to be greater at higher organizational levels, and less at the local levels.

Other input included:

- Each person has his or her own definition of risk management.
- Depends on the message that comes from the top, communication is key; if managers are told to count pennies, they will not risk manage.
- FAA does not provide for overspending.
- Risk would be big if every manager spent money they did not have – aiming to spend 110% of allocated budget is illegal.
- No manager is allowed to over-budget.
- Message is given to managers loud and clear – don’t overcommit, provide as much flexibility as possible, hire term employees and let them go if you have to.
- At the local level, managers will definitely use term employees because of budget uncertainties and need a temporary population to live within their budgets.
- More risks taken farther away from the local office because of higher levels of authority and a larger base.
- There will always be peaks and troughs, which managers will respond to by using term employees; however, a study in one department showed that managers were risk-managing to excess and that a number of positions could be staffed indeterminately with minimum risk.

5.6 Meeting with the human resources community – findings

After providing the context for the Term Employment Study, the co-chairs tabled the two solutions scenarios that served as a discussion guide. The group was canvassed as to the need to change the existing policy on long-term, specified period employment (the 5-year policy). As in previous focus groups, there was unanimous support for change. Participants then proceeded to explore each scenario.

Feedback on Scenarios One and Two

Reactions were mixed, but after discussion, Scenario One drew the most support. Participants mirrored the points made by most other groups, notably that managers need flexibility to handle work of a short duration (leave replacement, short projects, peak workloads, etc.), and that a threshold of two or three years before conversion to permanent status would respond sufficiently to this need. The shorter the threshold, the more restrictive the other variables would have to be (e.g., requirement to remain in the same position, and the inter-departmental mobility and service break allowances would be more restrictive with a shorter threshold).

Scenario Two, although deemed possible, would require more fundamental changes to current practices and tools. Rules governing probation, workforce adjustment, budget administration, performance assessment, and speed of recruitment would require review. It was also felt that this option would be more costly, at the very least from the WFA perspective.

A number of participants concluded that a one-size-fits-all approach would not work. One department had recently addressed the issues of longstanding term situations and noted that, without prior exposure to the scenarios presented during this meeting, they had basically chosen a course of action similar to Scenario One.

5.7 Meeting with the Association of Professional Executives of the Public Service of Canada (APEX) – findings

Feedback on Scenarios One and Two

There was absolute consensus that the status quo was unacceptable and change was needed.

“Term employees need to be dealt with in a more human way and not be played like puppets on a string.”

With respect to Scenario One all participants agreed that conversion to indeterminate after one year of term employment was too short. The group supported the financial officers in echoing the concerns related to “B” base funding. And they reiterated that managers would get around the new policy by either breaking service to avoid appointing indeterminately or be forced to use other means such as casual and temporary help or a combination of the two to avoid adding to an already difficult situation.

After a healthy discussion, the majority of participants settled on two years as being an acceptable option. It was also mentioned that for non-renewals, assistance should be provided to facilitate continued employment for that person. All participants agreed that the term employment would have to be in the same department but not in the same position.

As far as Scenario Two was concerned, managers agreed with other groups in expressing that implementing one status may solve some problems but create many others and “paint managers into a corner”.

“We would be shooting ourselves in the foot if we go all indeterminate”

Scenario Two would also force an increase in casual and temporary agency hiring, and sunset programs would have to be further explored within this context.

Lastly, the APEX managers discussed the creation of pools of indeterminate employees. Participants felt that if pools were created, it would be important that the pools be created within a department, as the employees would be a known entity. Representatives of small departments had difficulty seeing this work as their population is very small.

5.8 Phase 3 conclusions

The testing potential solutions phase provided the members of the Joint Committee with great insight into: the reactions of stakeholders to proposed changes to current term employment policy; the impact of these changes on managers’ and term employees’ behaviour; the changes required to make each solution work; and, the potential consequences of each solution.

A strong majority of both terms and managers felt the first scenario was more feasible. They recognized the need for term employment and chose solutions that balanced the Public Service’s need for flexibility with the need to treat employees fairly and offer the stability to meet future recruitment and retention challenges.

The majority of focus group participants favored lowering the threshold for conversion to indeterminate status to two years. They felt that a shorter period would lead to increased use of casual and contract employees and consultants as well as shorter term appointments to avoid conversion to indeterminate status. They also felt this change would affect the availability of secondments and leaves of absences for indeterminate employees. By comparison, they viewed a period of more than two years as too long for both managers and term employees. Managers appeared confident that a two-year period would allow them enough flexibility to backfill for periods of leave and complete short-term projects.

In addition, both groups agreed that the need to change other components of the current policy would depend on the length of the conversion threshold. By lowering the threshold, some felt it would be less crucial to change other aspects of term employment policy, such as the rules for service breaks and the number of reappointments and the requirement that all service be with the same department. For example, both groups agreed that service in different positions should be included in calculating cumulative service and that the issue of the length of breaks in service was less of a problem if the conversion period were shortened. On the issue of the service being within the same department, participants were concerned that this could impede mobility because managers might be reluctant to accept term employees from other departments if they had to provide them with indeterminate positions once the conversion period was up. However, under a two-year conversion scenario, they believed it would be reasonable to allow inter-departmental mobility if a government-wide pool of term employees were created to match individuals with particular skills to different departments as needed.

Both term employees and managers had reservations about Scenario Two. Managers felt it would reduce staffing flexibility, affect service to the public, and increase overtime costs, and reliance on casuals and contract employees. Term employees agreed that the use of casual employees would increase, making it more difficult to enter the federal Public Service. In the managers' view, a major culture change would have to take place, along with other changes. In particular, there would need to be more stable multi-year funding, a central agency to deal with finding placements for indeterminate employees, a pool of pre-qualified indeterminate employees available for short-term needs, and much broader organizational human resource planning. While some participants did find merit in Scenario Two, the general consensus was that this was too drastic a change for the Public Service and that the negative consequences outweighed the benefits.

Reactions to the two scenarios allowed the Joint Committee to consider many points of view as well as thoroughly assess the viability and consequences of the recommendations they formulated.

6.0 Forecasting Model

One of the main issues raised by managers and term employees in Phase 2 was the current threshold of 5 years for conversion to indeterminate status. For this reason, the Joint Committee tested a potential solutions scenario in Phase 3 that included a reduction in the time required before conversion.

While a threshold of three (3) years or less was strongly favoured in all consultations, the Joint Committee required additional data to determine, not only what an appropriate period might be, but to gauge the consequences of this action, and to consider an implementation strategy.

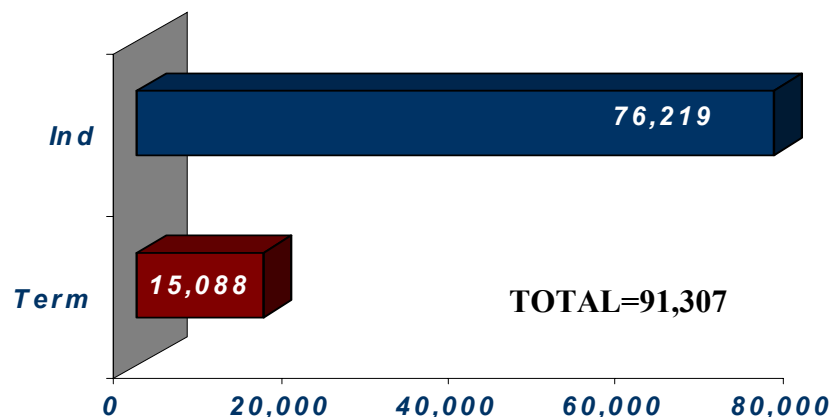
6.1 Parameters for simulation

The Joint Committee contracted with the Demographic and Forecasting Unit of the Public Service Commission's Research Directorate to develop macro-simulation models based on different conversion scenarios and variables. The vacancy-based model forecast anticipated indeterminate departures on an annual basis, and then determined the recruitment volume needed to achieve growth or a constant population. The model was comprised of actual P.S.A.C. indeterminate employees and P.S.A.C. term employees with three months or more of service as of the 31st of March 2001 (see figure 1).

Supporting document F offers a description of the "term indeterminate model", as well as an example of the status quo scenario.

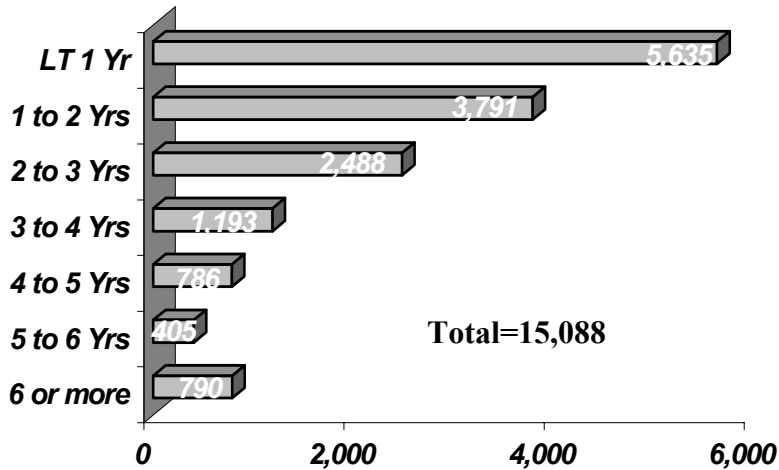
To develop realistic scenarios, the following parameters were provided.

**Figure 1:
P.S.A.C. indeterminate and term (>=3months) levels as of March 31st 2001**



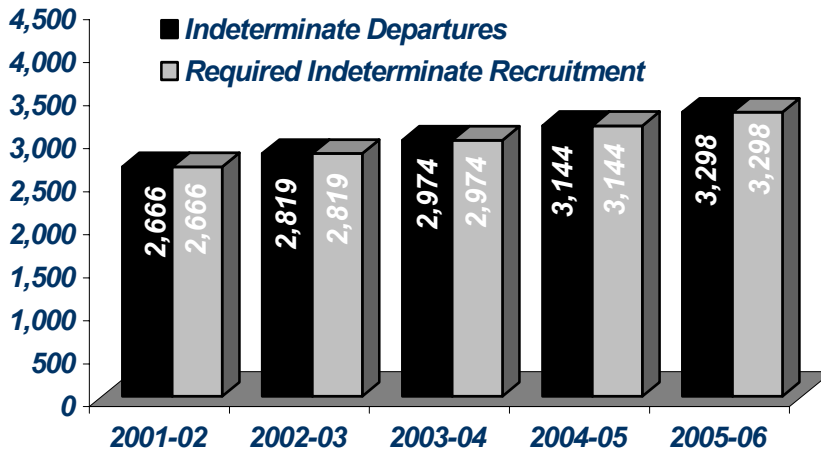
The term population was further subdivided into years of continuous service going from less than one (1) year of service to 6 years of service or more. (see figure 2)

Figure 2:
P.S.A.C. Term population (>=3months) by years of continuous service as of March 31st 2001.



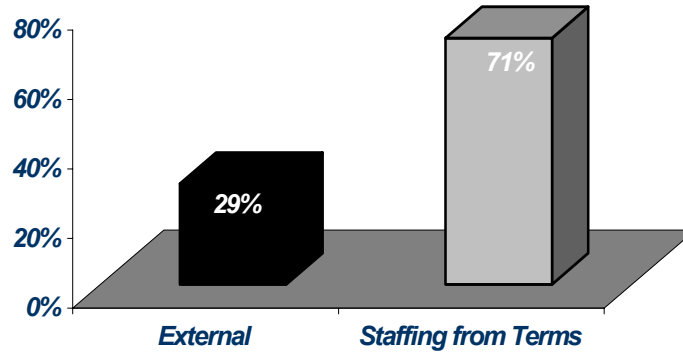
The model is based on a forecast of indeterminate departures. Over the next 5 years, the volume of indeterminate departures within the P.S.A.C. population is expected to increase steadily going from 2,666 during 2001-02 to approximately 3,298 by 2005-06 (see figure 3)

Figure 3:
Expected Indeterminate Departures and Required Indeterminate Recruitment



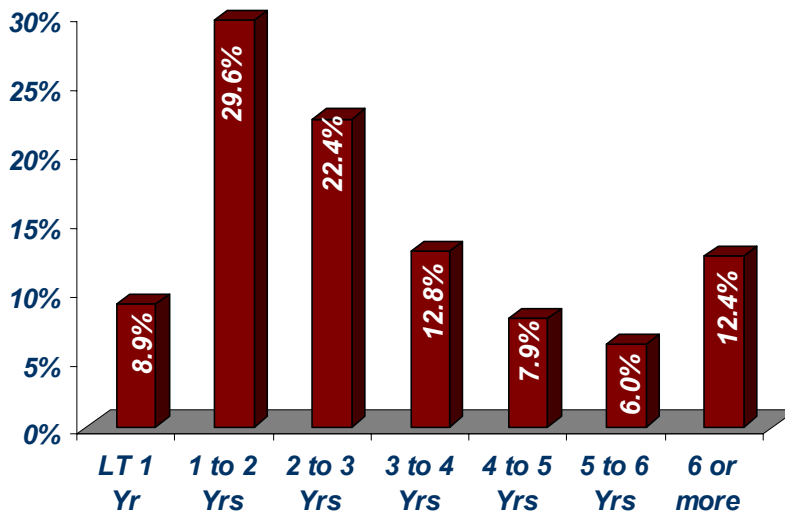
Using historical shares of recruitment from external sources and from the term population, the simulation model then attempted to fill the anticipated vacancies. The historic shares of recruitment were based on observations from the last 10 years (1990-91 to 2000-2001) and were set at 71% from the term population and 29% from external sources. (see figure 4).

**Figure 4:
Filling anticipated vacancies**



The 71% indeterminate recruitment staffed from the term population was further subdivided by the share of staffing from term employees based on years of service. It is interesting to note that, as seen in figure 5, of the 71% indeterminate recruitment from the term population, 60.9% is from term employees with 3 years or less of service.

**Figure 5:
Share of staffing based on years of service**



6.2 Scenarios

Based on these parameters, scenarios were developed to forecast the impact of maintaining the status quo (see supporting document G) or changing the threshold for conversion to indeterminate status to 3 years, to 2 years and to 1 year. The Joint Committee also asked that scenarios be developed based on different growth rates in both the term and indeterminate populations. Growth rates over the last two fiscal years have been 1% for the indeterminate

population and 9% for the P.S.A.C. term population. Scenarios were developed with conversion after 3 years, 2 years and 1 year based on those growth rates as well as scenarios based on 1% indeterminate growth and 4.5% term growth and scenarios based on no growth (0% indeterminate growth and 0% term growth).

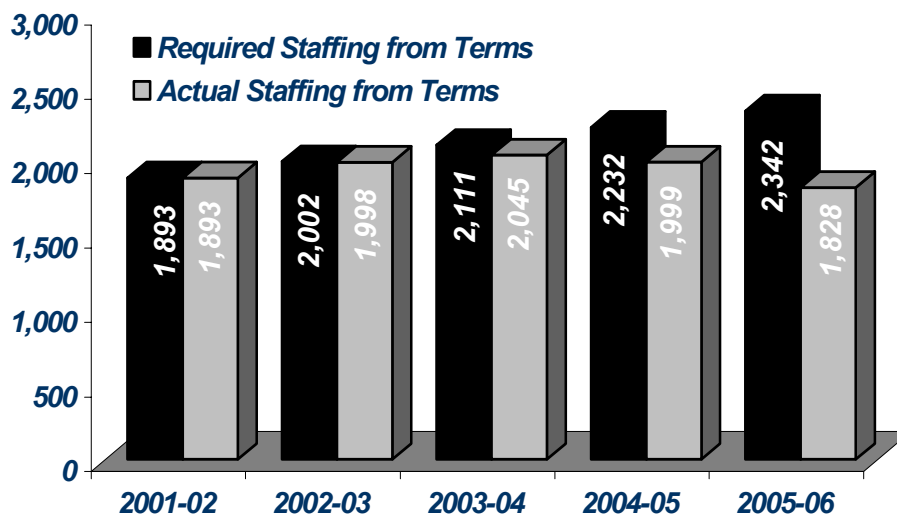
After looking at the results from each scenario, the Joint Committee concluded that the current P.S.A.C. term population rate of growth (9%) was inconsistent with the rate of growth in the overall term population. The Joint Committee looked at all the scenarios, but for the purposes of this report chose to include the three scenarios, which best illustrate the impact of the proposed changes – status quo, 2 year conversion and 2 year phased-in conversion.

The scenario for the status quo is based on no growth, and the 2 year conversion scenario is based on 1% indeterminate growth and 4.5% term growth. The 2 year scenario is presented because managers and term employees in Phase 3 focus groups and consultations agreed it was the most feasible.

6.2.1 *Status quo scenario*

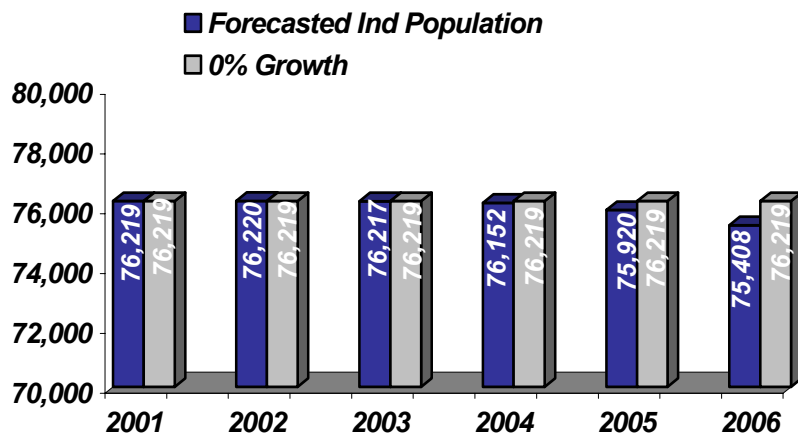
This scenario assessed whether current recruitment policies or practices could sustain existing employment levels in the indeterminate population. As P.S.A.C. indeterminate departures increase (from 2,666 in 2001-02 to 3,298 in 2005-06), so will the demand for recruitment from the term population (which comprises 71% of indeterminate recruitment, if historical trends continue). The forecast results indicate that without any changes to the distribution of recruitment from the term population by year of term service, the demand for term employees will outpace supply.

**Figure 6:
Required and actual staffing from term employees**



Unless term employees are staffed as indeterminate earlier during their term tenure or unless external indeterminate recruitment is increased, the shortage of term employees will not allow for a stable indeterminate population. As a result, a shortfall of approximately 802 indeterminate employees could be expected by 2006, a gap which would only widen with time. (see figure 7)

**Figure 7:
Impact of status quo scenario**



6.2.2 2 year conversion scenario

Under this scenario, all term employees with 2 years of service or more during the first fiscal year would be converted to indeterminate status. As indicated earlier, this scenario sets indeterminate growth at 1% and term growth at 4.5%.

According to the forecast, the initial impact of an immediate 2 year conversion policy would cause term conversions to dominate indeterminate recruitment and to outpace indeterminate vacancies. However, by the third year, term conversions would stabilize to approximately 1000 to 1500 annually and both external and term shares of indeterminate recruitment would grow.

Figure 8:
Impact of immediate 2 year conversion scenario

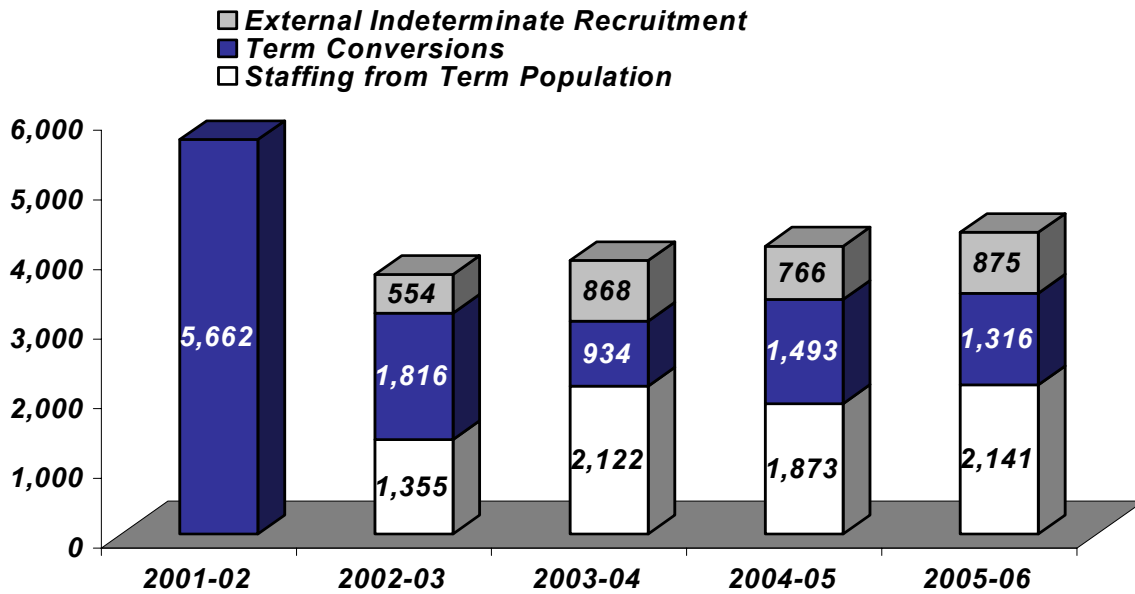
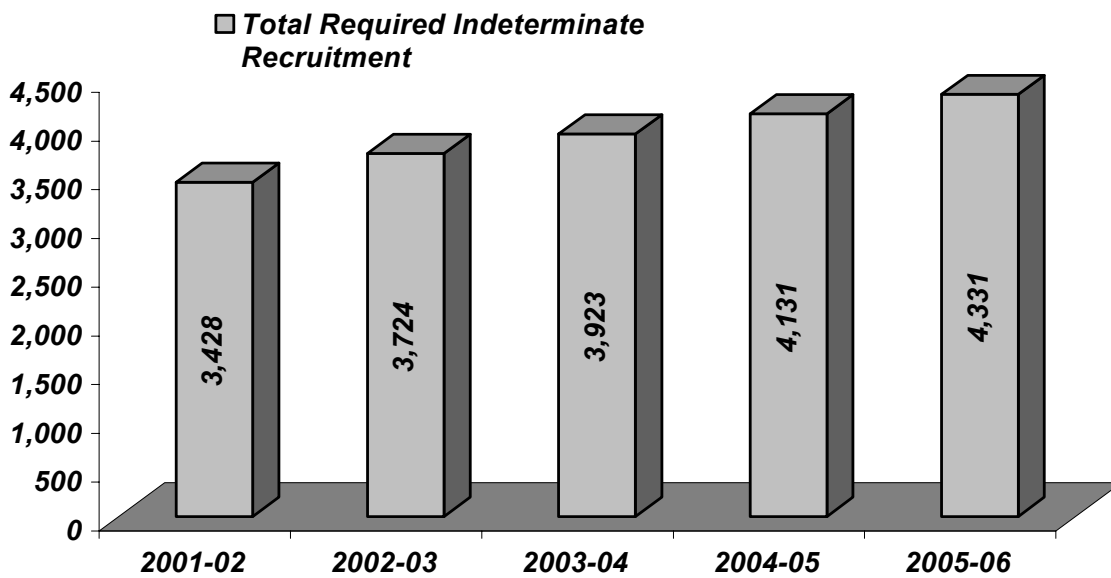


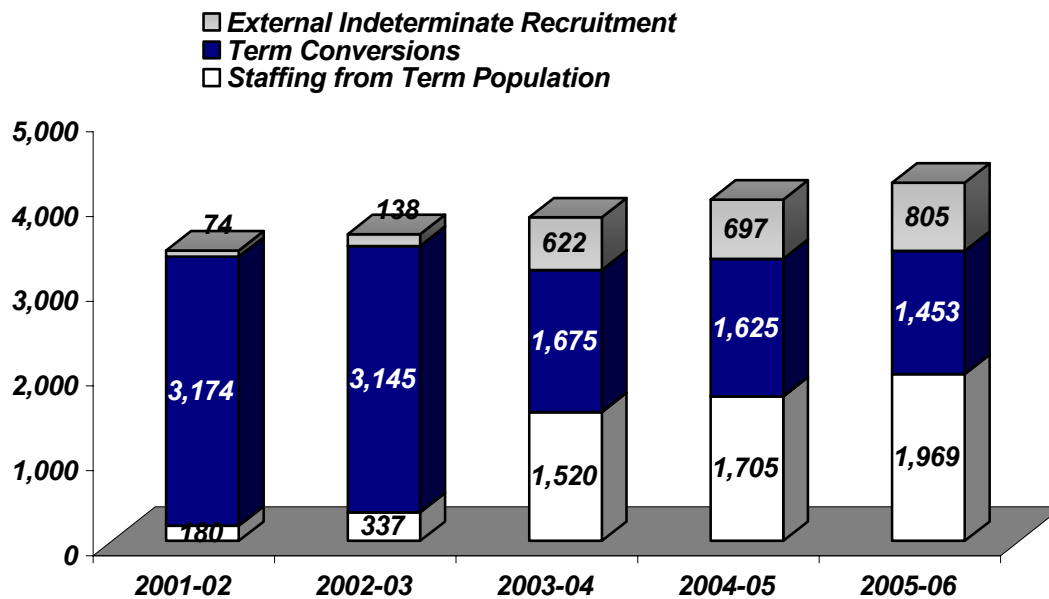
Figure 9:
Total required indeterminate recruitment



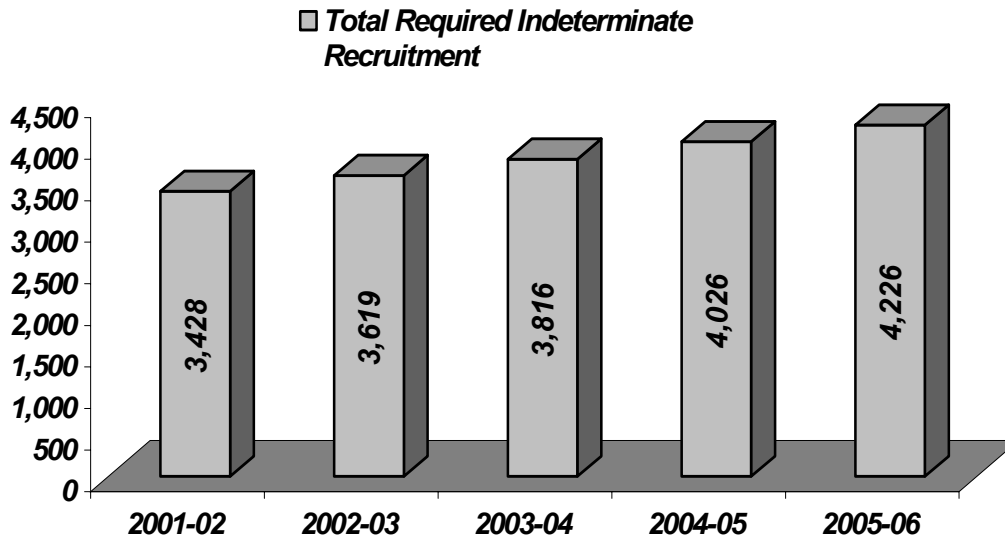
6.2.3 2 year phased-in conversion scenario

Under this scenario, all term employees with 3 years of service or more during the first fiscal year would be converted to indeterminate status and a 2 year conversion policy would be implemented in the second fiscal year. The growth rates used are the same as the previous scenario. The results of the forecast showed that while the initial impact of the policy would cause term conversions to dominate indeterminate recruitment for the first two fiscal years, term conversion volumes would remain within the overall indeterminate demand. By the third fiscal year, term conversions would stabilize to approximately 1,400 to 1,700 annually and external and term shares of indeterminate recruitment would grow.

Figure 10:
Impact of 2 year phased-in conversion scenario



**Figure 11:
Total required indeterminate recruitment**



6.3 Conclusions

While the scenarios developed by the term to indeterminate forecasting model only allow for broad macro level conclusions, they helped the Joint Committee anticipate the impact of certain policy changes.

For example, the results clearly showed that without any changes to the current 5 year conversion policy, the term population, which has historically served as an important “feeder pool” for indeterminate recruitment, would be incapable of meeting the demand created by the expected indeterminate departures and that this would eventually lead to a shortage of indeterminate employees.

The forecasting also showed that while an immediate 2 year conversion policy was feasible over time, the initial implementation would be problematic; term employees who would be converted in the first fiscal year would outnumber the vacant positions created by the expected indeterminate departures by 2,234. This number was considered too high to be absorbed by departments, and could lead to some term employees being released prematurely to prevent them from obtaining indeterminate status. It could also lead to increased workforce adjustment situations.

The forecast model did show, however, that phasing in a 2 year conversion policy with an initial conversion of term employees with three years or more of service in the first fiscal year, not only allows for the conversion volumes to remain within the overall indeterminate demand, but also allows for modest external and term recruitment.

The Joint Committee considers that departmental implementation strategies should be developed at a national level in order to address the impact of these changes at local levels.

7.0 Recommendations

The objective of the Joint P.S.A.C./TBS Study was to produce effective and viable recommendations on the use of term employment and the recruitment, retention and treatment of term employees. Thorough research and analysis were carried out in the research, validation and testing possible solution phases of the Study, which led the Joint Committee to formulate recommendations based on the major findings.

The recommendations have been divided into four sections: 1) recommendations on changes to current policy and practices regarding term employment; 2) recommendations to improve practices within the accepted framework of good human resource management; 3) implementation of recommendations; and, 4) monitoring and evaluation of changes.

7.1 Recommendations for changes to current policy and practices regarding term employment

7.1.1 *Use of term employment*

1. Term employees in the federal Public Service should be automatically converted to indeterminate status after two years of cumulative service, in the same department, without a break in service of more than 60 consecutive calendar days.
2. A phased-in approach should be implemented whereby:
 - Term employees with three or more years of service are converted to indeterminate status on implementation date (as defined in the new policy);
 - One year later, term employees with two or more years of service should be converted; and,
 - Thereafter, term employees should be converted on their two-year cumulative service date.
3. Every proposed non-renewal of a term employee, who completes two years or more of cumulative service during the one year phase-in period, should be reviewed by an arm's length joint union-management committee.
4. Build the appropriate HR accountabilities for the management of term employees into all managers' performance agreements during the implementation period.

7.1.2 Recruitment of term employees

5. To accommodate the increased use of indeterminate employment and meet future recruitment needs we recommend that the Public Service:
 - Integrate financial, business and human resource planning more effectively;
 - Modify financial management practices to allow for multi-year funding, more stable funding (“A” base versus “B” base), earlier budget allocations, and financial risk management at a broader level in organizations to help mitigate local level risk;
 - Develop long-term versus short-term resourcing, recruitment and succession planning strategies;
 - Implement a corporate approach to human resource planning, which includes the term population as a feeder to the future needs of the Public Service;
 - Introduce more rigorous human resource planning, staffing and performance management training for all managers, with increased support to managers on strategic planning and the implications of their human resource decisions.
6. The representation of designated group members (except persons with disabilities) is higher in the term population than in the indeterminate population. Therefore measures should be taken to recruit designated group members at the very outset as indeterminate employees.

Where there is under-representation of designated group members in occupational groups and geographical regions throughout the Public Service, in the indeterminate population, more rigorous use of special measures, as defined in Employment Equity Programs, need to be taken until the PS is fully representative. In the implementation of these programs, departments should first access the designated group members in the term population as a source for indeterminate employment.

7.1.3 Retention of term employees

7. Ensure that term employees are only assessed or required to compete once for their own job on initial appointment; any extension of a term should not be a new appointment. It is recommended that Public Service Employment legislation be amended to support this recommendation.

8. Offer career counselling (including developmental opportunities), referral and transition support to term employees, particularly when they are not being renewed. Learning plans should also be mandatory for term employees.
9. Provide central funding (at the departmental level) and expertise to implement Duty to Accommodate policy, particularly to accommodate persons with disabilities.
10. Create an arm's length exit interview process to document why term designated group members are leaving and apply corrective measures, if needed.
11. Monitor the career progression of designated group members to ensure equitable representation within all occupational groups and levels.
12. Establish a pool of indeterminate employees to assist in implementing the new policy and meet future short term staffing requirements.

7.1.4 *Treatment of term employees*

13. Ensure that managers provide all term employees with at least two weeks' advance notice of renewal of term appointments (extensions).
14. All term employees should receive joint union-management orientation sessions upon initial appointment, which would include as a minimum:
 - Information on their term status and term employment policy;
 - Benefits and entitlements;
 - Staffing policies and practices; and,
 - Rights under collective agreement and union representation.

7.2 Recommendations to improve practices within the existing framework of good human resource management

During the course of this study, Joint Committee members heard from managers and present and former P.S.A.C. term employees that improvements could be made in workplace practices to alleviate feelings of class distinction based on employment status. The expression "second class citizen" was often heard. These feelings tended to be more prevalent in organizational units with higher concentrations of term employees. In addition, the research clearly demonstrated the need to reduce the stress and insecurity many term employees experience about the uncertain future of their jobs. Because they fear for their jobs, term employees say they feel pressure to work harder,

work unpaid overtime at times, and abstain from taking sick leave or other leave when warranted. The practices with the greatest impact are outlined below.

7.2.1 *Use of term employment*

15. Many indeterminate vacancies or continuing functions are filled on a term basis to overcome the cumbersome requirements of the current staffing process. These positions should be staffed indeterminately. To ensure that this happens, there must be a more efficient staffing process and a greater reliance on human resource planning.
16. Staff positions on a seasonal indeterminate basis and not on a term basis where there are recurring seasonal requirements.

7.2.2 *Recruitment of term employees*

17. Avoid needless short-term initial appointments and re-appointments (extensions) to minimize the insecurity for term employees as well as the administrative burden and cost of repetitive extensions.
18. Recruit term employees initially for more than three months to ensure that they have rights under the collective agreement, if there is a reasonable expectation that the function/work will last more than three months.
19. Establish eligibility lists for the longest duration possible so as not to subject term employees to multiple competitions for the same position. If there are good reasons for not doing so, these should be shared with the employees affected by the decision.

7.2.3 *Retention of term employees*

20. End the practice of excluding term employees from competing for indeterminate positions. This practice contravenes the provisions of the Public Service Employment Act. Similarly, consider term employees for acting and assignment opportunities and do not exclude them simply on the basis of their status.
21. Effective departmental monitoring mechanisms should be put in place to ensure that managers do not break the service of term employees to avoid appointing indeterminately at the two-year cumulative service date.

7.2.4 *Treatment of term employees*

22. Provide term employees with performance feedback in a timely manner to minimize stress and insecurity.
23. Managers should assess the term employee's performance during the 12-month probationary period and notify him or her upon successful completion of that period. This would avoid the situation many term employees reported -- that of feeling that their probation period is extended for the duration of their term tenure.
24. Ensure that term employees are included in meetings, retreats, and in decision making that is open to staff, and provide them with the tools they need to do their work. If there is a legitimate situation in which term employees cannot be included, the reasons for it should be shared with those affected.
25. Extend the term employment period for those on maternity leave where work is ongoing.

7.3 Implementation

26. These recommendations should be contained in a new Term Employment Policy to be approved no later than December 2002. Developing and implementing a new policy as promptly as possible is in the best interests of the current term population, and recognizes the negative impact on the federal Public Service of delaying implementation. In addition, it is recommended that:
 27. Implementation of the policy should be fast-tracked to become effective no later than the end of the fiscal year 2002-03.
 28. In partnership with the bargaining agents, departments should move immediately to appoint term employees on an indeterminate basis wherever possible.
 29. Departments should move immediately to implement the HR best practices outlined in this report.

7.4 Monitoring and evaluation of new policy

30. These policy recommendations took into consideration current demographic and labour market pressures as well as the misapplication of the existing term employment policy. To meet future recruitment and retention needs in the federal Public Service, the new policy and the use of term employment should be reviewed within the next three years and on a regular basis thereafter.

Supporting Documents

Supporting Document A

**Focus Group Report to the Joint PSAC/TBS
Committee on the Use of Term Employees in the
Federal Public Service**



PN 5137

May 2002

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Introduction and Methodology

Environics Research Group Ltd. is pleased to present the following report to the Joint Committee of the Public Service Alliance of Canada (PSAC) and Treasury Board of Canada Secretariat (TBS). The report concerns the results of a series of 14 focus groups conducted among term employees who are PSAC members working for the federal government in April 2002. Two groups were conducted in each of the following locations: the National Capital Region (NCR) in English (April 9), the NCR in French (April 11), Toronto (April 15), Montreal (April 15), Halifax (April 17), Winnipeg (April 24), and Vancouver (April 29). Outside of the NCR, the Montreal groups were conducted in French, and the groups in the other cities were conducted in English.

The focus group participants were recruited by Environics randomly, using lists of names and work phone numbers of term employees supplied by TBS. A total of 83 term employees participated in the 14 focus groups, and those who participated work for a wide variety of federal government departments and agencies. The departmental breakdown of the participants is listed below:

Human Resources Development Canada (HRDC)	24
Royal Canadian Mounted Police (RCMP)	7
Fisheries and Oceans Canada	7
Statistics Canada	6
Agriculture and Agri-Food Canada	6
National Defence	5
Public Works and Government Services Canada (PWGSC)	3
Canadian International Development Agency (CIDA)	3
Health Canada	3
Industry Canada	2
Department of Justice Canada	2
Correctional Services Canada	2
Canadian Grain Commission	2
National Archives of Canada	2
Immigration and Refugee Board (IRB)	1
Transport Canada	1
Canadian Space Agency	1

Environment Canada	1
Veterans Affairs Canada	1
Canadian Science Centre	1
Indian and Northern Affairs Canada	1
Western Economic Diversification Canada	1
Citizenship and Immigration Canada	1
TOTAL	83

The participants were also diverse in terms of age and experience as a term employee, with some serving in their initial terms and some having been terms for as many as six or seven years. In addition, equity groups, such as women and visible minorities, were well represented among the participants.

The issues covered in the focus group discussions can be summarized as follows:

- how term employees are recruited, and how this fits in with the theoretical role of term employment in the federal Public Service;
- how term employees are treated both in terms of basic human resource issues and socially in the workplace;
- whether being a term employee is leading to public service workers leaving the Public Service and a loss of talent;
- what changes term employees would like to see in their treatment.

The discussion agenda used in the focus groups can be found in the Appendix at the conclusion of this report.

Detailed Report

1. Recruitment Issues

Initial Awareness of Term Position

The term employees who participated in the focus groups had a wide variety of experiences and personal stories of exactly how they became term employees in their current jobs. In the majority of cases, they had simply responded to advertisements they had seen either in the newspaper, on the Internet, or in a government employment centre, and they had written a public service exam through the Public Service Commission of Canada (PSC).

It was notable that in Halifax it was particularly common for term employees to speak of having written an exam at the PSC and then being on an inventory that led to them being called in for a term position in an area for which they were qualified. In the NCR, there were more stories of term employees having initially worked at their current job on a contract basis through a temp agency and being offered a term position once they had worked the maximum number of hours on contract. A few participants had also first been hired through co-op programs while they were students, and these had led to offers of term positions. Very few participants reported finding out about their positions through any kind of personal connection or acquaintance with the person doing the hiring or with anyone working at the department.

The initial length of time that terms work also varies from as little as three months to two years. Also, some terms spoke of having just been hired to their term in the preceding few months. Others had worked as terms for as many as ten years. Those that had worked the longest as terms were either affected by the public sector hiring freeze in the mid-1990s or had experienced some breaks in service that prevented them from attaining indeterminate status.

Reasons for being hired as terms

There were also a wide variety of experiences among participants with regard to the precise reasons they had been hired as terms and not as indeterminate in the first place. Some had been given very clear explanations from their managers as to why they had been hired as terms. Others were under the impression that it was standard procedure for *everyone* to be initially hired on a term basis and that the time spent working as a term essentially served as a probationary period.

Some examples of specific reasons for being hired as terms included:

“My department (Western Economic Diversification) has no long-term budget, so all they hire are terms.”

“Everybody at HRDC starts as a term, only the old-timers are indeterminate.”

“I was told that my job was to cover a short-term need, but there is no way that the work I do will ever disappear — there will always be people collecting EI!”

“The money to pay for terms comes from a different budget than for indeterminates. There is never money in the budget for a new permanent employee.”

“I was brought in to fill in for someone on long-term leave. Everyone knows he is never ever coming back, but he still holds down the “job number,” so I cannot get a permanent position until he dies.”

As can be seen from the comments above, there are many reasons why term employees are term employees. In some instances, it is understood to be a function of budgetary issues whereby the department or agency in question either has no stable source of funding or where the specific job is dependant on annual research grants. There is also a perception that departments and managers have different pools of money to draw from, often described as “A-based budget and B-based budget.” Terms are often told that money cannot be tapped for an indeterminate position because those positions get paid for out of a different budget. It is often believed that managers are able to pay for term employees out of more discretionary budgets.

It was notable as well that many of the term employees who came to the focus groups are employed by workplaces in which virtually everyone is a term employee. This was particularly common among terms working for the RCMP, the Department of Fisheries and Oceans, and HRDC, as well as those with past experience working with the Canada Customs and Revenue Agency (CCRA). In these workplaces, it was thought that it was a matter of course that the managers and “higher-ups” are indeterminate and that any recent hires — particularly in lower level clerical and phone centre jobs — are *ipso facto* terms. It was often perceived that the difference between being a term and being indeterminate is often one of seniority. These terms, working in “term-heavy” workplaces, were under the impression that it was department policy to avoid providing indeterminate positions as much as possible.

Other terms work in offices where they are typically one of just a couple of terms among a largely indeterminate workforce. Those terms are more likely to have term positions because they were filling in for someone on leave or secondment or working on a project that clearly had a limited life span.

There were many complaints that they, as term employees, were left in a state of limbo because of so many indeterminate employees being on a very long-term leave of absence and secondments or taking on “acting” positions elsewhere. These practices were seen to be tying up job numbers that could be given to terms, making them indeterminate. One participant in Halifax remarked, “there is more acting in this department than there is in Hollywood.”

Some terms also described having term positions because the work they do is so new that no official job description exists for it. This point was raised by several terms who worked as Web designers — a job that did not exist a few years ago and that still does not “officially” exist.

Overall, it was clear that many term employees are under the impression that being a term is the same as being on probation and that it is part of “paying your dues.”

Terms described a very wide range of experiences in terms of how their employer explained their term status to them. Some were told very explicitly that their job was on a very limited short-term basis and that they should not expect any renewal of their term, much less a permanent job. Others were told almost nothing to this effect and were instead given the impression that being employed on a term-limited basis was a mere formality that would lead to many renewals of terms and probably an indeterminate position down the road. In many cases, these terms were very frustrated because they felt that they were promised indeterminate status over and over and it never seemed to materialize.

Others were under the impression that everyone was hired as a term just as a kind of probation. Most terms spoke of the fine print on the paper they sign as a term that makes it clear that this should not be construed as a permanent offer of employment and that their term can be terminated at any time. Not all take this clause equally seriously.

Regardless of what terms were told, the vast majority of them regarded their term position as being at least a “foot in the door” to a career in the Public Service.

Staffing decisions for term employees

There was little awareness of a systematic difference in how staffing decisions are made for term positions as compared to indeterminate positions. Participants had complaints about the overall process of competitions that have to be undergone for all public service positions, but they were less clear on how there was a difference, depending on whether a position was term-limited or not.

There was some speculation that managers could be a bit more discretionary about hiring someone on a term basis than they could for an indeterminate job, but most term employees were unclear about this. A couple of term employees felt that it might be easier to land a term position through personal connections, but most were not under this impression. While there may be more official procedures to follow in filling an indeterminate position, the consensus was that if the managers want a particular person to get the job, they have ways of “rigging” the competition.

Term employees’ attitudes toward careers in the Public Service

The vast majority of participants indicated that they planned and hoped for permanent careers in the Public Service. Virtually all of them said that they would accept an indeterminate position doing their current jobs, if it were offered. For many terms, the idea of being offered an indeterminate position is like a “pot of gold at the end of a rainbow.” Many spoke of being willing to work long hours and put up with almost anything to hang on until they get indeterminate status.

It was abundantly clear that, even though term employment is officially regarded as being only for short-term positions and to fill in for people on leave, the people who take these term positions do not regard their positions as a temporary way station in the Public Service. They regard it very much as a first step to a career as a public service employee.

Terms gave a number of reasons for wanting to work in the Public Service; these included:

- good pay and benefits compared to the private sector (this was most often cited by terms in more clerical positions);
- job security and stability if they attained indeterminate status;
- family members who were public service employees and who recommended it;
- training possibilities;
- ability to receive a wide variety of job-related experience with secondments, and the possibility of working for various agencies and departments;
- commitment to the idea of working for the Public Service and having a job in which they are there to help the country and make Canada a better place;
- work that is more interesting and less profit-oriented than in the private sector.

Theoretical purpose of term employment in the Public Service compared to actual usage of term employment

Most term employees had a reasonably good understanding of the theoretical reasons for the existence of term employment in the federal Public Service. They felt that it was supposed to be either for jobs that are short-term by their very nature, such as working on a specific project or investigation that has a clearly defined life span, or to help out with a seasonal workload need. For example, CCRA regularly needs extra staff during income tax season. Term employment could also be justified in cases where someone was needed to cover for someone on maternity or sick leave or on a very short-term secondment to another department.

Some term employees also thought that term employment was actually supposed to be a sort of probationary period, during which a person could still be easily dismissed if their work was not satisfactory. Other terms disagreed and pointed out that while it was clear that term employment was often being used in this way, this was not part of the original purpose of term employment. There was some confusion among term employees as to whether indeterminate employees undergo any kind of probationary period and whether they can ever be dismissed.

A large majority of participants felt that, in their workplaces, term employment was not being used the way it was originally supposed to be used. Most felt that managers or the Public Service in general was grossly abusing term employment in many ways that have nothing to do with its

original purpose. Most of the term employees who participated in the focus groups felt neither they, nor the terms they worked with, fit into either the classification of working on a project with a set time limit or filling in for a defined temporary absence on the part of an indeterminate employee. Instead, many reported that in their workplace, terms were being used over and over again to work at jobs that were very clearly going to go on indefinitely and they were *not* replacing anyone on short-term leave. As a number of HRDC phone centre employees pointed out, “as long as there are any unemployed people in Canada, they will need people to take calls in the phone centre. There is nothing temporary about this job.”

In certain departments and agencies, such as HRDC, the RCMP and DFO, it was pointed out that it seemed like a large majority of employees were terms and that this could not possibly be in keeping with the original theory behind the existence of term employment.

The consensus was that managers were, for a variety of reasons, abusing term employment; these included:

- flexibility of being able to get rid of any term employee without having to go through the bureaucratic steps of firing them if they were indeterminate;
- being able to shuffle money around from one budget to another to get more staff, using more discretionary monies;
- having to conform to real or imagined internal government directives limiting the hiring of any indeterminate employees;
- being able to “work terms like slaves” and have them be very accommodating at all times because their jobs are always on the line;
- to hire needed staff quickly without the very long-drawn-out process involved in filling an indeterminate position;
- to appoint visible minorities and women to term positions just to make the “overall numbers look good”;
- to circumvent the cumbersome process of hiring an indeterminate employee when managers know whom they want for the job.

In other words, term employees feel that the real reason for managers hiring them as term employees is that it places all the power in the hands of the managers. If managers decide that they do not like a term employee, all they have to do is passively not renew the person’s term. No actual dismissal is necessary. There is no fear of wrongful dismissal suits and no need to offer any kind of severance package. This notion is particularly strong among term employees in clerical and operational positions. The perception is that managers view term employees as being completely expendable and part of a limitless supply of willing workers. By keeping people as terms, they continue to “have all the cards.”

Many terms defend the people who manage them personally. They feel that, in some cases, the managers' hands are tied because the lack of stable funding and various bureaucratic hurdles they must deal with when hiring an indeterminate employee make it very unattractive for managers to ever do so. A couple of terms even felt that their managers were keeping them as terms for their own good. If the job became indeterminate, there would have to be a wide-open competition for the job, and there was a fear that the term would not have a very good chance of keeping the job in an open competition against hundreds of applicants.

Term employees in some departments were more likely to acknowledge that, where they worked, term employment was used in the spirit in which it was originally intended. For example, term employees working on scientific research projects for departments such as Agriculture and Agri-Food Canada or CIDA, or on specific investigations at the RCMP, felt that the jobs they were doing were genuinely temporary in nature and, therefore, in keeping with the spirit of term employment. However, even in these instances, it was pointed out that invariably one investigation follows another and that one research project follows another and that at some point, term employees should be given indeterminate status and their employer should have to find them positions.

2. Treatment of Term Employees

Awareness of maximum length of term employment before attaining indeterminate status

Currently, if someone is employed on a term employment basis with more than five years of continuous service in the same department or agency, under the current Treasury Board policy they must become indeterminate. Awareness of this policy is very inconsistent. Some term employees are well aware of this policy. Many had no idea that this provision existed, much less that the limit was five years. Typically, participants spoke of having "heard rumours" that if they worked for five years as a term, they would become indeterminate. But few were certain that this was the case, and there was a clear lack of knowledge of how this actually worked. For example, very few participants were sure of whether or not their time as a term would be counted if they had any interruption between terms.

There was also considerable confusion as to whether a term employee could switch jobs or departments as a term and have the time still count toward the five years. Some were under the impression that they had to remain at exactly the same job for the whole five years to become indeterminate. Others were under the impression that they could move freely from a term in one department to another and still be accumulating time toward the five-year limit. The confusion over this rule was amplified by the fact that some people have been terms for up to eight years because time worked as a term during the years of the hiring freeze in the mid-1990s does not count. Many also believed that even if the five-year rule existed on paper, there were probably many loopholes that the government could use to avoid giving a term an indeterminate position.

Few participants had any direct knowledge of anyone becoming indeterminate specifically because they had worked for five years. There were anecdotes about this, but most term employees hope and expect that they might become indeterminate without having to wait such a long time.

Awareness was sketchy about the impact of any interruption in service on any time accumulated as a term toward the five-year limit being erased. Some participants had heard anecdotes or had direct knowledge of term employees who were approaching their five-year limit having their term lapse so they could be given a new term later on without having to become indeterminate. Participants were universally scandalized by the thought that their employer might purposely do this just to prevent them from attaining indeterminate status. There were rumours of this happening, but none of the participants had direct experience with this being done to a term employee.

The consensus was that five years was far, far too long a period of time that a person should have to work as a term before becoming an indeterminate employee. It was often pointed out that an employer should be able to tell whether an employee is competent after six months, and that there was no justification for making someone “prove themselves” for such a long time. It was felt that if anyone was performing well after a year or two, it was clear that they were doing good work and should be kept on. The alternative would be for the Public Service to lose experienced term employees who have a lot of institutional knowledge of their jobs and have to keep replacing them with untrained people off the street.

Similarly, when this five-year rule is discussed in the context of the original reasons for the existence of term employment, two points were often made. Any job that lasts even two or three years is clearly *not* a temporary job — it is a job that is there to stay regardless of who is doing it. Similarly, if a term is ostensibly filling in for someone on a temporary leave of absence, after two or, at most, three years, they are clearly *not* coming back.

Estimates of what the length of service ought to be before becoming indeterminate ranged from six months to three years, with most feeling that about two years would be a reasonable limit. There was also almost unanimous agreement that the time should be cumulative regardless of whether there were interruptions in service, and that it should be across the entire federal Public Service so that terms can feel free to work a term in another department without having to fear losing any time accumulated.

Disadvantages of being a term employee

Term employees who participated in the focus groups were quite voluble about the various disadvantages of being a term employee. The major points raised were as follows:

Insecurity

This was clearly the major complaint raised by term employees. Over and over again, they spoke of the lack of job security that comes with being a term employee. Some get reassurances from their managers about having their terms extended, but there is never any certainty. Many terms reported that they have to live with the constant possibility that their term can be terminated at any time or simply not renewed. Their employer is not required to provide any explanation for any of this.

Often times, term employees come to work on the last Friday of their term not knowing until the end of the day whether they should come to work the following Monday. Many term employees spoke of having families and mortgages and never being able to feel secure. Some even spoke of how being a term employee can jeopardize getting a bank loan or mortgage as financial institutions look upon them as not being a good credit risk. They are unable to do any long-term planning in their lives. There are also fears about what would happen to them if they became disabled or ill. The assumption is that they would see their term lapse immediately if they were viewed as a liability to the employer for that reason. Some wondered whether a term employee could ever go on maternity leave or if they had to just make sure they never got pregnant.

Many terms spoke of how every time their term is nearing an end, they get very stressed and are unsure of whether or not to look for another job. They feel that if there are any cutbacks in government spending, or if their department has to make cuts, they will always be the first to go. At DFAIT and CIDA, there is also the stress of knowing that when indeterminate employees posted abroad come back to Canada, they must be accommodated, and the terms are the first to be let go to make room.

Some term employees feel quite secure about their indispensability and say their terms are always renewed. But even they wish that they had more security on paper.

Stress of having to prove oneself

This was another common complaint. Term employees feel that even after several years on the job, they can always be let go without explanation at any time and so they must always be “proving themselves” by working twice as hard as any indeterminate employees do. Many terms seemed to resent indeterminate employees who were often perceived as “having jobs for life” and being able to get away with leaving at 5:00 p.m. on the dot and playing Solitaire on their computers. Term employees feel under constant pressure to perform at 110 per cent for fear of their terms not being renewed.

Having to “watch what you say”

Participants reported that, as term employees, they had to be acutely sensitive to office politics. They would never want to get involved in any union activities or to be seen to be complaining about anything since they have absolutely no protection from having their term allowed to lapse. They feel that they cannot make any enemies in the workplace and that they must silently put up

with any possible abuse without ever complaining. Some feel that they cannot even tell a joke for fear that it could be taken the wrong way and jeopardize their jobs. They would never contest a competition result or lay any formal complaint about anything. This was seen to stand in great contrast to the working conditions of indeterminate employees. Term employees feel that those who are indeterminate can virtually do or say whatever they want because they are so difficult to fire.

Having to re-compete for their jobs

One of the most hated aspects of being a term employee is having to write exams and enter competitions just to keep their jobs. Some report working five or six consecutive six-month terms and having to compete for their job in a wide-open competition each time. This was seen to be very stressful and also as very unfair. Term employees are often trained for their jobs and are performing well in them, yet in a competition they could lose out to someone “off the street” just by virtue of getting a lower mark on an examination and not looking as good “on paper.” It is also very stressful and unpleasant at work to know that you have to compete against your co-workers for your job.

Losing any seniority if moved to another department

Some term employees complained of never being able to take a job or a secondment at another department without losing any time they have accumulated toward indeterminate status. This means never being able to experience the range of possible jobs in the federal Public Service.

Also, many posted jobs are listed as being “only open to indeterminate employees,” meaning that they cannot even try to get those positions. This complaint was most common in the NCR, where there is a wide variety of different government jobs available and being limited to one department is seen to be very restricting.

Lack of career advancement

Some term employees also spoke of how, as a term, it is very difficult to ever move up to higher positions or advance their careers. Getting their job reclassified is apparently a bureaucratic nightmare and more often than not, it is made clear that they can only work at exactly the job they are currently doing. It is often seen to be a “dead-end.”

Lack of training possibilities

Although term employees are given training that is essential to their jobs, some complain that they are discouraged from getting leave to get additional training that is more geared to broader skills development. In contrast, it is believed that indeterminate employees can get time off to get this kind of training very easily. Those working in departments where there are many term employees and many indeterminate employees most often raised this complaint. In some smaller workplaces, where there might be one term among many other employees, this is less of a problem.

Lack of representation by the union and inability to file a grievance

Some participants also complained that their union never seemed to be willing to defend them in any disputes and had not done anything to improve the situation for term employees. This was especially true in some of the very “term-employee-rich” departments, such as DFO and HRDC. The perception was that PSAC’s role is to protect indeterminate employees and that this represents a conflict in terms of the organization also being able to represent the interests of term employees. Some wondered why they were paying union dues when it seemed that the union could not assist them in any way and that they had no right to grieve anything.

Lack of any feeling of loyalty to the employer

A number of term employees also said that a disadvantage of being a term is the breakdown of one’s morale about work. It is hard to feel any loyalty to your job or your employer when you know that they are treating you as if you are completely expendable. Also, several term employees commented that a lot of their productive time is lost to the employer because they must put so much of their time into applying for other positions in the government and writing competitions.

Advantages of being a term employee

When asked about advantages to being a term employee, the usual reaction was one of laughter. There was a virtually unanimous consensus that there could be no conceivable advantage to being a term employee compared to being indeterminate. The only advantage was voiced by one or two younger participants, who did not necessarily plan permanent careers in the Public Service and who worried that being made indeterminate might make them stop looking at other job possibilities.

Treatment in the workplace and social discrimination

Term employees have a variety of experiences in terms of how they are treated in their workplaces. There were few complaints about issues such as vacation time or shifts to be worked. The extent to which some term employees do not always get what they want in this regard is seen to be more of a function of simply having low seniority as opposed to being a term. Some complained about sometimes being given low level work, such as filing, that no indeterminate employee would ever be asked to do. But, again, only a few participants made this specific complaint. Some also pointed out that they were not sure what would happen if they, as a term employee, got pregnant or had a serious illness. They feared that their employer would let their term lapse at the earliest opportunity.

Term employees who came to the focus groups are well aware that in terms of pay and benefits, they are covered by the same collective agreement as indeterminate employees. In fact, some participants wanted to stress that for all of their complaints about some of the issues specifically surrounding term employment, they still liked working for the government and felt that their pay

and benefits were good. This sentiment was most often expressed by term employees in Halifax, where the unemployment rate is higher, and by those with clerical and operational positions.

Opinions were quite mixed about the extent to which there was any social discrimination in the workplace. The incidence of this seemed to vary a great deal from department to department, and there was little consistency. By and large, term employees who worked in “white collar” situations, where they might be one of just one or two term employees in a “sea” of indeterminate employees, had the best experiences. People working in these kinds of situations typically said that they felt fully part of the team at work and that no one ever made them feel any less a part of the office for being a term. In some cases, term employees in these types of workplaces reported that most of their co-workers probably just assumed that they were indeterminate anyway.

The worst things that people in these situations reported are things like never being allowed to have keys to the building they work in despite years of work there and an occasional condescending attitude from a co-worker.

Other employees worked in the opposite situation, where almost all of their co-workers were also term employees. This was common in a setting such as HRDC phone centres. In these situations, it was difficult to feel any social discrimination against term employees because they were the majority, and the indeterminates in the office were typically the managers or “high-ups.” The distinctions were based more on seniority and rank than on the notion of there being some “pecking order” between term and indeterminate employees. There were also reports that, in these types of work environments, there might be a couple of indeterminate employees at the same level as the term employees, but that terms were often seen to be “deadwood” who did not pull their weight, and that the indeterminate employees felt invincible due to their indeterminate status.

The worst reports of social discrimination came from term employees who had more “blue collar” type jobs and who work in places where there was a mix of people doing the same job, some of whom are term employees and some of whom are indeterminate. In these contexts, term employees reported being often made to feel like second-class citizens, with indeterminates teasing them about how they can lose their job at any time or being told “you’re just a term.” The worst stories of this kind came from term employees working at military bases or for the Coast Guard on ships that go out to sea for long periods of time and where a real hierarchy exists on-board. In these situations, terms are often demeaned and told that they can lose their job at any time. They are not even given uniforms for their jobs.

Term employees also complained that they were sometimes excluded from any decision making in their office and were presented with any change in their job as a *fait accompli*. Also, as was mentioned earlier, term employees always feel under pressure to “humour” everyone and to never make any waves or complain about anything. It is not so much a case of overt social discrimination against them for being terms as it is a case of term employees self-censoring their behaviour due to their feelings of vulnerability.

3. Job Retention

Comparison of job stability in the private and public sectors

When discussing the issue of the relative job security of the public and private sectors, it was clear that this depended very much on whether a person had a term or an indeterminate position. The consensus was that if someone had an indeterminate position in the federal Public Service, they then had much more job stability than most people working in the private sector. It was pointed out that in the private sector there is often little job security of any kind. The only exception being some people working for very big unionized companies, where there are strong protections against being dismissed without just cause. It was felt that when someone works for the private sector, they could be fired at any time just for the sake of maximizing profits. Some participants pointed out that the public sector does not offer any guarantees either. In Vancouver, some participants pointed to the massive lay-offs in the provincial Public Service as an example of what can happen when governments decide they need to make major cutbacks.

For term employees, it is a completely different story, and they are clearly in a far more vulnerable situation than they would be in if they were working in the private sector. Even if a private sector company wants to lay someone off, they must still provide reasons for it, and that person can sue for wrongful dismissal if need be. If you are a term employee, no explanation has to be given if your term is simply left to expire without renewal.

In a sense, the job stability of someone in the private sector is regarded as being something in between the total insecurity of being a term employee in the public sector and the perceived “job for life” of an indeterminate employee in the public sector.

Most term employees feel that if they had been doing the same job for a private company, they would have been offered a full-time job much sooner. The perception is that private sector employers are less hemmed in by bureaucracy and more likely to see the value of keeping productive, talented employees happy and loyal. Many term employees hastened to add that, in most private sector jobs, there would be fewer benefits and that there was also the possibility of working on contract — the private sector equivalent of being a term employee in the public sector.

Term employees with clerical and operational jobs commented that they still were making more money in the Public Service. Among term employees with specialized skills, views on this were different. Many of these people, especially in competitive economies such as Vancouver, Toronto, and Winnipeg felt that they could earn more in the private sector. Some said that, historically, the greater job security in the public sector was supposed to compensate for the lower wages. Now, with so much term employment, this is no longer the case.

Term employment leading to departure from the Public Service

Some term employees reported looking for other more permanent jobs out of frustration with being term employees. More often, they reported looking for indeterminate positions within the federal Public Service. Most participants were quite committed to working in the public sector, if possible. For those term employees with skills that are not in great demand, or who are working at lower level jobs, the public sector still offers many advantages over equivalent jobs in the private sector.

Among term employees with specialized skills that are in greater demand, it is a different story. Many of these people have looked for jobs outside of the public sector and warn that if they are endlessly left “on tenterhooks” as a term employees, they will have to take jobs elsewhere, with the result that all the time and money that the employer has invested in training them will be lost. These people often spoke of how much they liked their actual work and how they found it very rewarding to work for the government, but that they could not tolerate being term employees for as many as five years.

There was a concern expressed that most indeterminate positions seem to be occupied by older people and that the new generation of younger government employees all seem to be getting relegated to term status. If these people are not accommodated at some point, they will leave the Public Service and only the “deadwood,” older indeterminate employees will be left.

Many participants knew of people who had been term employees who had left the Public Service for jobs in private industry, but it was seldom clear if those people left specifically because of their term status.

The possibility of talented people leaving the Public Service due to being kept as term employees seems to vary by city as well. In the NCR, where government is such a huge employer, people tend to think in terms of switching to other positions within the Public Service — though many with technical skills have left for jobs in the high-tech area. In Halifax, and to a lesser extent in Montreal, the local economy is not that strong, and people are not as likely to feel that they have choices. In Vancouver, Toronto, and Winnipeg, there is more of a sense that there are many job opportunities in the private sector and that the federal government should not take it for granted that term employees have nowhere else to go.

4. Proposed Changes to Term Employment Policies

At the conclusion of the focus groups, participants were asked to break into pairs to discuss possible changes and reforms to the treatment of term employees in the public sector and then report on them to the group.

Virtually all term employees suggested some changes; these included:

- Shortening the amount of time that a term employee must work before becoming indeterminate from five years to two or three at most;

- Eliminating the need for time worked as a term to be concurrent and for the same department for it to count toward indeterminate status. The time should accrue regardless of interruption (unless there is a gap of several years), and terms should be able to work for different departments without losing the time accumulated;
- There must be a rule on how much notice a term employee is entitled to as to whether their term is to be renewed. This would depend on the length of the term. For example, if the term is for six months, they should have to be told within a month of the end of the term;
- Provide anyone starting out as a term employee with an orientation kit, clearly informing them of exactly what their rights as term employees are and how the current five-year rule works;
- Stop term employees from having to enter into open competitions just to keep their current jobs. If they are performing well, they should be renewed without having to go through this.

Others suggestions that were frequently made included the following:

- Make managers be more accountable as to why they are filling workplaces with term employees. The onus should be on management to explain why a given position has to be a term position;
- The union should have a “term rep” in the workplace so that there is someone from the union who is seen as having the interest of the term employees as his or her priority;
- Term employees should have exactly the same training opportunities as indeterminate employees;
- Term employees should be allowed to be seconded to other jobs in the Public Service and should feel free to switch departments without penalty;
- Departments should provide transition support and career counselling for term employees whose terms are *not* being renewed to help them find other work;
- Terms who have worked more than a year should be eligible for termination benefits if their work comes to an end against their will;
- Make terms longer. In general, a term should be for at least a year unless there is a special reason for it to be shorter. There is no reason for there to be terms of as little as three months;
- Create a pool of term employees with various qualifications who can be on a roster and placed in new jobs anywhere in the Public Service;
- It should be made clear that term employees are valued, and they should be treated with respect in the workplace;

- End the practice of indeterminate employees going on indefinite leaves for no valid reason or going on clearly permanent secondments but having their jobs reserved for them where they first worked — making it impossible for a term employee to be made permanent;
- Make it easier to dismiss indeterminate employees who are not performing their jobs well. This would make managers less reluctant to give employees indeterminate status.

Appendix — Discussion Agenda

**PSAC-TBS Joint Committee
Focus Groups with Term Employees
Discussion Agenda
PN5137
Final Draft — April 15, 2002**

Introductions (10 minutes)

Welcome to the group. We want to hear your opinions. Not what you think other people think — but what you think!

Feel free to agree or disagree. Even if you are just one person among ten who takes a certain point of view, you could represent thousands of people in the country who feel the same way as you do.

You don't have to direct all your comments to me; you can exchange ideas and arguments with each other too.

You are being taped and observed to help me write my report.

I may take some notes during the group to remind myself of things also.

The hostess (I) will pay you your incentives at the end of the session.

You were all invited to this group as part of consultation process being conducted on behalf of a joint committee of the Public Service Alliance of Canada and the Department of the Treasury Board about the treatment of term employees in the federal Public Service.

Let's go around the table so that each of you can introduce yourself to the group. Why don't you each tell us your name and a little bit about yourself, such as where you work and also who lives in your house and what you like to do for fun.

What exactly does your job consist of?

Recruitment as term employees (30 minutes)

Since we are going to be discussing your experiences as term employees, I wonder if we could start by each of you telling us about your work history with the federal government and particularly how you first became a term employee.

Why were you made a term instead of being hired as an indeterminate employee?

How did you first find out about your term position?

Probe: word of mouth, advertisements, knew manager personally, government employment centre.

Were you initially hired as a term employee on a short-term basis or on a more long-term basis? How was it first described to you?

Are you planning on a permanent career in the federal Public Service?

If you were offered an indeterminate position, would you accept it?

What is your understanding of how the federal government is supposed to use term employment, and what role it is supposed to play within the Public Service?

Do you think that in your workplace term employment is being used the way it was originally intended to be used? Or are managers overusing this mechanism?

Are there reasons why you think that your employer might prefer to keep you as a term as opposed to offering you a permanent position?

Treatment as a term employee (40 minutes)

How long can a person be a term employee before they must be offered an indeterminate position?

Does it always work that way in your workplace?

Have people ever had their term allowed to lapse so that the “clock” would be reset at the beginning of five years all over again?

How do you feel about that?

What would be a reasonable period of time?

Should it be total time regardless of interruption?

What does it mean to be a term employee as opposed to being a permanent employee (known as “indeterminate”)?

What are the pros and cons?

Are there advantages to being a term employee?

In your workplace, how are you treated as a term? Are you basically treated the same as anyone else in the office in terms of things like hours and choice of vacations, training opportunities, etc.?

Are there any other ways in which term employees are treated differently than indeterminate employees?

Probe: Do you get the same benefits? Are you covered by the collective agreement?

Social discrimination?

Is there a difference between how staffing decisions are made for term employees as compared to indeterminate employees?

How does this affect you?

Job retention (20 minutes)

As you know, we all have choices in terms of where we work. If you worked somewhere else, do you think you would have been offered a permanent position sooner?

Do you know of any cases of people leaving their jobs with the federal government for jobs elsewhere because people want more job security? Or does this not really happen to your knowledge?

Have you ever been tempted to look for another job specifically because you wanted a job that was not “term-limited”?

Is the Public Service seen as more or less stable than the private sector as a place to work? What about if you are a term employee?

Have talented people who have been term employees for too long left for jobs in the private sector because of this?

Suggested remedies (10 minutes)

Are there any ways in which the treatment of term employees could be improved, or is the status quo acceptable to you?

What would you like to see changed?

THANK YOU FOR YOUR PARTICIPATION

Supporting Document B

Survey of Hiring Managers in the Federal Public Service

Final Report

Submitted to:

PSAC-TBS Joint Committee

May 31, 2002

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Key Findings

- When we examine why managers hire terms, why they do not renew terms, and what reasons they give for terms not achieving indeterminate status, several common themes emerge:
 - short-term operational needs, temporary replacement of absent staff, and unstable or insufficient funding are the most prevalent reasons for hiring terms, for not continuing their term, or for them not becoming permanent;
 - the use of terms to determine the suitability of individuals for permanent employment is another theme;
 - filling an opening quickly or staffing speed is a third theme.
- When a term employee is hired instead of an indeterminate employee, it is most often for reasons of convenience and speed of process.
- Most hiring managers say they have extended the appointment of a term employee in the last 12 months.
- In general, most managers favour a shorter time period before automatic conversion to indeterminate status. Sixty-five per cent of managers favoured a conversion to indeterminate status within three years or less.
- Managers say there are a variety of reasons why term employees take a job elsewhere. Often term employees have secured an indeterminate position elsewhere, or they leave because they feel there is a better chance of indeterminate employment somewhere else.
- Indeterminate employees are more likely to receive priority over term employees in longer-term human resources investments, such as training and learning opportunities and decision-making responsibility. Reasons for this include inadequate funding for training and a perception that the turnover rate among term employees does not warrant such an investment.
- The report also finds that if the goal were to reduce the number of terms, the most substantial reduction would come through either more stable funding or mechanisms to systematically manage the risk of hiring permanent staff when funding and operational requirements are short-term.

Introduction

The Joint TBS-PSAC Committee on Term Employment and the Public Service Commission of Canada's (PSC) Research Directorate identified a need to research the staffing practices of federal Public Service hiring managers with respect to hiring term employees. The resulting survey, the Hiring Managers Survey (HMS), addresses a key gap in our knowledge about the staffing system. While other research has focussed on recruitment and retention issues¹ from the perspective of employees and potential applicants to the Public Service, there has been little systematic study of the hiring process from the perspective of managers.²

The PSC undertook this research because it supports corporate level analysis of the human resources system. However, the specific purpose of the survey was to support the work of the TBS-PSAC Advisory Committee. This joint committee of union and management representatives was established following the most recent round of bargaining to examine issues related to term employment and to make recommendations for policy changes in this area.

This report provides a brief overview of key survey findings, a demographic profile of survey respondents (gender, language, education), an overview of survey findings, and a copy of the final questionnaire with the percentage results inserted for each question (Top-Line Questionnaire).

Methodology

The survey instrument was designed by the PSC's Research Directorate in consultation with the Joint Committee over a two-week period between March 15 and April 28, 2002.³ The PSC contracted Ipsos-Reid to administer the survey via the Internet using its QCWeb on-line fielding capabilities. Each potential respondent was given the Web site address for the survey, which was hosted on a separate Ipsos-Reid server. In addition, respondents were provided with an individual personal identification number (PIN) to ensure respondent confidentiality. Upon

¹ See, for example, *The Road Ahead: Recruitment and Retention Challenges for the Public Service*, February 2002, http://www.psc-cfp.gc.ca/centres/reports-rapports/ra-vf/index_e.htm, *Recruiting the Next Wave: A Survey of Student Employee Opinion in the Federal Public Service*, Summer 2000, http://www.psc-cfp.gc.ca/research/surveys/students/final_e.htm, and *Joining the Core Workforce: A Preliminary Report on the Survey of Newly Hired Indeterminate Employees in the Federal Public Service*, March 2001, http://www.psc-cfp.gc.ca/research/surveys/newhires_e.htm

² The PSC's Program of Special Surveys has examined managers' staffing practices, but not with respect to the questions of interest to the Joint Committee.

³ Development time in this case was about one third to one quarter of normal development time for a survey instrument because of the timeframe imposed by the client (TBS-PSAC Joint Committee on Term Employment). Due to very serious time constraints, the instrument was not systematically pre-tested prior to the survey launch.

proceeding to the Ipsos-Reid Web site, potential respondents entered a unique PIN and completed the survey.⁴

The on-line survey was fielded between April 10, 2002, and April 29, 2002. Two separate e-mail mail-outs were conducted. The first mailing to 5,987 potential respondents was done on April 10; a second wave of mailings to 1,502 potential respondents was completed on April 19.

Sampling Methodology

The base sample for the HMS was established by initially drawing 5,975 randomly selected names from the pool of EX, EX equivalents, EX minus 1, and EX minus 2 population in the TBS pay system database as of the end of September 2001.⁵ Due to the fact that there are no central data systems that can identify hiring managers within the federal Public Service, the survey targeted those in occupations most likely to contain hiring managers.

Since the survey was to be conducted via the Internet, the final sample of potential participants consisted of those for whom e-mail addresses could be located.⁶

As expected, not all persons who received an invitation to participate were actually eligible to complete the survey as hiring managers. Slightly less than 50% of our initial respondents were hiring managers.

Respondents who were not hiring managers were asked to pass the invitation to participate to a known hiring manager within their work unit. As a result, it is possible a response bias was introduced. Over half (996) of the respondents were disqualified because they were not hiring managers, a further 53 potential respondents declined to participate, and 85 e-mail invitations were undeliverable due to inaccurate e-mail addresses.

All potential respondents were informed that upon completion of the survey their names would be entered into a draw for a Palm Pilot personal planner. The draw was supervised by Ipsos-Reid in order to ensure respondent confidentiality.

⁴ Each PIN was valid for one completed survey. Respondents who interrupted the survey before completing it were permitted to access the site again using their PIN number to complete the survey.

⁵ That pool contained 27,855 names at the following levels: 1,929 Executives, 4,488 EX equivalents, 8,693 EX minus 1, and 12,775 EX minus 2. Within the time constraints imposed by the TBS-PSAC Joint Committee, it was not possible to target hiring managers at other levels.

⁶ E-mail addresses were located for 5,313 of the 5,975 individuals in the base sample. The initial sample was seeded with an additional 674 e-mail addresses for participants at the Department of National Defence (n=324) and the Department of Fisheries and Oceans (n=350) because those departments were unable to provide the e-mail addresses within the timeframes required. Given a concern about response rates, another 1,502 invitations were sent out to more EX Equivalents, EX minus 1, and EX minus 2 participants. Both of these samples were drawn from a database of e-mail addresses used for an earlier survey of managers and professionals.

A total of 973 hiring managers completed the survey. The data was not weighted due to the unavailability of accurate numbers of hiring managers within the federal Public Service. The overall margin of error associated with this survey is $\pm 3.14\%$, 19 times out of 20 for the total survey population. Sub-group analysis would result in higher margins of error.

A further methodological limitation was that the survey targeted only managers at the EX 1, EX equivalent, EX minus 1, and EX minus 2 levels.

A final note is required about the presentation of our findings in this report. On seven questions, the survey asked hiring managers to report their three main reasons for making a particular decision or for doing something. Typically, respondents were asked to consider a list of ten or more possible answers to select their three main reasons. To avoid cluttering the report with tables reporting on how many times each possible answer was selected as a first, second, or third choice, we have combined the responses into a composite number for the “total mentions” received by each answer. As a consequence, the results for each of the seven “total mentions” questions gives the reader a sense of the variety and relative weight of the factors being considered by hiring managers as they make staffing decisions.

Survey Respondent Profile

The following chart provides a demographic overview of the HMS respondents.⁷

Respondent Profile

Gender	
Male	61%
Female	39%
Age Profile	
25–34	3%
35–44	26%
45–54	54%
55–64	15%
65–74	1%
Language (first language)	
English	73%
French	27%

The survey indicated that the majority of hiring managers within the federal Public Service are men. The differences between the proportion of men (61%) and women (39%) reflects the fact that the more senior positions in the federal Public Service are more likely to be held by men.

The average age of hiring managers is 48, and most hiring managers (54%) are concentrated in the 45 to 54 age range. This is consistent with the profile of the overall population surveyed.

⁷ Note the profile only includes hiring managers working at the EX, EX equivalent, EX minus 1, and EX minus 2 levels.

Also consistent with the overall population at these levels, 73% of hiring managers identify English as their first language and 27% identify French.

Respondent Profile

Education	
High School	9%
Undergraduate or certificate	37%
College or Tech	12%
Master's or Doctoral Level	32%
Location of employment	
National Capital Region	57%
Maritimes	9%
Quebec (excluding NCR)	8%
Ontario (excluding NCR)	8%
Western Canada	15%
Territories	2%
Outside Canada	2%
Employment Equity Group	
None	96%
Yes (Aboriginal Peoples, visible minority, and persons with disabilities)	4%

The survey results in the above table also offer us some insights into the educational levels of hiring managers. Fully 69% have a university degree; this includes 32% who have a master's degree or Ph.D.

Given the regional concentration of the Public Service at these senior levels, we find the majority of hiring managers (57%) who participated in the survey are concentrated in the NCR.

Demographics

Group and Level

The largest occupational groups represented in the survey were PMs (17%), followed by ASs (10%), CSs (8%), and ESs (8%). With respect to level, 9% of respondents were in the PM-05 group and level followed by 8% who said their designation was PM-06. A further 6% were at the CS-04 level, and 5% said they were either in the AS-07 or CO-03 designations. Finally, 4% of the participants in this survey said they were either in the AS-06, ES-06 or FI-04 groups and levels, while 3% identified themselves as PE-06s.

Approximately 30% of the hiring managers belonged to groups represented by PSAC, including the following: PM (17%), AS (10%), IS (1%), and LS (1%).

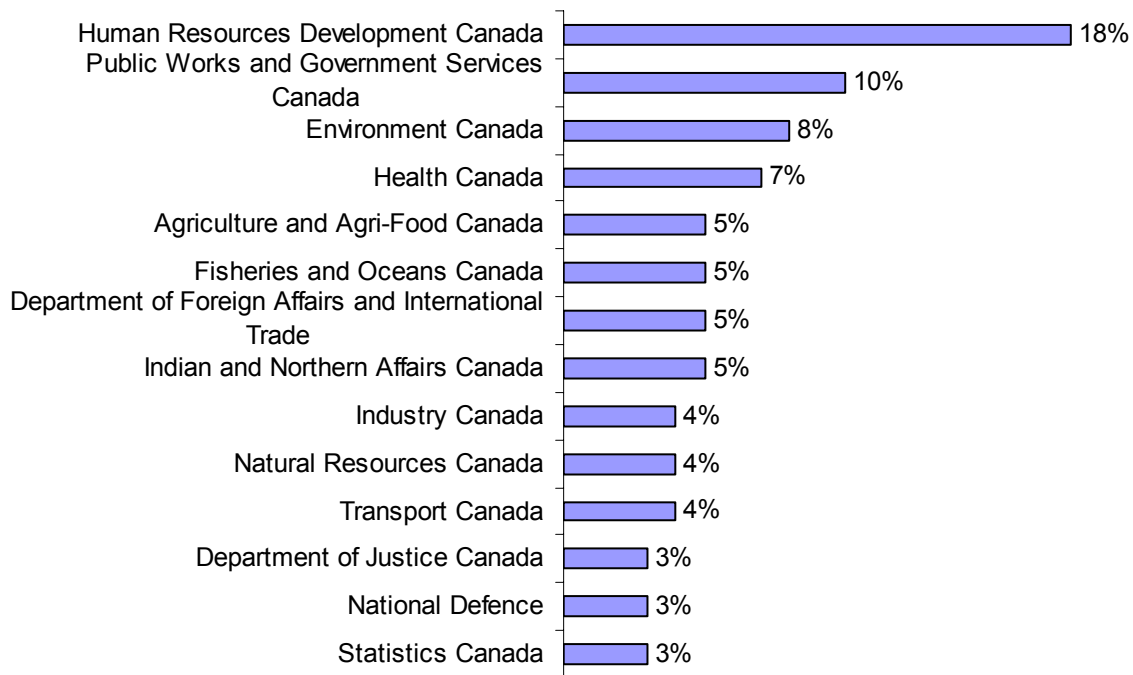
Current Department

The survey was conducted with hiring managers from a wide range of departments and agencies within the federal Public Service. Eleven departments employed most (75%) of the survey

respondents. The breakdown included Human Resources Development Canada (18%), Public Works and Government Services Canada (10%), Environment Canada (8%), Health Canada (7%), Agriculture and Agri-Food Canada (5%), Fisheries and Oceans Canada (5%), the Department of Foreign Affairs and International Trade (5%), Indian and Northern Affairs Canada (5%), Industry Canada (4%), Natural Resources Canada (4%), and Transport Canada (4%).

Current Employer

In which department or agency do you currently work?



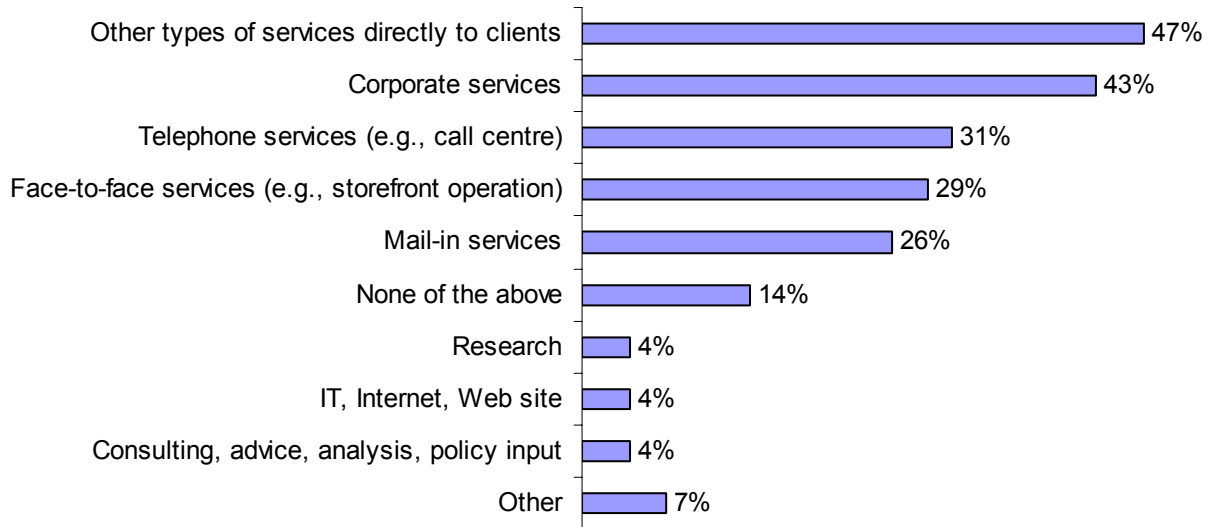
Base: All Respondents N=973

Types of Service Delivery

Services provided by the managers' work units included direct client services (47%), corporate services (43%), telephone services (31%), face-to-face services (29%), mail-in services (26%), research (4%), IT, Internet and website (4%), and consulting, advice, analysis, and policy input (4%).

Services Provided by Work Unit

Does your work unit provide any of the following types of services?



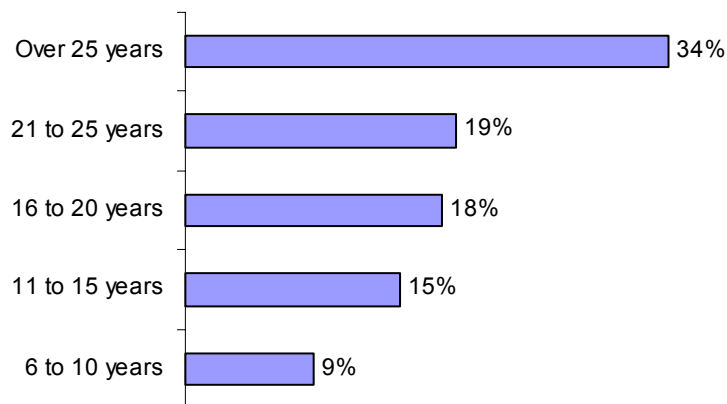
Base: All Respondents N=973

Experience in the Federal Public Service

Hiring managers generally had a considerable amount of Public Service experience. Half of the hiring managers surveyed in this study had worked in the Public Service for 21 years or more, including 19% who had been employed in the federal Public Service between 21 and 25 years, and 34% who have served more than 25 years. A further 15% had worked for the Public Service between 11 and 15 years and 18% between 16 and 20 years.

Years of Employment in the Federal Public Service

How many years have you worked in the Public Service?



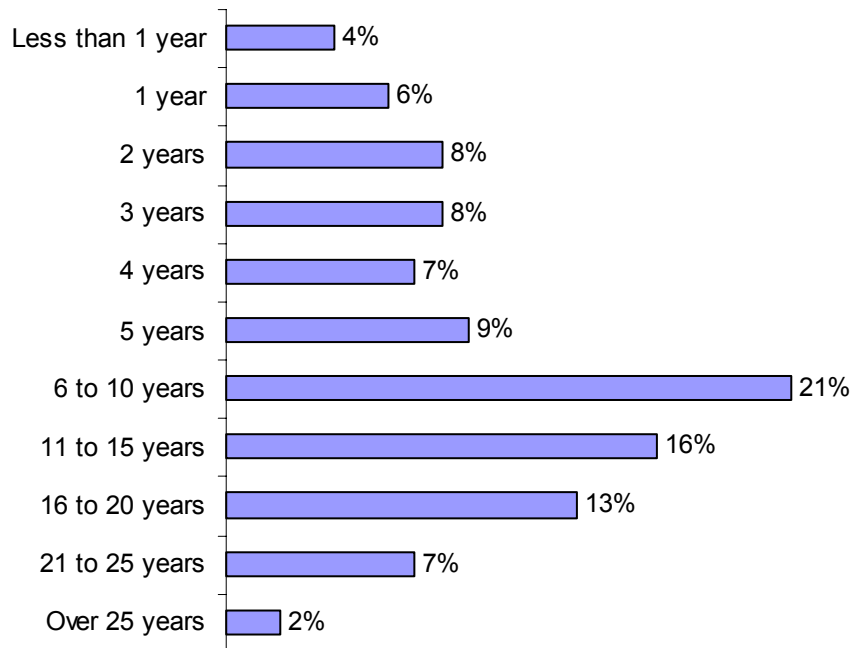
Base: All Respondents N=973

Among the 63% who had up to 10 years' experience as a hiring manager, four in ten (42%) had 5 years' or less experience in this position, and one-fifth (21%) had between 6 and 10 years' experience.

More than one third (38%) of hiring managers had served the Public Service in this capacity for more than a decade. Within this, 16% had 11 to 15 years of experience as a hiring manager, 13% had between 16 and 20 years' experience, and 7% had between 21 and 25 years' experience.

Experience as Hiring Manager

How many years of experience do you have as a hiring manager in the Public Service?



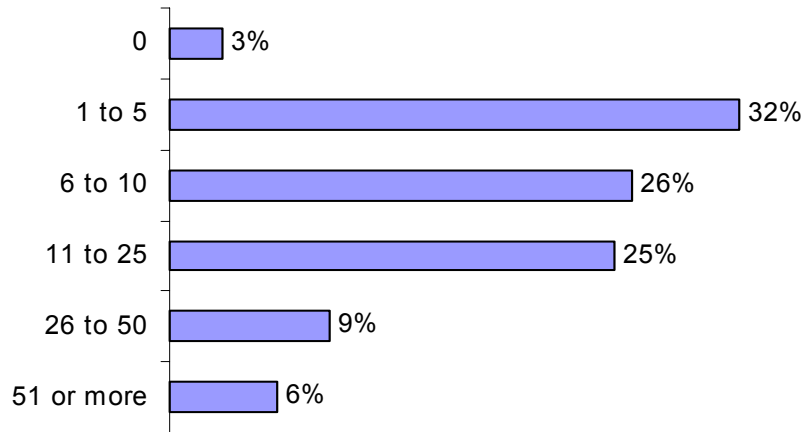
Base: All Respondents N=973

Size of the Work Unit

The majority of hiring managers supervised relatively small work units. More than one half (61%) of managers supervised units of 10 or less employees, with almost one third (32%) supervising work units of five employees or less. At the other end of the spectrum, 15% of the respondents headed units of 26 employees or more, with 6% managing units of over 50 people.

Number of Employees Supervised

How many employees do you currently supervise?



N=973

At the time of the survey, a majority (62%) of managers were supervising between one and five term employees, but close to one third (29%) were not supervising any term employees. On a regional basis, a greater proportion of hiring managers in the regions (18%) supervised large work units (over 25 employees) versus 11% in the National Capital Region (NCR). Conversely, a smaller proportion of regional managers (53%) managed smaller work units versus 67% in the NCR.

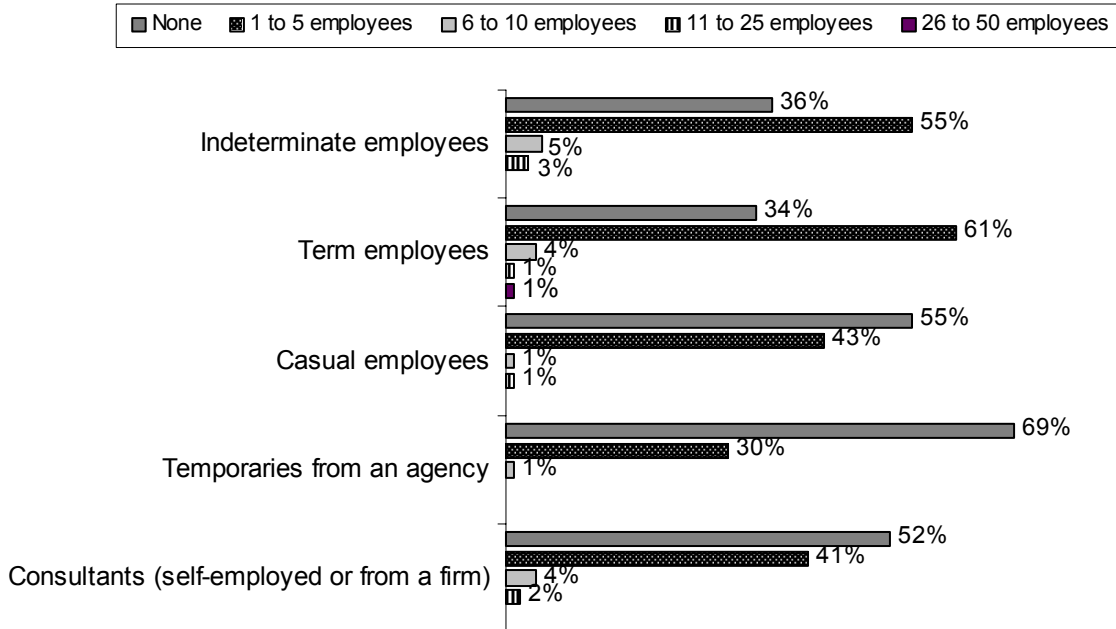
1.0 - Hiring Term Employees

1.1 Recent hiring activity

The majority of the managers who participated in this survey had hired employees during the past year, with 63% having hired indeterminate employees and 66% having hired terms. In addition, 45% had hired casuals, 47% had contracted for consultants, and 31% had contracted for temporary workers from an agency. This shows that many of our respondents had hired several contingent employees in addition to terms.

Number of people hired or contracted during the past 12 months

During the past 12 months, approximately how many people have you hired as:



Base: All Respondents N=973

1.2 Rationale for hiring term employees

Managers' top three reasons for hiring term rather than indeterminate employees reflect circumstances where they face a variety of constraints, such as dealing with short-term needs where they need to hire quickly or where they need to fill in for staff who are temporarily away. (The following discussion reports on the "total mentions" for each response, the percentage choosing the response either as the most important, the second most important or the third most important reason.⁸)

Many managers' main reasons for hiring term employees clustered around issues related to the temporary nature of a position, the specific work requirements, or funding limitations. The most frequently cited reason was to meet short-term operational needs (55%).⁹ Several related items were also top three choices of some managers: 31% indicated they hired term employees to replace temporarily absent indeterminate employees, and 29% said terms were given preference

⁸ Percentage of hiring managers selecting response as a top-three choice, hence the percentages do not add up to 100.

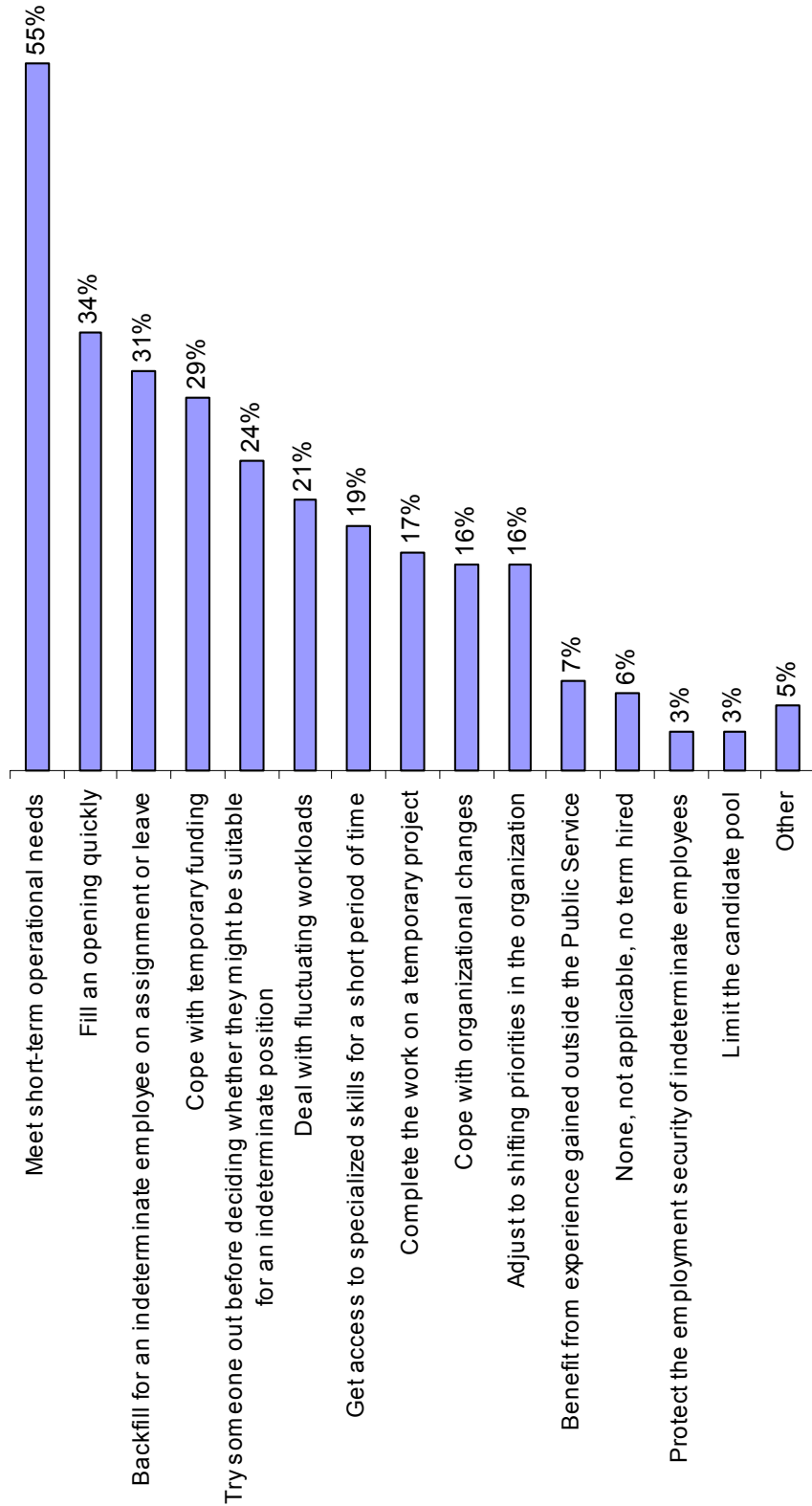
⁹ Percentage of hiring managers selecting response as a top-three choice, hence the percentages do not add up to 100.

to cope with temporary funding. About a fifth of managers cited short-term staffing needs, fluctuating workloads, the need for specialized skills for a short period of time, and the need to complete the work on a temporary project.

Overall, the second most prevalent reason for hiring on a term basis was to fill an opening quickly (34%). It is not clear whether managers made this choice because needs were urgent and immediate or because they believed term hiring was more expedient than indeterminate hiring.

Main Reasons for Hiring Term Instead of Indeterminate Employees

In the case of the term position you most recently filled, what were the three main reasons for hiring a term rather than an indeterminate employee?



Base: All Respondents N=973

The desire to “try someone out” as a term before hiring them on an indeterminate basis was a top-three consideration for about a quarter of managers (24%). In other words, a “try before you buy” philosophy did not drive most decisions to hire on a term basis. Rather, it seems to be a consequence of the staffing strategies managers must adopt to get their work done.

1.3 Selection criteria for term employees

The survey asked hiring managers to explain their main criteria for filling a term position. (The following discussion reports on the “total mentions” for each response, the percentage choosing a response as the most important, the second most important, or the third most important reason.¹⁰)

Managers typically reported using broad criteria related to competence. The most frequently cited criteria were either that the term was the best-qualified individual (66%) or that the term was competent (49%) to fill the position. Another frequently selected response centred on the characteristics of the applicant, such as being personally suitable¹¹ for the job (47%). Less frequently cited were criteria related to elements of the competitive process, such as performance in an interview (31%) and reference checks (25%).

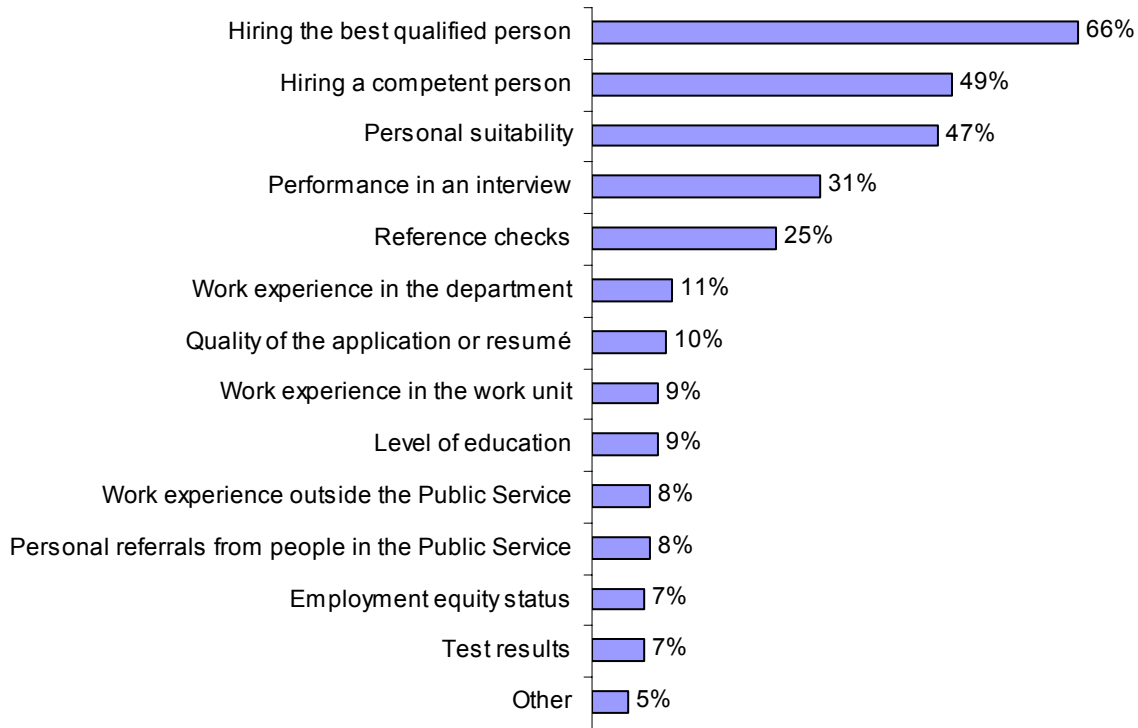
It would appear from the results that specific factors like education and experience are secondary in the process of finally selecting a candidate, but this is not necessarily the case. The overall judgment about someone’s competence for a position would incorporate a judgment of the relevance of criteria such as education and experience.

¹⁰ Percentage of hiring managers selecting response as a top-three choice, hence the percentages do not add up to 100. This item contained response options that are not mutually exclusive, hence a choice, such as hiring the best-qualified individual, may subsume other possible responses, such as education or personal suitability.

¹¹ This generally refers to a number of characteristics of the individual, such as good judgment, the ability to work well with others, having initiative, and being able to do the work.

Most Important Reasons For Hiring Some into a Term Position

When you are hiring someone into a term position, what are the three most important reasons in making your hiring decision?



Base: All Respondents N=973

1.4 Managers' staffing values

In order to better understand managers' decision-making processes when hiring staff, managers were asked to select the 3 most important items from a list of 8 staffing values. The values¹² rated by the exercise included the following:

Results Values

- Competence: Public service employees are qualified to do their jobs.
- Representativeness: The Public Service reflects the labour market.
- Non-partisanship: Staffing is free of political or bureaucratic patronage.

¹² Public Service Commission of Canada, *Manager's Handbook on Staffing and Recruitment*, http://www.psc-cfp.gc.ca/staf_dot/mgr-gestion/guide/chap1_e.htm#ch1-9e.

Process Values

- Fairness: Fair treatment of employees and applicants.
- Equity: Equal access to employment opportunities.
- Transparency: Open communication about staffing practices and decisions.

Management Principles

- Affordability and efficiency: Simple, timely, and effective staffing.
- Flexibility: Staffing is adapted to the organization's needs.¹³

The results are again based on “total mentions” among the top three choices.¹⁴ The results show managers have a clear prioritization of values around staffing decisions. With respect to staffing both indeterminate and term positions, over 80% of managers included competence among their top three values: “Making sure the process resulted in hiring a person qualified for the job.” Fairness was the second most prevalent value cited by a majority of managers with respect to indeterminate hires (59%) and by almost half with respect to term hires (49%): “Making sure the process was objective and treated all the applicants fairly.”

Representativeness was mentioned as a top three consideration by only 11% of managers in term hiring and 12% of managers in indeterminate hiring decisions. This may reflect part of the challenge of achieving a more representative Public Service. While managers may always factor this into their consideration, it is not frequently at the top of the list of considerations when making a staffing decision.

Elsewhere we have reported on the under-representation of equity groups in the Public Service as a whole and at more senior levels.¹⁵ It is therefore notable that neither equity nor representativeness featured strongly among the top choices of managers.

¹³ These choices were put in operational terms for the respondents (see appended questionnaire for the full text).

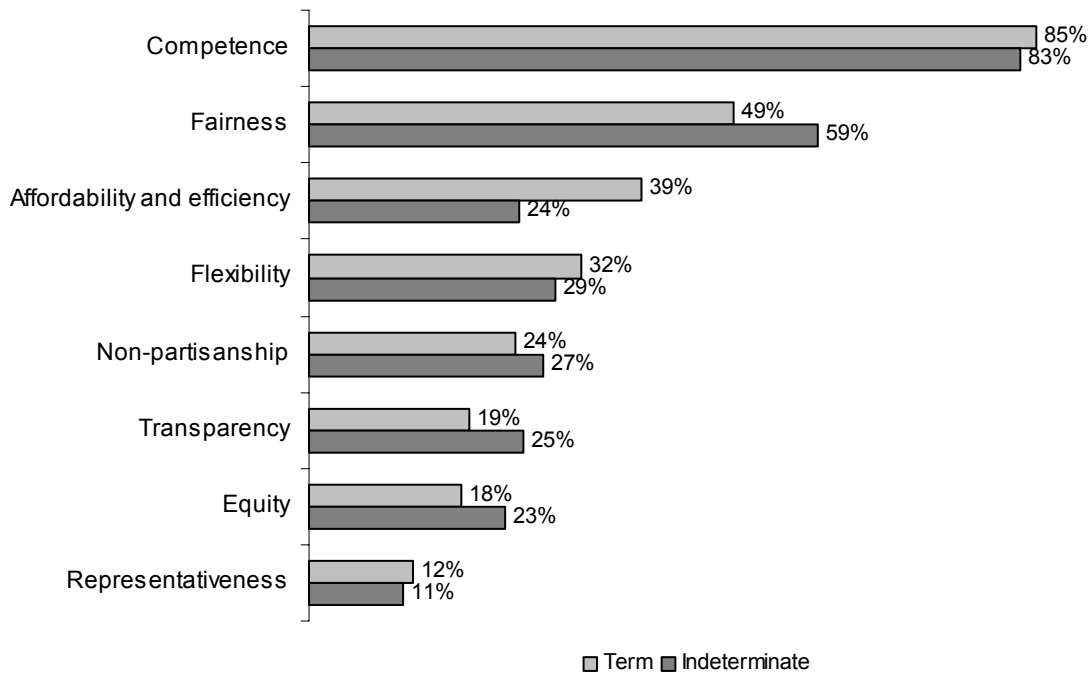
¹⁴ Percentage of hiring managers selecting response as a top-three choice, hence the percentages do not add up to 100.

¹⁵ See *Embracing Change in the Federal Public Service* by the Taskforce on Participation of Visible Minorities in the Federal Public Service, March 2000, *The Road Ahead: Recruitment and Retention Challenges for the Public Service* by the PSC Research Directorate, 2002, pp. 7–8.

There were a few notable differences in values between term and indeterminate hires. Fairness was a greater consideration in indeterminate hiring (59%), but affordability and efficiency were a greater consideration in term hiring (39%).

Most Important Considerations in Hiring Decisions

Thinking of the last time you filled a term or indeterminate position, what were the three most important considerations in your decision?



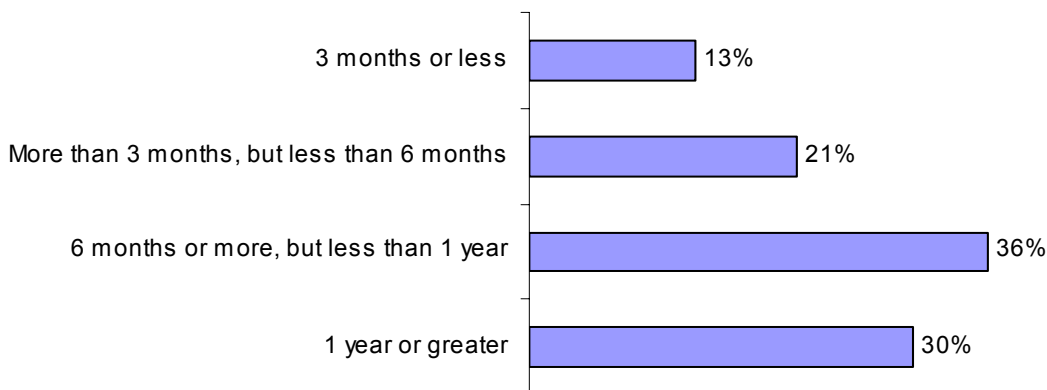
N=973

1.5 Duration of initial appointments for terms

On the key question of the duration of initial appointment offered to new term employees, hiring managers reported offering a mixture of term durations. Their responses may well reflect the degree of organizational and funding stability they enjoy and the market conditions they face when hiring people. The length of tenure can be divided into three roughly equal groups: 34% offered less than 6 months security, 36% offered from 6 months to less than a year, and 30% offered term positions of a year or longer.

Duration of Initial Appointment — Last Term Hired

For the last term employee you hired, what was the duration of the initial term appointment



Base: All respondents who replied N=839

1.6 Telling new term employees about the prospects for indeterminate employment

Given many term employees initially received only very short-term assignments, it is useful to understand what managers had offered to convince people to accept short-term jobs.

While hiring managers often talked with new term employees about the possibility of eventually getting an indeterminate job in the Public Service, most of them did not make a direct commitment.¹⁶ Most managers told new terms there would be an opportunity to apply for indeterminate jobs in the future (59%). Another frequent response was that a term position provided good experience for the future (42%).

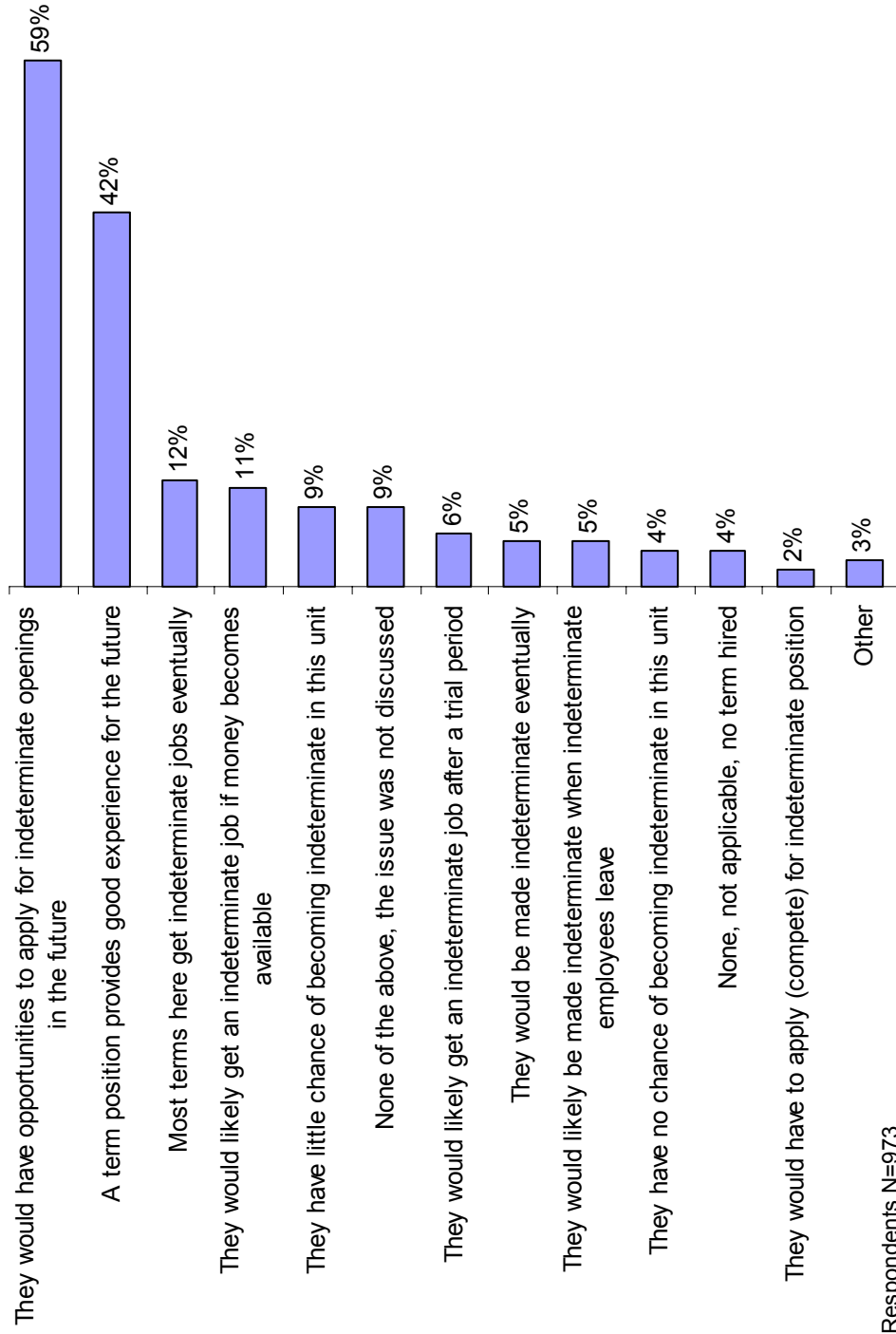
Only 6% of the hiring managers told terms they would likely get an indeterminate position after a trial period, while 5% told terms they would eventually be made indeterminate or that they would likely be made indeterminate when an indeterminate employee leaves.

Only a small number of hiring managers told their new term employees they have little chance of ever becoming indeterminate within the work unit (9%).

¹⁶ On this item, survey participants were asked to choose all the responses that applied, hence percentages do not add up to 100.

Information Given to New Terms About the Likelihood of Getting an Indeterminate Job

Which of the following best summarizes what you told the last person you hired as a term about the opportunity to get an indeterminate job in your work unit?



Base: All Respondents N=973

2.0 – Extending the Contracts of Term Employees

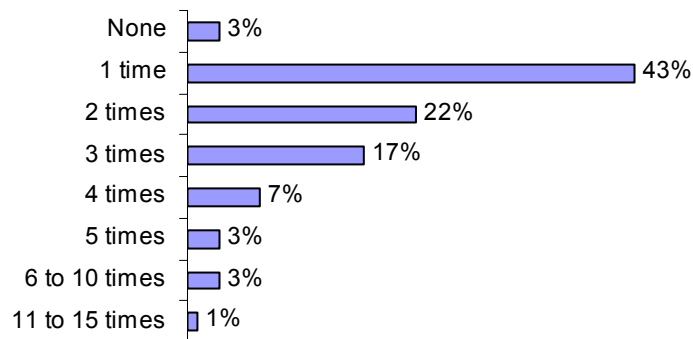
For many term employees, the conditions surrounding a possible extension of their term (a re-appointment to that term) are just as important as the circumstances that surround their initial appointment. Participants in the HMS were asked a number of questions about their practices with respect to term extensions.

2.1 Number of previous extensions

Almost two-thirds of hiring managers who had extended a term (65%) said the term employee had previously been extended once or twice. Arguably, three or more term extensions of an employee could be considered beyond the scope of the use of a particular term as a temporary staffing measure. The fact that 31% said the term they most recently extended had been extended three or more times may indicate the extent of the inappropriate use of term hiring, particularly if each extension has a fairly long duration.

Number of Extensions for Term Most Recently Extended

Thinking about the most recent term you extended, how many times in total has that person been extended?



Base: Respondents who extended the term of someone N=617

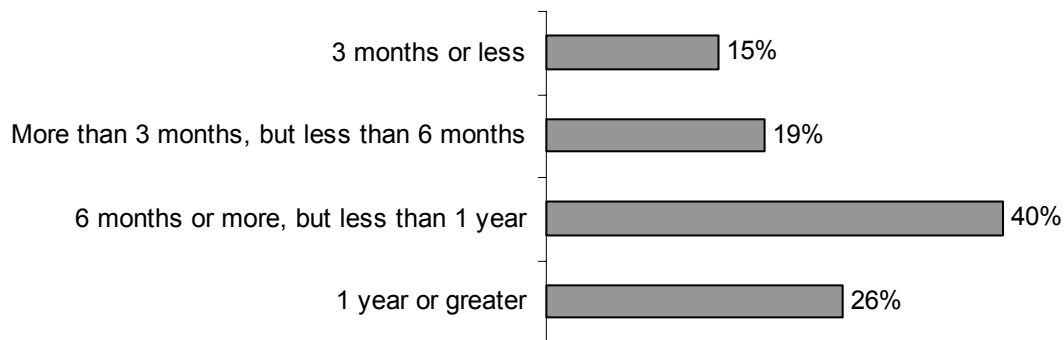
When managers extend terms, use of extensions seems to be related to the size of the particular work unit. Where work units are 10 employees or less, managers are significantly less likely (50%) to be renewing a term for the second time or more than managers in a workplace of 26 or more employees (65%). This may reflect the greater likelihood of turnover in larger units and the greater flexibility that larger budgets and staff compliments allow.

2.2 Duration of term extensions

The duration of term extensions was roughly similar to the duration of the initial term appointments they made. Thus, if we split hiring managers into three groups when it comes to the duration of term extensions, we see the following: 34% indicated that they offered extensions less than 6 months (versus 34% for first appointments), 40% said they offered between 6 months and a year (versus 36% for first appointments), and 26% said they offered term positions of a year or longer (versus 30% for first appointments).

Extended Term — Last 12 months

During the past 12 months if you extended the term of someone, what was the usual duration of that extension?



Base: All respondents who replied N=777

Examining the differences between hiring managers located in the NCR and those in other regions throughout the country revealed that the two groups had slightly different practices with respect to the number of times they had extended terms. In the regions, the proportion of managers reporting they had recently extended a term employee with three or more previous extensions (41%) was almost twice as high as for managers in the NCR (23%). That suggests the tendency to use ostensibly temporary help in a less than temporary fashion is concentrated in the regions rather than the NCR. This may reflect fewer opportunities for permanent jobs in most regional locations and less flexibility in budgets. Turnover may also be less in regional locations with fewer employment opportunities. (For example, in the Maritimes where there are fewer alternatives to public service jobs.)¹⁷

2.3 Reasons for extending a term employee

The questionnaire asked those hiring managers who indicated they had extended a term during the past year why they had done so in a multiple-response question (i.e., respondents could

¹⁷ *The Road Ahead* by the PSC Research Directorate, p. 15.

choose all that apply).¹⁸ The most frequently cited reason (39%) for an extension was the need to maintain a certain complement of staff within the work unit.

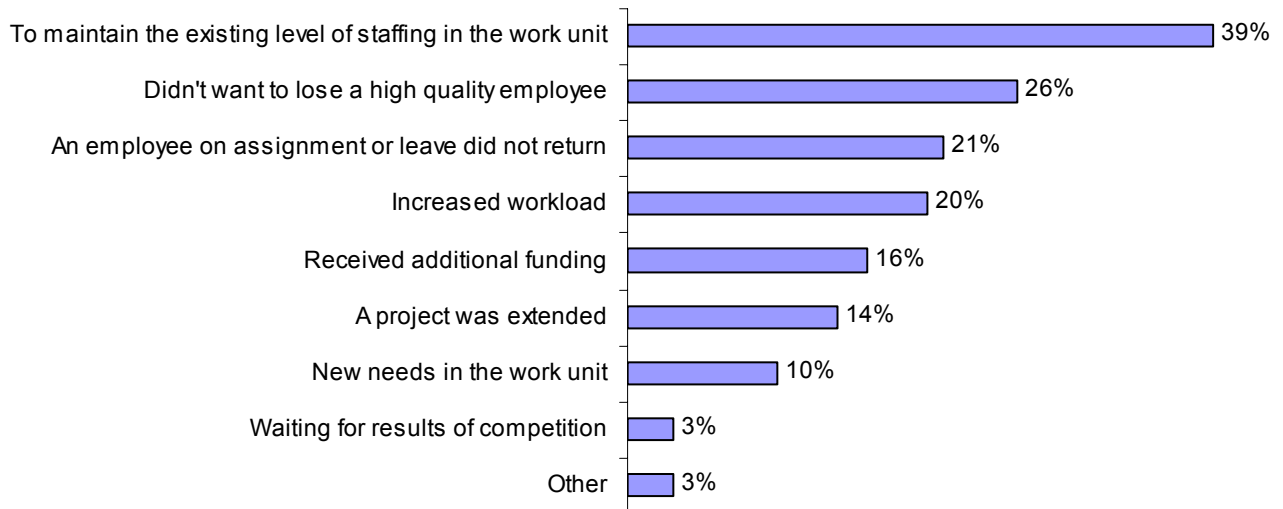
Several other explanations also reflected a preoccupation with having enough staff to do the work. Thus, 21% of hiring managers said they had extended a term contract because an employee on leave or assignment did not return, 20% said they did so because of an increased workload, and 16% indicated an extension was necessary because a project was extended (14%) or because there were new needs in the work unit (10%).

About a quarter (26%) said they had extended term contracts out of a desire not to lose a valuable employee.

Somewhat surprisingly, obtaining new funding was an important reason for extending a term contract for only 16% of managers.

Reasons for Most Recent Extension of a Term

What was the reason for your most recent extension of a term employee?



Base: All respondents who replied N=617

Examining the differences between hiring managers located in the NCR and those in other regions throughout the country reveals that the two groups have slightly different motivations when extending a term employee. In the regions, managers were more likely to extend a term because an employee on assignment or leave did not return (27% versus 16% for managers in the NCR) or because they received additional funding (21% versus 11% for managers in the NCR). However, managers in the NCR were more likely to extend a term because they did not want to lose a high quality employee (32% versus 19% in the regions). The latter finding may indicate

¹⁸ About two thirds of our respondents (n=617) answered this question.

either a greater tendency for managers in the NCR to use term employment as a tryout by comparison with their counterparts in regions or some greater flexibility as indicated in the discussion of other regional differences.

2.4 Reasons for not extending a term employee

Hiring managers who had allowed a term to expire without extension¹⁹ were asked for the three most important reasons why they had done so. (The following discussion reports on the “total mentions” for each response, the percentage choosing a response as the most important, the second most important, or the third most important reason.²⁰) Less than half of all respondents indicated they had allowed a term to expire.

A majority of managers focussed on issues related to the transient or temporary nature of work for the use of term employment. While changing operational needs was mentioned most often (45%), funding problems were also identified as an important reason (37%). Several other reasons for non-extensions, which indicated the temporary nature of the work, included the return of an indeterminate employee from leave of some kind (22%), a shift in the priorities of the organization (19%), or a reduction in the workload (14%).

Interestingly, a second cluster of factors centred on the employee’s characteristics or fit with the work. The lack of personal suitability was among the top three reasons for over a third of respondents (36%) not extending a term. Two other items were closely related to personal suitability but more precisely stated “a negative judgment about the person’s ability to do the work” (24%), and “a negative assessment about their suitability for an indeterminate position” (15%) received a smaller number of mentions. Another frequently cited factor related to the hiring process was that terms are not renewed because a mistake had initially been made in hiring someone who could not do the work (24%). In a slightly different vein, changing skills requirements in the work unit was another frequently mentioned factor as to why terms are not renewed (26%).

A few hiring managers indicated they did not extend a term employee because that individual was not interested in having their appointment renewed (16%). That may be attributable — at least in part — to the number of term employees who have retired and come back to work in the federal Public Service.²¹

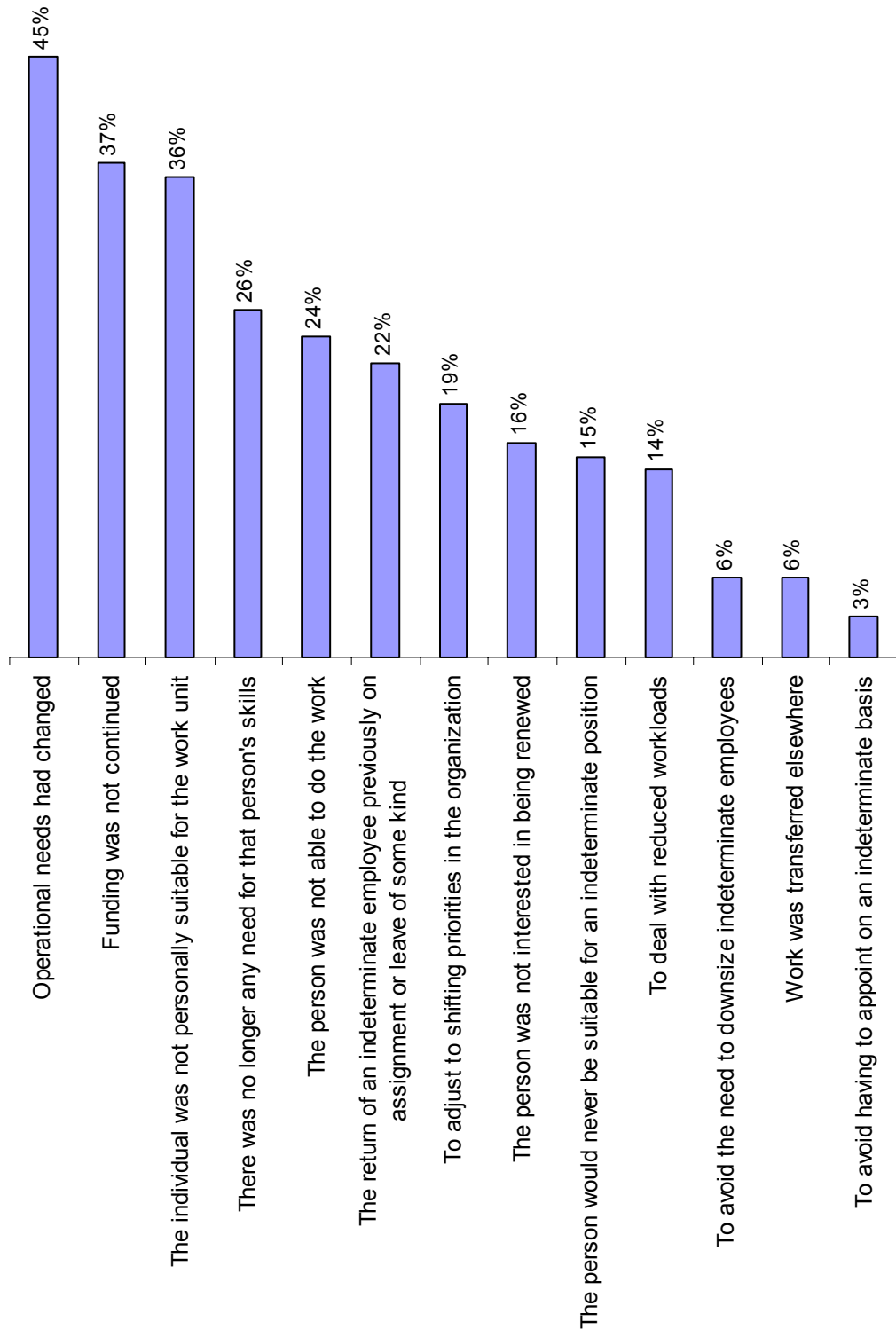
¹⁹ It is important to remember that these proportions apply to only 436 respondents and that overall less than half of hiring managers surveyed had allowed terms to expire.

²⁰ Percentage of hiring managers selecting response as a top-three choice, hence the percentages do not add up to 100.

²¹ This is based on feedback from terms in focus groups conducted by the TBS-PSAC Joint Working Group on Term Employment. Some terms that are retired employees working in the Public Service indicated they voluntarily break service to avoid 6 months of continuous employment.

Reasons for Not Extending Term — Term Most Recently Not Extended

In the case of the term appointment you most recently did not extend, what were the three most important reasons for your decision?



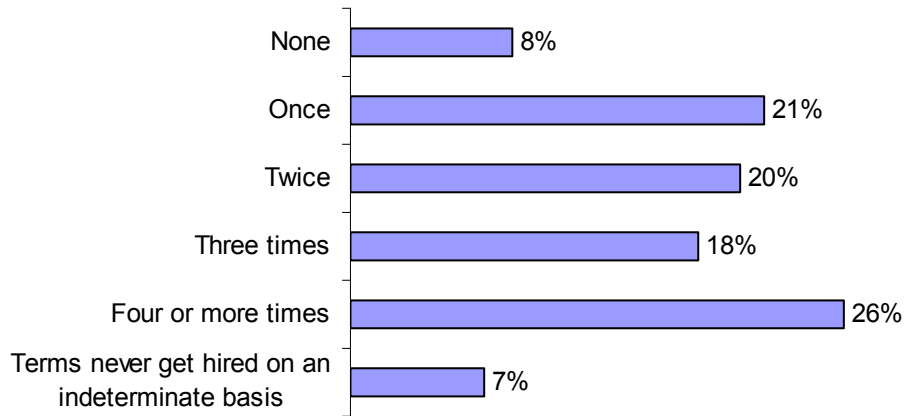
Base: All Respondents N=436

2.5 Number of extensions before conversion to indeterminate status

Most hiring managers (85%) reported that term employees who achieve indeterminate status within their work units typically have had their terms extended at least once.²² While 41% of the respondents indicated the term employees in their work units had typically been extended once or twice before becoming indeterminate, almost an equal number of them (44%) reported terms were extended three or more times before they achieved indeterminate status. The latter finding may indicate an inappropriate use of term employment, given that term employees are supposed to work on a temporary basis. While this survey did not explore the reasons for multiple extensions, it is unlikely that multiple extensions are needed to assess someone's competency or skills.

Number of Term Extensions Before Indeterminate Status Achieved

Before a term employee achieves indeterminate status within your work unit, how many times is that person likely to have been extended as a term?



Base: All respondents who replied N=638

3.0 – Treatment of Term Employees in the Workplace

Another crucial dimension of the term issue is the question of how term employees are treated while on the job. In this regard, the survey explored whether hiring managers treated term and indeterminate employees differently and then sought to determine why they might do so.

3.1 Treatment of term and indeterminate employees

About a third of hiring managers give less priority to the training and development of term staff than to indeterminate staff. While the majority of hiring managers make no distinction between

²² It is important to remember that the percentages cited in this section refer to those 638 respondents, roughly two thirds of all hiring managers, who answered this question. These do not reflect the entire sample.

the treatment of term and indeterminate employees, substantial numbers of hiring managers acknowledged differences with respect to three types of on-the-job treatment: spending money on training (41%), giving people decision-making responsibility (36%), and giving out learning opportunities (29%).

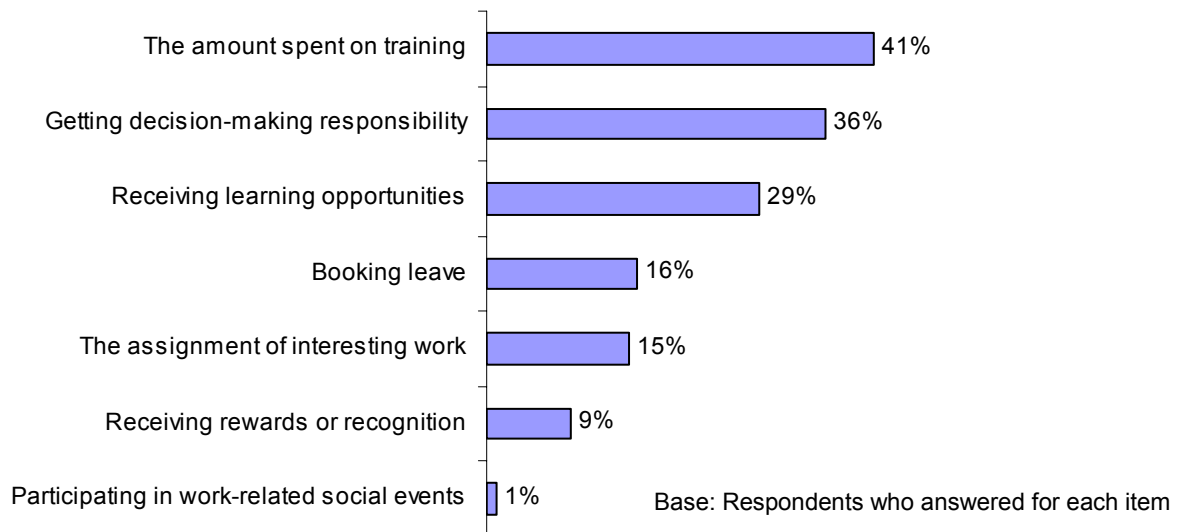
These differences seem logical when viewed from the perspective of a hiring manager: investing scarce resources in term employees may not be worth the investment if they are not likely to be hired later.

In situations where terms are being tried out before being made indeterminate, however, the decision not to invest in term employees may be somewhat counterproductive. If the best term employees leave because of a lack of opportunities for training and career development, this will diminish the talent pool from which indeterminate employees may be hired. And we know the term workforce remains the single most important source for new indeterminate hires. This issue can be of particular importance in conditions of a tight labour market.²³

This discussion points to a key issue for the Public Service. The term workforce is both a pool of temporary help and a labour pool for prospective indeterminate employees.

Areas of Priority for Indeterminate Employees

In your work unit, do indeterminate employees have priority over term employees with respect to the following?



²³ See *The Road Ahead* by the PSC Research Directorate, p. 25.

3.2 Explaining different treatment on the job

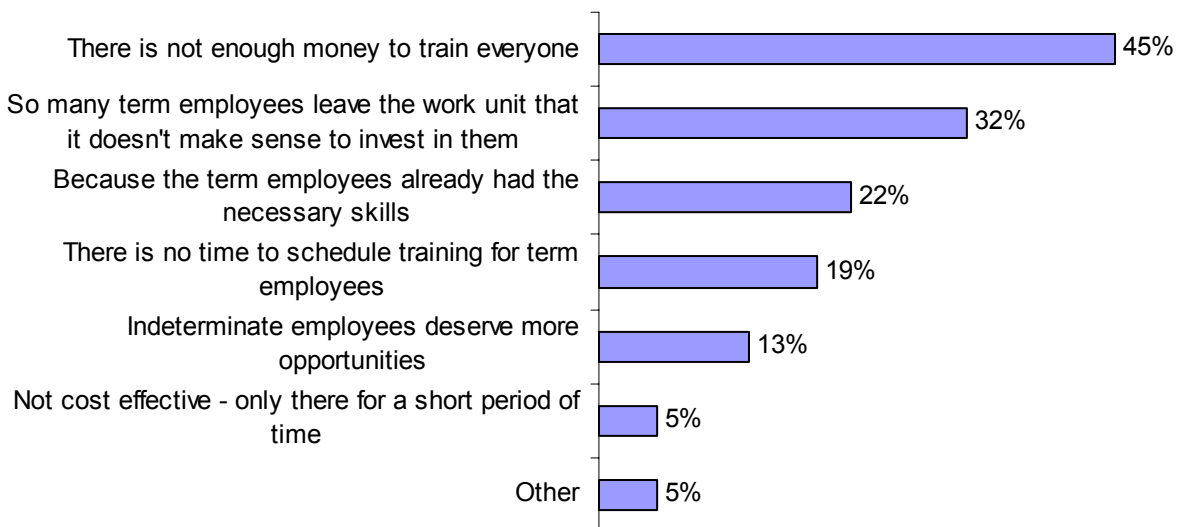
To explore the issue of different on-the-job treatment for term and indeterminate employees further, the HMS asked those hiring managers who said they spent more, on average, training indeterminate employees to explain why.²⁴ The largest number of respondents (45%) indicated they gave greater priority to the training needs of indeterminate staff because of a shortage of funds. Furthermore, a third of the hiring managers said the high rate of turnover among terms makes it a poor business decision to train them (32%).

Slightly more than one in five of the hiring managers who spent more on training indeterminate staff (22%) said it was unnecessary to spend as much on training term employees as indeterminate ones because the former group already have the necessary skills to do the job. (Presumably, many of them had recently been hired for precisely that reason.)

Hiring managers who differentiate their training spending offered a variety of other explanations for their decision to spend less money on training term employees, including the absence of sufficient time to schedule training for terms (19%), and the suggestion that indeterminate employees are more deserving of training opportunities (13%) than terms.

Reasons for Less Training Money for Term

Why do you spend less money on training the average term employee than the average indeterminate employee?



Base: Spend less money on training the average term employee N=372

²⁴ It is important to remember that the percentages cited in this section refer to those 372 respondents, roughly 40% of all hiring managers, who answered this question. These do not reflect the entire sample.

It is important to note that only 41% of respondents say they spend more on terms, and the above percentages represent only that subset of the survey respondents.

4.0 – Breaks in Service

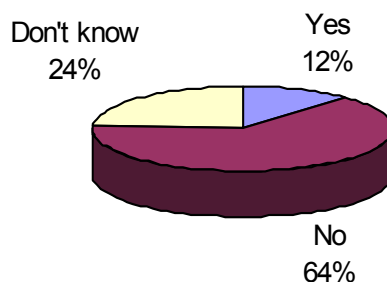
One of the central issues posed by the phenomenon of term employment stems from the current policy that entitles term employees who enjoy five years of continuous service within a single department to be converted to indeterminate status. As a consequence, breaks in service can be a major concern for those term employees who hope to procure an indeterminate position.

4.1 Frequency of breaks in service

According to hiring managers, breaks in service are not very widespread. Only 12% of hiring managers reported that a term employee within their work unit had a break in service during the past twelve months.

Term Employees — Break in Service in Last 12 Months

During the past 12 months, has any term employee in your work unit had a break in service (i.e., a period between one appointment and the next in which they were not employed by the Public Service)?



Base: All respondents who replied N=736

4.2 Reasons breaks in service occur

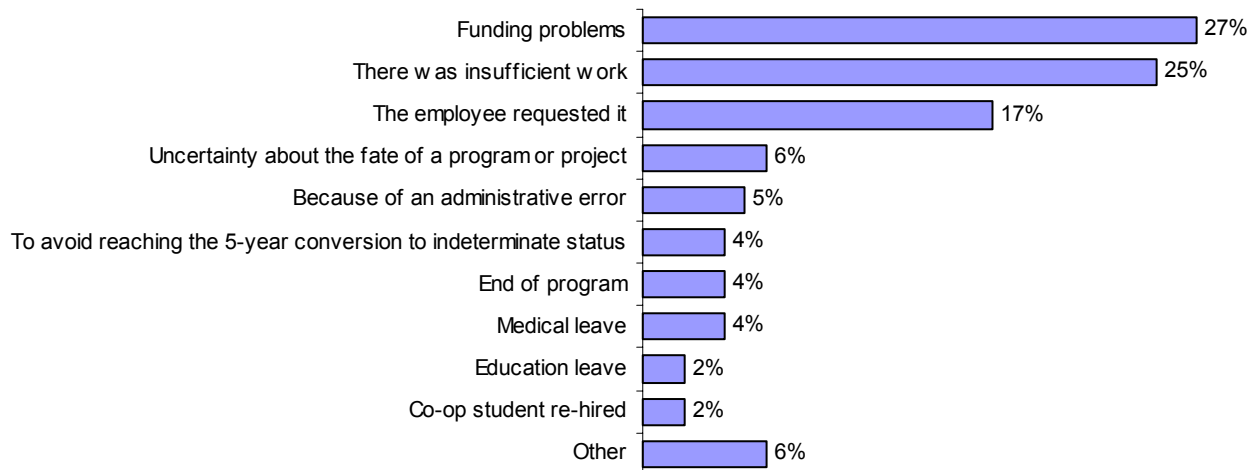
According to the 12% of hiring managers who reported that a term employee in their work unit had experienced a break in service during the past year, the most common reasons for that occurrence were funding problems (27%) and a lack of sufficient work (25%).²⁵

²⁵ It is important to remember that the percentages cited above refer to those 109 respondents, roughly one-tenth of all hiring managers, who answered this question. These do not reflect the entire sample.

The number of managers who indicated breaks in service occurred at the employee's request (17%) may seem surprising. However, that may be a reflection of the number of term employees who have no interest in obtaining indeterminate status (because they are retired public service employees with no desire to become indeterminate once again).

Reasons for Break in Service

Think about the most recent case where a term employee in your work unit had a break in their service; why did that happen?



Base: Respondents with employees that experienced a break in service N=109

5.0 – Hiring Terms Employees into Indeterminate Positions

The practice of hiring term employees into indeterminate positions is well established and widespread within the Public Service. Recently it has attracted criticism because of concerns that in a hot labour market many of the best job seekers may be unwilling to accept term positions with the Public Service in the hope of eventually securing indeterminate employment. Term employment has also been criticized as a back door that circumvents or undermines merit.²⁶

²⁶ Public Service Commission of Canada, *Access to Public Service Employment Opportunities*, June 2000, http://www.psc-cfp.gc.ca/publications/monogra/access_e.htm.

5.1 The number of terms hired into indeterminate jobs

Almost two thirds of the hiring managers who participated in the survey (64%) said they had — during the previous three years — hired at least one person into an indeterminate position from among those they had previously hired on a term basis.

The HMS further suggests there are considerable differences between work units with respect to the practice of using the term workforce as a talent pool for indeterminate positions. Thus, 29% of hiring managers indicated they had hired some of their term employees (between 1 and 40% of them) on an indeterminate basis, and 35% said they had hired between 41 and 100% of them.

6.0 – The Phenomenon of Five-Year Conversions

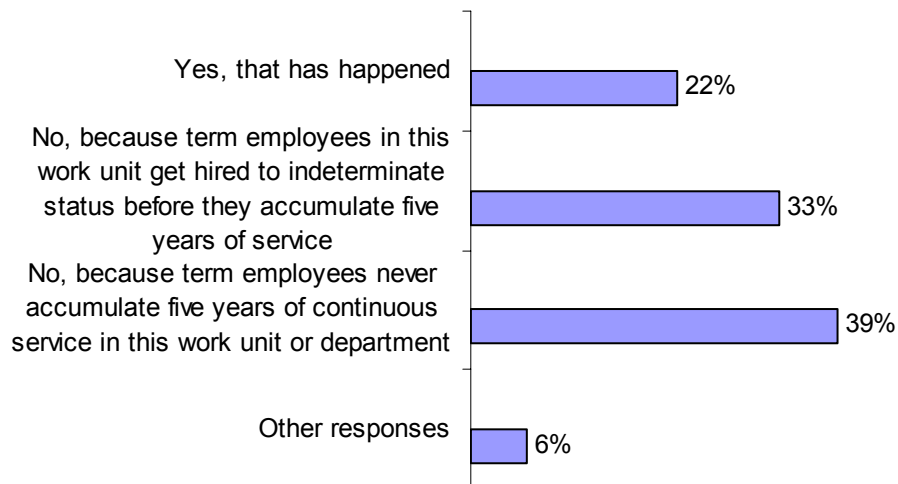
Under the TBS policy, term employees with a five-year cumulative work period without a break in service longer than 60 consecutive calendar days within the same department or agency, must be converted to indeterminate status.

6.1 The incidence of five-year conversions

The questionnaire asked hiring managers whether they had any experience with five-year conversions in their work units. Only 22% of them indicated they had. A further 33% said they had no conversions because term employees typically are hired on an indeterminate basis before five years elapse. A slightly larger number of hiring managers (39%) said automatic conversions do not happen in their work unit because term employees never manage to accumulate five years' service.

Term Conversions Resulting from 5 Years of Uninterrupted Service

Have you ever had a term employee under your supervision get converted to indeterminate status because they had five years of uninterrupted service in your department or agency?



Base: All respondents who replied N=663

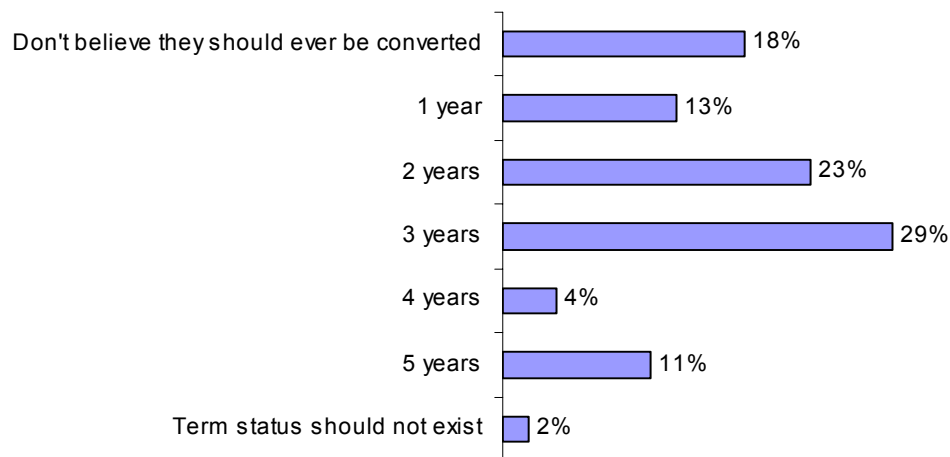
Examining the differences between hiring managers located in the NCR and those in other regions throughout the country reveals that the two groups have somewhat different experiences with automatic conversions. Managers in the regions are twice as likely to have experienced an automatic conversion (30%) as those in the NCR (15%). The latter group was far more likely to explain their lack of experience with this phenomenon by indicating that terms in their work units get hired to indeterminate status before an automatic conversion might occur (39% versus 26% for managers in the regions).

6.2 Number of years before conversion to indeterminate

Hiring managers are divided in their opinions about the duration of term employment before some kind of automatic conversion takes place. Among managers who expressed an opinion on the issue, however, four times as many managers (65%) want the period shortened to three years or less as those who are satisfied with something approximating the status quo (15% want 4 or 5 years). Another small group thinks terms should never be converted to indeterminate status (18%).

Acceptable Number of Years Before Term Converted to Indeterminate

In your opinion, how many years of service should term employees have before they are converted to indeterminate status?



Base: All respondents who expressed an opinion N=712

When asked to explain their views about the length of service needed before conversion to indeterminate status, most hiring managers appeal to some notion of fairness (56%).²⁷

²⁷ This was a multiple response item; managers were asked to select all reasons that apply.

A substantial minority of hiring managers (40%) justified their assessment about how long terms should have to wait by noting the threat of losing good people from the public service workforce. That suggests many hiring managers are attuned to both the realities of the labour market and the dependence of the federal Public Service upon its term workforce.

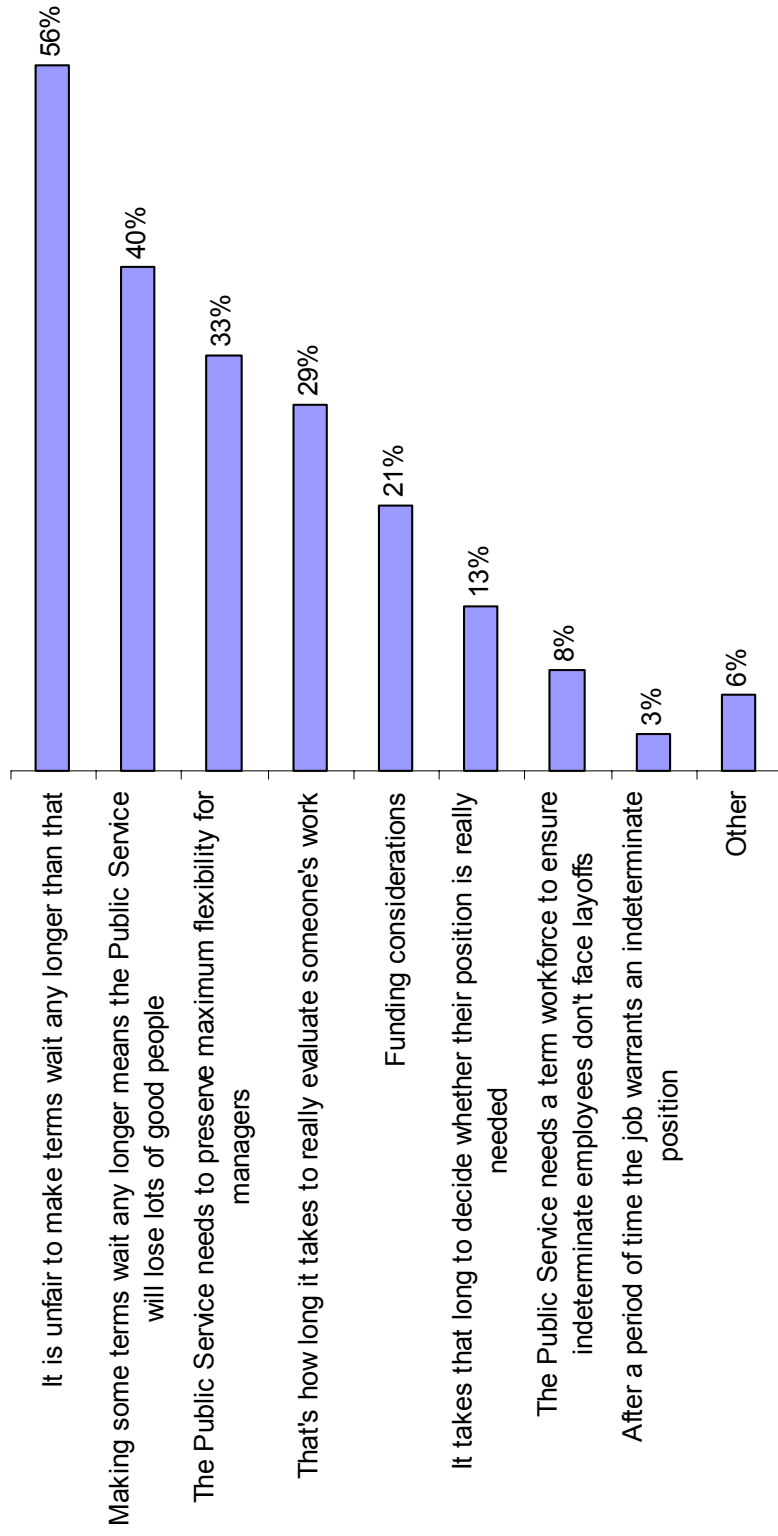
A third of the hiring managers (33%) indicated their views on the time period before automatic conversions happen are shaped by a desire to preserve flexibility for managers like themselves.

Further, 29% of hiring managers justified the period of time they chose by indicating that that is how long it takes to evaluate someone's work. That once again confirms the importance of the "try before you buy" aspect of term employment for a substantial minority of managers.

Finally, funding considerations (21%) and the fact that it takes that long to decide whether the position is really needed (13%) are also reasons offered by some hiring managers.

Rationale for Delay Before Conversion to Indeterminate Status

Why do you think term employees should be required to work for that length of time before being converted to indeterminate status?



Base: respondents who entered number of years N=584

6.3 Reasons terms do not achieve indeterminate status

The survey asked hiring managers to identify the three most important reasons why some terms do not achieve indeterminate status. (The following discussion reports on the “total mentions” for each response, the number of times each answer was chosen either as the most important, the second most important, or the third most important reason by the respondents.)²⁸

Most important is the lack of funding, which prevents managers from creating indeterminate positions (cited by 54% of the respondents). This finding suggests that changes to policies that govern term employment will not alter the need for short-term or contingent labour. To reduce these pressures on managers and reduce the reliance on term staff, other measures would be needed, such as providing more funding stability and a commitment to manage the risk of over-hiring in indeterminate jobs.

Hiring managers also indicated that many terms do not become indeterminate because they leave before a conversion could happen (52%). This may be a further indication of the tension that exists between the two roles the term workforce currently has within the Public Service: as a workforce of temporary workers and as a mechanism for recruiting people into the indeterminate core of the Public Service.

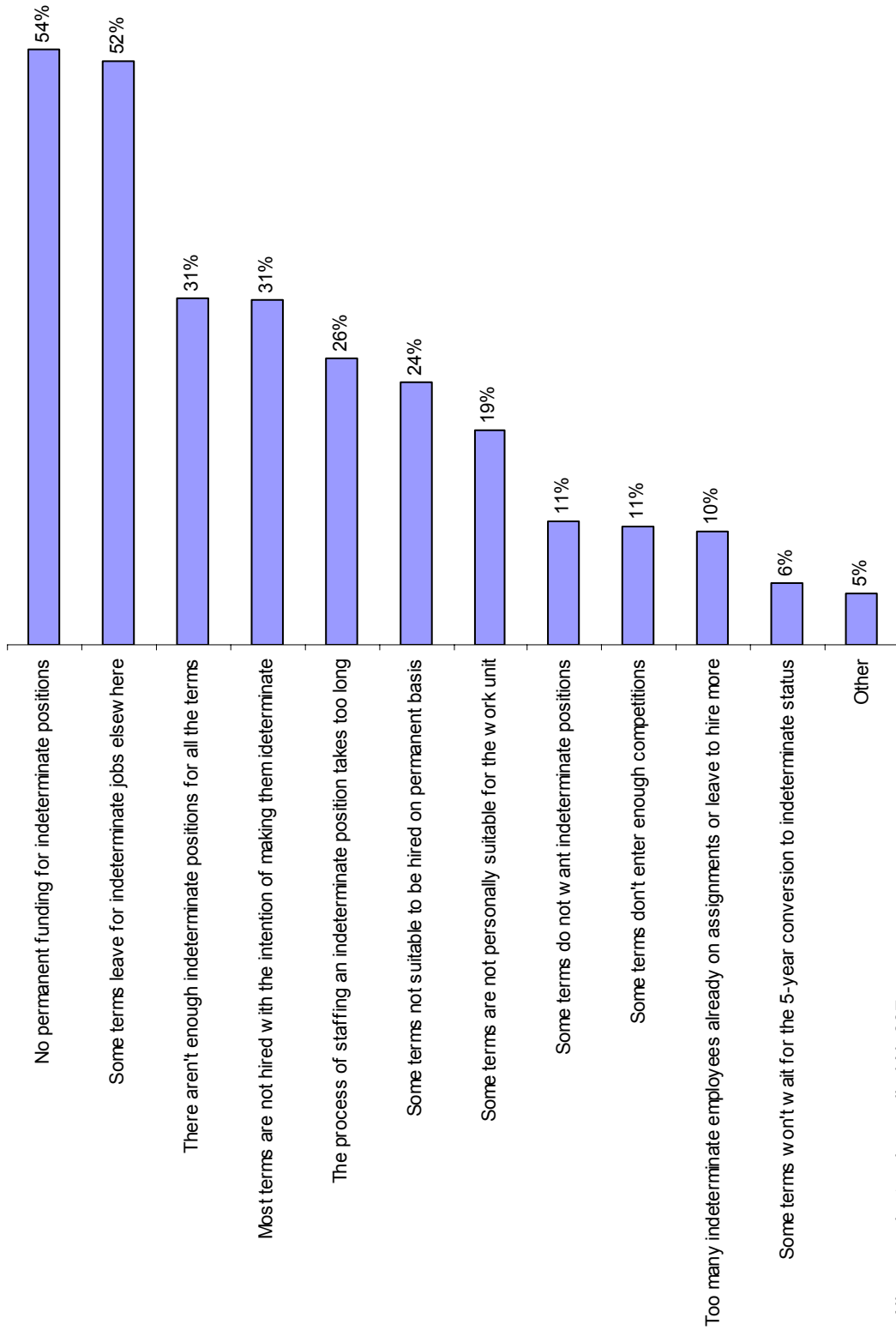
About a third of the respondents (31%) also noted that there are not enough indeterminate positions to go around and that most terms are not hired with any intention of ever making them indeterminate (31%). About a quarter of the hiring managers (26%) mention the slow speed of indeterminate staffing as an issue.

Also significant was the extent to which hiring managers indicated that after giving some term employees a tryout it was clear they should not be hired on an indeterminate basis (24%), sometimes because they were not personally suitable for the work unit (19%).

²⁸ Percentage of hiring managers selecting response as a top-three choice, hence the percentages do not add up to 100.

Most Important Reasons for Not Achieving Indeterminate Status

Thinking about term employees in your work unit during the past few years, what are the three most important reasons why some of them have not achieved indeterminate status?



Base: All respondents who replied N=807

7.0 – Retention Issues

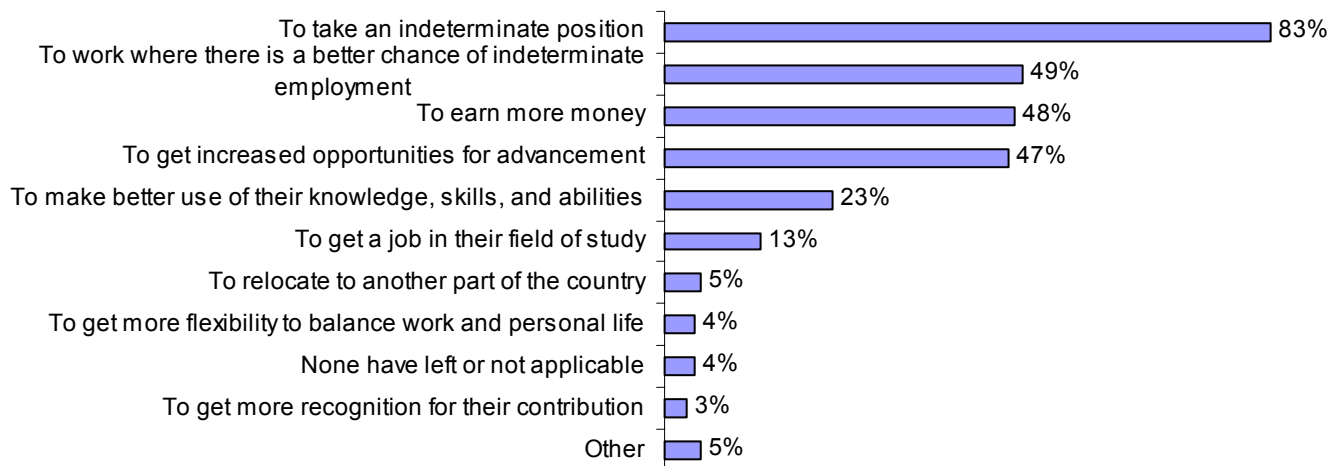
Retention of employees, including many of the people recruited into its term workforce, is a serious concern for the federal Public Service.²⁹ Premature departure of term employees can result not only in a loss of the resources invested in those employees (e.g., training) but also a loss of talent. As a consequence, the HMS asked hiring managers to explain why some of their term employees leave the work unit to take a job elsewhere.

7.1 Why term employees leave

Hiring managers were asked to identify the three most important reasons why term employees have left their work units to take a job somewhere else. (The following discussion reports on the “total mentions” for each response, the number of times each answer was chosen either as the most important, the second most important, or the third most important reason by the respondents.)

Most Important Reasons for Term Employees Leaving the Work Unit

In your experience, what are the three most important reasons why term employees leave your work unit to take a job elsewhere?



Base: All Respondents N=973

An overwhelming majority of them (83%) said one of the most important reasons was to secure an indeterminate position. In the same vein, about half the respondents (49%) said that another important reason why term employees leave their work unit is to take a job where they will have a better chance of becoming indeterminate or an increased chance for advancement (47%).

²⁹ This issue is expected to become more acute as labour markets tighten in the second half of this decade. See *The Road Ahead* by the PSC Research Directorate.

A significant number of hiring managers said term employees also leave their work units to make better use of their knowledge, skills, and abilities (23%) or to pursue a job in their field of study (13%).

8.0 – Conclusions

This survey provides insight into why managers hire term employees instead of indeterminate employees, their key considerations when hiring terms, their views about why some terms are or are not eventually hired into indeterminate positions, and their views about the current policy of converting term employees to indeterminate status after five years of uninterrupted employment.

When we examine the responses from survey participants, we see several clusters of issues, some of which may affect the current work of the TBS-PSAC Advisory Committee with respect to changes to current policies and practices.

Overall, the results suggest that the driving force behind the hiring and contracting decisions that managers make, and which most affect term employees (e.g., hiring, extending term contracts, and making decisions about on-the-job treatment of term employees) is the pragmatic need those managers have to get their work done. In an organization that confronts them with many problems simultaneously — such as shifting priorities, organizational instability, and funding concerns — hiring term employees allows managers to solve a variety of problems.

More specifically, the research results can aid us in examining a variety of observations or propositions that have emerged about the nature of term employment and the nature of the term “problem.”

Proposition 1. Filling positions with term staff makes the Public Service less attractive as an employer if other permanent jobs are available. In *The Road Ahead*,³⁰ we conclude that the Public Service will have difficulty competing in certain job categories and local labour markets when the labour markets for highly educated employees are particularly competitive.

In this vein, we do find it interesting that most managers have told new term employees that they would have opportunities to compete for permanent jobs. This is a realistic commitment based on our earlier survey research and our analyses of the proportion of indeterminate hires from the term population. This would appear to be a realistic appraisal as the most recent PSC Annual Report notes that about two-thirds of newly hired indeterminate staff came directly from the term workforce.³¹ We were, therefore, not surprised to find that managers reported that terms were not extended or hired permanently in their work units because they are hired elsewhere. (Our questions do not ask whether “elsewhere” is inside or outside the Public Service.) Likewise, the finding of fewer term extensions in the NCR than in other regions may be due to variations in the

³⁰ See *The Road Ahead* by the PSC Research Directorate.

³¹ Public Service Commission of Canada, *Annual Report 2000–01*, p. 42.

competitiveness of local labour markets, including variations in labour markets *within* the Public Service.

The differential treatment of term employees reported by a minority of managers could discourage some terms from remaining in the work unit or in the Public Service if they are aware of the differential treatment and if indeterminate employment is their goal. Lesser investments in training, for instance, could be discouraging. Ideally, any change of policy with the intent of improving the attractiveness of competing for indeterminate should have systematic information from term employees.

Proposition 2. Most term hiring is unnecessary. This proposition suggests that we have term employment only because it is convenient and that managers could do without term employees, perhaps by better managing risks. Related to this is the proposition that terms are being used inappropriately.

Most managers cited a short-term requirement as the reason that drove their initial decision to hire terms instead of indeterminate employees; these needs also related to some managers' subsequent decisions as to whether to extend term assignments. More particularly, the presence or absence of funds, the extended absence or return of indeterminate staff whose positions terms temporarily fill, changes in the organization, and workload all affect manager's decisions regarding term hiring and extensions. Both size of the employee complement and location (regions vs. NCR) also correlate with the nature of these decisions and at least suggest that the needs for terms are also related to overall flexibility in budgets or staff complements that a manager enjoys or local labour market conditions (and choices terms have for other employment outside the work unit).

While the majority may have legitimate needs for term employees, it is still important to consider whether some terms are being used appropriately in situations where it should be possible to hire indeterminate staff. A minority of managers reported that they have extended some terms more than two times, although the overall time period for extensions is unknown. In addition, a small number of respondents reported cases of terms having been converted to indeterminate status after five years. While the research not conclusive, it does suggest the need to more closely examine the circumstances surrounding multiple extensions and the use of extended periods of term employment.

Outright abolition of term status would likely increase most managers' use of other forms of contingent employment. If the abolition or reduction of term status were to be a goal, then a variety of related policies and practices would need to be assessed. For instance, there would need to be an assessment of the need for new mechanisms enabling managers to manage the risks of over-hiring or hiring staff whose skills would be needed only in the short-term. Because our data show some variation in individual circumstances, the impact of any changes would need to be assessed across a variety of needs and circumstances (e.g., in regions and in smaller and larger departments). It would also be appropriate to consider at what level or size of work unit in the organization that the risks would be suitably managed.

Proposition 3. Term hiring is being used in preference to indeterminate hiring just to fill posts quickly. A minority of respondents cited either the need to quickly fill positions or the slowness of indeterminate staffing as the reason for extending term assignments. (Only 11% indicated speed as their number one reason for hiring terms, although more included it in their top three reasons.) The findings reported in the previous section suggest that some needs are indeed urgent, but we cannot confidently say that 11% of managers would otherwise hire indeterminate staff if permanent staffing were quicker.

Clearly some staffing needs are of short duration and staff are needed when funding is available and to replace absent staff in a timely manner. *It is important to note that while further mechanisms to speed staffing or a faster new staffing regime would no doubt be welcome, the PSC has found that many managers do not use current mechanisms that could speed staffing.* From this survey, we cannot determine the extent to which speeded indeterminate staffing would substantially shift preferences to hiring more indeterminate employees and fewer terms. It is also important to examine this issue with regard to whether more expedient processes will result in hiring suitable staff as the next section discusses.

Proposition 4. Term staffing is a mechanism for trying out employees before making a long-term commitment to indeterminate hiring. As noted earlier, term staff are an important labour pool for filling indeterminate positions³² and they are an intermediate labour pool for filling indeterminate positions.

The key policy question is whether those who report using the term assignment to try out staff are seeing this as a primary consideration, perhaps chosen to avoid a more formal probation period, whether it simply allows a better assessment of capabilities than an interview would, or whether this is a secondary benefit of term employment or insurance against mistakes in hasty hiring decisions, given the need to hire quickly. Overall, about a quarter of managers trying people out said this was a top-three reason for hiring terms, but very few managers (8%) put this as their first reason for term hiring. It may, therefore, be that a small proportion of managers use term positions as a trial period but most would appear to see the trial period as a secondary issue.

It is clear, however, that a minority of hiring managers assess term employees' skills, abilities, and suitability and use this assessment to decide whether to extend term employment. They also say that these same factors generally play a role in whether terms are later hired into indeterminate jobs.

Proposition 5. Reductions to the period of term conversions are feasible. The research shows that most managers would agree with a reduction in the conversion period for terms. Sixty-five per cent of hiring managers favoured a conversion after three years or less of continuous employment with the same department. Some policy options could be examined both in light of the particular preferences they expressed and also the practices of managers with respect to repeated extensions of terms. Unfortunately, our survey data could not determine the impact of

³² Public Service Commission of Canada, *Annual Report 2000–01*, p. 42.

such policy changes, but the models we have developed separately in support of this project may help us understand the impact of different policy choices.

In closing, we would add that any contemplation of changes to the rules that currently govern term employment must remain sensitive to the complexities surrounding the term workforce. In particular, it is crucial to recognize the persistent tension between the two different functions the term workforce plays in the Public Service: (1) as a pool of temporary workers and (2) as a mechanism that enables managers to evaluate talent that may be hired on an indeterminate basis.

Supporting Document C

Joint PSAC-TBS Term Employment Study

Web Site Report

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Introduction

The objective of this study is to produce recommendations on the use of term employment and the recruitment, retention and treatment of term employees. The Joint Committee agreed that in order to produce meaningful recommendations it was absolutely imperative to reach as many key stakeholders across the Public Service (PSAC term employees, former PSAC term employees and public service managers) as possible within the short time frame that was allocated to complete the study.

This led to the Joint Committee decision to contract with Xist Consulting to develop an interactive Web site building on an already successful Treasury Board of Canada Secretariat (TBS) “Principles” Web site. The Web site was available from April 15 to May 31, 2002.

Extensive marketing of the Web site was carried out through the distribution of 4,500 bookmarks at various events; departments cascading information throughout their organizations; regular briefings to the Regional Federal Councils, the Human Resource Council, and heads of Human Resources; inclusion of information in community newsletters such as the Association of Public Service Executives (APEX) and Small Agency Administrative Network (SAAN); links on the PSAC Web site; and verbal marketing at the many in-person activities that were attended jointly by committee members.

The Joint PSAC-TBS Term Employment Web site contained four key sections as outlined below:

- “What you should know”
 - provided background on the study
- “Tell us what you think”
 - an on-line employee survey for PSAC term employees
 - an on-line manager survey to complement the Hiring Managers Survey conducted by the PSC on behalf of the Joint Committee
 - former PSAC term employees, current PSAC term employees and public service managers were provided the opportunity to share their views, experiences, ideas, and solutions on term employment directly with the Joint Committee

- “Latest Developments”
 - the Joint Committee’s updates on the progress of the study
- “Links”
 - links were made to the PSAC Web site and the Long Term Specified Period Employment Policy

This report provides an overview of key survey findings (from both term employees and managers); a demographic profile of survey respondents; and a summary of written comments to the Joint Committee in relation to the use of term employment and the recruitment, retention, and treatment of term employees. Conclusions drawn from the findings were used to develop potential solutions and led to recommendations in the final phase.

PSAC Term Employee and Manager Surveys

The development of the survey instruments was the result of a collaborative effort between the PSC's Research Directorate and the Joint Committee. In total, 1,251 employee surveys and 128 manager surveys were received (it is important to note that the manager survey was intended to provide an opportunity for managers, who had not received a directed on-line survey conducted by IPSOS-Reid on behalf of the Joint Committee, to participate). With respect to written views, ideas and potential solutions, 410 were received.

PSAC Term Employee Survey

Respondent Profile

Table 1	
Group	
AS	13%
CR	48%
DA	1%
DD	1%
ED	1%
EG	10%
GL	2%
GS	2%
GT	2%
IS	3%
PI	1%
PM	12%
SC	1%
ST	2%
TI	1%
WP	1%

The distribution of the survey respondents in the various groups is representative of the PSAC term population as a whole. The only group that appears to be a little low is the GL group, which equates to the EG group in actual numbers of PSAC term employees. This could be related to the fact that the GL (General Labourer) group do not have the same access to the Internet as do other groups.

Table 2	
Gender	
Male	29%
Female	71%
First Official Language	
English	77%
French	23%
Employment Equity	
Aboriginal	6%
Visible Minority	8%
Persons with a Disability	6%

The ratio of male to female is representative of the public service term population as at March 31, 2001, when 61% of the total public service term employees were women. The breakdown with respect to the first official language of respondents is expected given the geographic location of respondents as illustrated in Table 4. In March 2001, employment equity statistics indicate that 4.3% of the total public service term population were Aboriginal; 7.7% were visible minorities; and 3.5% were persons with a disability. The employment equity group participation in this survey surpassed the representation rates in the term population as a whole.

Table 3	
Education	
High School	16%
Registered apprenticeship, trade or vocational certificate or diploma	5%
College/Tech	37%
University diploma or certificate below bachelor's degree	5%
Bachelor's Degree	24%
Masters/Doctoral Level	11%

Table 3 (Cont'd)**No. of years as a term employee**

Less than 1 year	28%
1	18%
2	14%
3	11%
4	7%
5	5%
6	4%
7	3%
8	2%
More than 8	8%

The educational background is quite high with 83% of respondents possessing some form of post secondary education. The majority of respondents, 46%, had one year or less experience as a term employee. However, a significant amount, 22%, of the respondents had five years of service or over. (Please note that the survey did not specify “without any breaks” in service, which could account for 8% of term employees indicating they have over 8 years of service as term employees.)

Table 4**Location of employment**

National Capital Region	25%
British Columbia	17%
Quebec (excluding NCR)	10%
Ontario (excluding NCR)	10%
Manitoba	9%
Newfoundland and Labrador	7%
New Brunswick	6%
Nova Scotia	4%
Alberta	4%
Prince Edward Island	3%
Saskatchewan	2%
Northwest Territories	1%
Yukon	1%
Nunavut	0%

The geographic distribution of respondents overall is reflective of the PSAC term population as a whole with three exceptions: British Columbia, Manitoba, and Newfoundland and Labrador had higher survey participation rates. December 2001 data shows that the National Capital Region has the highest percentage of term employees, followed by Ontario, Quebec, British Columbia, New Brunswick, Alberta, Nova Scotia, Manitoba, Saskatchewan, Newfoundland, Prince Edward Island, Northwest Territories, Yukon, and Nunavut.

Table 5

Department	
Human Resources Development Canada	19%
Public Works and Government Services Canada	18%
Agriculture and Agri-Food Canada	10%
National Defence	8%
Fisheries and Oceans Canada	9%
Transport Canada	4%
Indian and Northern Affairs	4%
Veterans Affairs	4%
Foreign Affairs and International Trade	3%
Canadian Heritage	3%
Industry Canada	3%
Public Service Commission of Canada	2%
Correctional Service Canada	2%
Elections Canada	1%
Citizenship and Immigration	1%
Royal Canadian Mounted Police	1%
Health Canada	1%
Canadian Grain Commission	1%
Immigration and Refugee Board	1%
Natural Resources	1%
Solicitor General	1%

Although there were no respondents from Statistics Canada (ranked 6th of 12 departments that had the most term employees in October 2001), it should be noted that term employees from Statistics Canada were focus group participants and some attended the various town hall meetings. Managers from this department also participated in the Hiring Managers' Survey.

Key Findings

Use of Term Employment

- The majority of respondents, 74%, had been in their current job for two years or less; 15% had between three and four years and what is significant is that 12% -- or 150 -- respondents indicated that they had been in their current job five years or more.

Recruitment of Term Employees

- The reasons respondents gave for taking their current term job were, in descending order, as follows: they hoped it would lead to a permanent job; the salary and benefits; opportunity to get into the federal Public Service; and, to make full use of their knowledge, skills and abilities
- When asked how the employee got to know the manager of the current job, the majority, 64%, indicated that they met the manager for the first time at the job interview, met the manager for the first time when they started the job or the manager was hired after they were hired; 19% either had worked for the manager before, knew the manager professionally, or were already working for that manager in some other capacity. A very low percentage, 3%, indicated they were told about the manager by family or friends and 1% knew the manager socially or personally.
- When hired into their current term position, 14% of respondents indicated that their managers told them that they would be made indeterminate eventually or that most term employees in the work unit get indeterminate jobs. Eventually, 15% were told that the term position provides good experience and 9% were told that they would likely be made indeterminate if funds became available. The category of "other responses" came out to 28%, the majority of which indicated that there was no discussion about opportunities for an indeterminate job and no guarantees were made.
- Employees provided the following reasons for being hired on a term basis (in descending order): never discussed other alternatives; to fill an opening quickly; to deal with fluctuating workloads; to backfill a position for an indeterminate employee on assignment; to get me in the door; to complete the work on a temporary project; to cope with unstable funding; to backfill a position for an indeterminate employee on leave of some kind; to adjust to shifting priorities in the organization; to try me out before deciding whether I might be suitable for an indeterminate position; to benefit from experience gained outside the Public Service. Where respondents indicated "other," this usually meant lack of funding or no indeterminate positions.

- Not surprisingly, 92% of term employees believed that people should never have to work as term employees instead of being indeterminate. Of those that indicated how much waiting time before becoming indeterminate was acceptable, 29% indicated two years, 26% indicated three years, and 23% indicated one year.
- Only 43% strongly agreed or agreed that their manager makes hiring decisions in a reasonable period of time.
- Of all the respondents, 48% strongly agreed or agreed that the process of selecting a person for a position is done fairly, 38% strongly disagreed or disagreed, and 14% didn't know.
- Of all the respondents, 73% indicated that they would recommend taking a term job to family members or friends as a way to get into the Public Service.

Retention of Term Employees

- Of all the respondents, 53% had been reappointed (extended) up to two times in their current job, with 25% indicating that they had been extended five times or more in the same position (2% indicated 15 times).
- The average duration of each term extension for 12% of the respondents was for three months or less, 24% was between three and six months, 30% between six months and one year, 20% experienced extensions of one-year intervals, and 4% had extensions more than one year in duration.
- For the majority of respondents, 53%, their current job was the only term position that they had occupied; 38% had occupied up to three other term positions with the remaining 9% occupying four or more positions.
- Of the 47% who had occupied at least one other position, 25% of them did so in at least one other department or agency.
- Thirty-five per cent of respondents indicated that they had applied for an indeterminate job in their current work unit, 50% indicated that they had applied elsewhere in their current department or in another department, and 29% had applied for indeterminate positions outside the Public Service.
- Respondents (67%) indicated that it was not fair that the continuous service used to calculate the five-year waiting period for conversion to indeterminate status had to be in the same department, while 33% agreed with the current policy requirements.

- The most important reason that most term employees did not achieve indeterminate status, say 44% of respondents, is lack of funding for indeterminate positions or there are not enough indeterminate positions for all the term employees. The third most important reason given by 16% of respondents was that most terms are not hired with the intention of making them indeterminate employees. The fourth reason -- at 10% -- was cited as the service of some terms is interrupted intentionally so that they will not achieve indeterminate status.
- Only 17% strongly agreed or agreed that terms in their work units have good opportunities to get an indeterminate position.
- Ninety-five per cent strongly agreed or agreed that they have the qualifications required to get an indeterminate position within their work unit.
- Thirty-one per cent of respondents expect to get an indeterminate position within the next year.
- 86% strongly agree or agree that their department or agency is a good place to work.
- If respondents were intending to leave the Public Service, the main reasons, listed in descending order, were as follows: to find a permanent job, it takes too long to become indeterminate, to earn more money, to improve opportunities for training, to have better benefits, and to have access to flexible hours.
- The following summarizes the respondents' current plans with respect to their future employment:
 - 4% indicated they would remain a term in their current position
 - 36% indicated they would remain a term until they became indeterminate in their current position
 - 20% would seek indeterminate status in some other part of the department
 - 18% would seek indeterminate status in some other department within the Public Service
 - 8% would look for a permanent job outside the Public Service
 - of the 14% who indicated "other" as a response, it usually related to one of the statements above

- Overall, respondents reported strongly agreeing or agreeing with the following statements about the federal Public Service:
 - 92% strongly agreed or agreed that the Public Service has good salaries
 - 92% strongly agreed or agreed that the Public Service has excellent benefits
 - 88% believe the Public Service offers sufficient flexibility to balance work and personal life
 - 85% strongly agree or agree that the Public Service offers interesting and challenging work
 - 75% indicated the Public Service has a good quality working environment
 - Only 50% strongly agreed or agreed that the Public Service has good employee moral
 - Only 36% agreed that the Public Service offers good job security

Treatment of Term Employees

- 21% of respondents had experienced a break in service between term appointments with 84% of the breaks being for less than one month, 5% between one and two months, and 10% indicating breaks of three months or more
- the reasons for the breaks in service ranged, in descending order, from insufficient work, funding problems, it was the staffing practice to force breaks in service, uncertainty about the fate of a program or project, and they would not be automatically converted to a permanent status or needing to take time off for the birth of a child
- The majority of term employees did not indicate that indeterminate employees were given priority over term employees. Where it was close to 50%, it was in relation to acting or developmental assignments, receiving training opportunities, or getting decision-making responsibilities.

Do indeterminate employees have priority over term employees?

Area	Yes	No	N/A
Acting or developmental assignments	48%	35%	17%
Receiving rewards and recognition	28%	50%	22%
Booking leave	28%	60%	12%
Receiving training opportunities	41%	50%	9%
Participating in work related social events	8%	80%	12%
The assignment of interesting work	31%	55%	13%
Getting decision-making responsibility	42%	45%	13%
Other areas: the vast majority cited invitations to meetings, retreats and conferences	19%	36%	44%

- 71% of respondents strongly agreed or agreed that they received adequate recognition from their manager when they did a good job
- 87% of respondents strongly agree or agree that they know what their manager expects of them in their job
- 91% of respondents indicated that their colleagues treat them with respect
- 86% indicated that they are able to complete their assigned workload during regular working hours
- 69% indicated that they receive the training they require for their job
- 83% strongly agreed or agreed that term employees are included as full members of the team in their work unit
- 67% strongly agreed or agreed that they have just as much freedom to express their views as indeterminate employees
- 51% of respondents strongly disagreed or disagreed that they are notified of term extensions in a timely fashion

Table 6

**Term employees with dependents
who rely on them financially**

Yes	63%
No	37%

- 67% of respondents strongly disagreed or disagreed that their term position is stable enough to allow them to make major purchases for their family (e.g. a home, a car)
- 63% strongly disagreed or disagreed that their term job is stable enough to allow them to support the educational needs of their family

Managers' Survey

A total of 128 managers completed the survey. The survey used on the Web site was a pared down version of the on-line survey that was co-ordinated by the PSC and conducted by IPSOS-Reid on behalf of the Joint Committee. There were 973 managers who responded to that survey, totalling 1,101 manager surveys received when counting the on-line survey. The results of the surveys were compared and the findings were similar if not identical in many instances.

Respondent Profile

The managers who responded to the survey were very experienced. The majority, 85%, had 10 or more years of service in the Public Service with 40% of them with 25 years of service or longer. Over 50% of the managers also had 10 or more years of experience as hiring managers. The majority of managers who responded worked in a corporate services work setting, approximately 30% indicated their work unit provided either a face-to-face service, telephone service, or mail-in service, and 46% indicated they provide other types of services directly to clients. Of the 128 managers who responded 52% were male and 48% were female. In terms of employment equity 7% indicated they were Aboriginal, 6% visible minority, and 5% indicated they were a person with a disability.

Managers were found to be in a large range of occupational groups.

Table 7	
Group	
AS	34%
BI	1%
CA (CAP)	1%
CS	2%
EDS	1%
EG	2%
EN ENG	1%
ENG	1%
ES	2%
EX	10%
FI	1%
GL	1%
GT	1%
HP	2%
LS	1%

Table 7 (Cont'd)	
PC	1%
PE	13%
PG	2%
PM	13%
PPI	1%
SE-REM	1%
TI	2%
TR	2%
VM	2%
WP	1%
Military	4%

Table 8 below shows the departmental distribution. Some departments such as Health Canada and Natural Resources Canada are missing in this survey but it is important to note that they were represented in the Hiring Managers' Survey, which was co-ordinated by the PSC and conducted by ISPOS-Reid.

Table 8	
Department	
Human Resources Development Canada	13%
Public Works and Government Services Canada	22%
Agriculture and Agri-Food Canada	2%
National Defence	13%
Fisheries and Oceans Canada	4%
Transport Canada	10%
Indian and Northern Affairs Canada	11%
Veterans Affairs Canada	4%
Department of Foreign Affairs and International Trade	2%
Canadian Heritage	2%
Industry Canada	2%
Public Service Commission of Canada	3%
Correctional Service Canada	2%

Table 8 (Cont'd)

Privy Council Office	2%
Citizenship and Immigration Canada	1%
Department of Justice Canada	1%
Canadian Grain Commission	1%
Canadian Artists and Producers Professional Relations Tribunal	1%
Canadian Transportation Agency	1%
Statistics Canada	1%
Prairie Farm Rehab Administration	1%
National Library of Canada	1%
Environment Canada	1%
Department of Finance Canada	1%

The geographical distribution mirrors to a large extent the findings in the more extensive IPSOS-Reid on-line survey directed to managers. Ontario (excluding the NCR) was higher at 8% in the longer survey, which is good given the high population of term employees in Ontario. The western regions appeared higher in this survey.

Table 9**Location of employment**

National Capital Region	42%
British Columbia	19%
Quebec (excluding NCR)	8%
Alberta	8%
New Brunswick	5%
Manitoba	5%
Newfoundland and Labrador	4%
Nova Scotia	2%
Ontario (excluding NCR)	2%
Prince Edward Island	2%
Saskatchewan	2%

Table 9 (Cont'd)

Northwest Territories	1%
Outside Canada	1%
Yukon	1%
Nunavut	0%

Key Findings

Use of Term Employment

- Managers most often cited backfilling for an indeterminate employee on assignment or leave, to meet short-term operational needs, cope with temporary funding, and, to a lesser degree, to fill an opening quickly and to have a trial period before deciding on an employee's suitability for an indeterminate position as the reasons for hiring a term rather than an indeterminate employee.

Recruitment of Term Employees

- Managers reported hiring term employees for certain groups more often than others in the last 12 months. These groups were CR and AS, which combined represented 80% of the hiring, with the PM and EG group following with about 6% each. The remaining categories represented 1-2% each for the DA, DD, ED, GL, GS, GT, HP, IS, TI, and WP groups. Statistics from September 2001 showed that the five PSAC groups with the greatest number of term employees were CR, PM, AS, GL, and EG.
- When asked what the manager usually tells term employees when hired about opportunities for indeterminate jobs in the work unit, the majority of managers indicated that they either tell them that they would have an opportunity to apply for indeterminate openings in the future or that a term position provides good experience. In relation to indeterminate employment, 10% indicated the term employees would likely get an indeterminate job if money becomes available, 9% indicated that most term employees get indeterminate jobs eventually, 5% indicated the term employees would likely be made permanent when indeterminate employees leave, and 13% indicated that their term employees would have little chance of becoming indeterminate in the unit.
- When hiring someone into a term position, the three most important factors considered were hiring the best qualified person, hiring a competent person, and personal suitability.

- Managers were asked to think about the last person they hired on a term basis and indicate how they first got to know that person and to choose all responses that were applicable. 54% indicated they met the person for the first time at the interview, which was followed by 22% stating that they were told about the person by people they knew on a professional basis, and 13% indicated the person had worked for them before. On the lower end of the scale 2% had been told about the person from family or friends, 2% knew the person socially or personally and 1% felt pressured by someone higher up in their department or agency to consider that person. (While the percentages are low in this survey because there were only 128 manager respondents, the results mirror the larger IPSOS-Reid manager survey.)

Retention of Term Employees

- Managers were asked to think about the most recent term employee they had extended and indicate how many times in total the person had been extended. 55% of managers indicated the term had been reappointed (extended) up to two times, with 6% indicating that the term had been extended five or six times.
- The usual duration of term extensions made by managers were for six months or more but less than one year (34%), more than three months, but less than six months (23%), one year or more (15%), and three months or less (9%).
- The most common reasons cited for extending a term employee were, in descending order, as follows: to maintain the existing level of staffing in the work unit, an employee on assignment or leave did not return, received additional funding, didn't want to lose a high quality employee, and increased workload.
- 38% of managers indicated they had not allowed a term appointment to expire without extension over the past three years. 20% indicated they had allowed one, 20% indicated two and, at the other end of the scale, 5% indicated they had allowed more than 10 to expire without extension.
- The most common reasons cited for those that were not extended were, as follows: operational needs had changed, because funding was not continued, the individual was not personally suitable for the work unit, because of the return of an indeterminate employee previously on assignment or leave, and the person was not able to do the work.
- When asked how many times a term was likely to have been extended before achieving indeterminate status, the results showed that 38% of managers indicated four times or more, 17% didn't know, 13% indicated not applicable, 10% said three times, 10% said twice, 7% indicated they never become indeterminate, and 4% said once.

- In response to how many years of service term employees have before they are automatically converted to indeterminate status, 72% provided a number of years, 16% didn't know, and 9% believe term status should not exist.
- Of the 72%, the following responses indicate how many years of service terms should have before they are automatically converted to indeterminate status. It is key to note that 58% of managers indicated between one and three years.
 - 24% - 3 years
 - 25% - 0 years
 - 20% - 2 years
 - 14% - 1 year
 - 8% - 5 years
 - 5% - more than 5 years
 - 3% - 4 years
- Managers who put a number other than 0 were asked why they thought that number of years was required. In response, the majority of managers indicated that it was unfair to make terms wait any longer and that the Public Service would lose good people by waiting; two other key considerations were preserving maximum flexibility for managers and funding.
- Managers were split 50/50 on whether the service in different departments or agencies should count towards accumulation of time for conversion to indeterminate appointment.
- The six most important reasons why some term employees have not achieved indeterminate status were indicated by managers as being no permanent funding for indeterminate positions, some terms leave for permanent jobs elsewhere, there are not enough indeterminate positions for all the term employees who want one, most terms are not hired with the intention of making them indeterminate, the process of staffing an indeterminate position takes too long, and once some term employees have been through a trial period, it is clear they should not be hired on an indeterminate basis.

Treatment of Term Employees

- 55% of managers indicated that no terms in their work unit had a break in service between term appointments, 28% indicated yes, and 10% didn't know (7% indicated not applicable).

- The three main reasons for the breaks in service were funding problems, the employee had requested it, and insufficient work. (It is important to note that 71% indicated this was not applicable.)
- The majority of managers indicated that indeterminate employees were not given priority over term employees. Where the majority or close to 50% indicated that priority was given to indeterminate employees, it was in relation to the amount spent on training (54% said no), receiving learning opportunities (58% said no), and getting decision making responsibility (54% said no).
- For those managers who indicated less money was spent on training term employees, the three main reasons given were the duration of the term, lack of money to train everyone, and the term employees already had the necessary skills.
- Areas where it was clear that indeterminate employees did not receive priority over term employees were the following: receiving rewards and recognition (79% said no), booking leave (79% said no), participating in work-related social events (96% said no), and the assignment of interesting work (70% said no).

Tell us what you think

Former PSAC term employees, current PSAC term employees, and public service managers were also provided with an opportunity to communicate directly with the Joint Committee either by sending a postcard to the co-chairs sharing their views and concerns or sending their ideas and solutions to the Joint Committee. The findings have been summarized separately under Postcard Summary and Idea Summary under the four themes leading to possible solutions and recommendations. In total, 410 written comments were received.

Summary of Postcards to the Co-chairs

Employees sent 271 postcards to the co-chairs. The following findings are a roll-up of various statements made by individuals and reflect the opinions of more than one. Not surprisingly, the vast majority of comments shared fell under the “treatment of term employees.”

Use of Term Employment

- Term employment is used as a way to recruit new blood into the organization.
- Term employment is being used incorrectly to help managers remain within their “A” budgets.
- Managers use the term appointment strategy to avoid the cumbersome, time-consuming, and not always successful staffing process.
- There is good reason for using term employees to undertake special projects or task forces that have fixed terms.
- Using term employment allows managers flexibility in terminating employment and avoiding the burden associated with the removal of indeterminate employees.
- Managers extend terms for fear of losing a good term employee to a priority referral.

Recruitment of Term Employees

- People are being cycled through the options of casual, agency, contract, and term in the same job.
- The process of submitting applications to the PSC is frustrating and cumbersome.
- The competitive process is tardy when the need for personnel is so high.
- Term employment sets up a paradigm where you are always pitting one person against another through the competitive process as terms are forced to compete continually for their positions, which leads to frustration and increased stress levels for term employees.

- The number of terms, casuals, and contractors should be limited, but financial disorganization is the problem – not enough “A” base money in the system.
- There is a strong movement towards eliminating term employees when a more contingent and mobile workforce is required. The Public Service needs this kind of cross-pollination to support knowledge transfer and working horizontally. Without term employees, a source of vitality in the Public Service is cut off.

Retention of Term Employees

- With the aging demographics in the Public Service and resulting loss of expertise and experienced employees, the government should be making term employees permanent to help alleviate the above-noted situation.
- Training dollars invested in term employees are wasted when those employees are not retained as indeterminate employees.
- Term employment ensures retention of competent employees as it is easier to end a term employee than an indeterminate one.
- The practice of qualified people repeatedly having to go through boards when lists run out for the same position for which they are already qualified and have been performing was highlighted many times. (One person expressed it as “having terms re-compete against each other is a very divisive and demoralizing experience and creates negative effects on team-building processes.”)
- If an individual is working in the same job for two to three years, there is a strong indication that the work is regular and there is a need for a permanent position.
- Time and money is wasted to grant new security clearances when term employees who already have security clearances are not appointed.
- All employees ultimately work for the same employer but are penalized for working in another department during employment.
- The loss of trained term employees greatly affects indeterminate employees, who are left with heavier workloads and usually results in hiring and retraining new term employees.
- Term employees should be factored into succession planning.

Treatment of Term Employees

- Insecurity, inability to make future plans, impact on family responsibilities, stress due to repeated extensions, and uncertainty were the most significant concerns raised. (One person stated that “repeated extensions are detrimental to the health, well-being and personal lives of term employees.”)
- The three-year freeze has had a significant negative impact on term employees resulting in long-term term employees waiting eight years before becoming permanent.
- Terms repeatedly reported experiencing extreme stress at each contract renewal because of the lack of advance notice with some term employees indicating that the initiative to seek the extension and follow-up on paper work comes from the term employee.
- Related to the uncertainty of future employment and lack of advance notice at contract renewal time, term employees use valuable performance time to search for other employment and engage other term and indeterminate employees in related discussions during work time.
- The notion of second-class worker/citizen was most often linked to inaccessible training opportunities and career advancement opportunities, being referred to as “only a term” was also referenced as supporting the notion of a second-class worker.
- Lack of union support for term employees was raised several times.
- It is unfair that term employees have to work under the pressure of repeated extensions for long periods of time with no commitment to their future.
- The need to constantly demonstrate value to employer for fear of not being renewed means working unpaid overtime, inability to take sick leave when ill, working harder than their indeterminate colleagues, never voicing opinions or issues that superiors might view as a criticism.
- There is no introduction for term employees, no communication of the organization’s goals, term employees are not aware of their rights, and staffing plans are unknown.
- The following are worthy of mention but were raised less often than the foregoing points:
 - not allowed the same opportunities to work at home;
 - don’t have the same access to equipment;
 - negative effect on indeterminate employees (i.e. never knowing how long term employees might be there so that indeterminate employees anticipate additional workload when term employees are not renewed);

- term employees are training indeterminate employees;
- though not raised often, it is important to mention that there were instances where contracts were not renewed due to maternity leave;
- letters of offer are written in a tone that is demeaning and undervalues the important work term employees do; term employment is reduced to a nameless and faceless entity in these letters; (This point has been included as it was also voiced by term employees during town hall meetings.)
- a feeling of helplessness resulting from not having the right to complain in the case of an injustice toward the term employee.

Possible Solutions

Note: This section differs from the previous one in that the ideas and solutions presented are a summary of individual responses as opposed to a roll-up.

- The range of options expressed varied from all indeterminate staffing only, to appointment to indeterminate status after six months, one, two and three years with three years being the maximum number of years mentioned.
- The impact on employment of current term employees should be considered before casual employees and students are hired.
- Performance evaluations should be completed for any term employee not being renewed for the term employee's record.
- Changes should be made so that pensions are not affected. If the government is having difficulty recruiting and retaining skilled staff, then experienced workers could be retained for longer than six months on a term basis.
- Original eligibility lists should be used for all reappointments to avoid competing for an individual's own job.
- There should be a policy on "pregnancy and term employees."
- Individuals should only have to qualify once for their job; when the list has expired, re-appointments should be based on seniority.
- There should be orientation sessions for term employees.
- Term employment in all government departments should count towards the calculation of total term employment for indeterminate appointment.

- The corrective action should be focused on the problems with “indeterminate staffing” so as to obviate the need for managers to make term appointments.
- Term employees who have to cease working due to illness or injury (most vulnerable) should be able to return to their job if it still exists. This would help term employees who need income and health benefits.
- The cost of carrying out repeated competitions should be reviewed as should the investment of training dollars, especially in situations where a term employee who has been performing the job is qualified but is not high enough on the eligibility list so that someone else is appointed to their position.
- Terms should be dealt with retroactively to at least the date of signing the current collective agreement.
- The periods of employment and re-appointment should be for as long a period as possible to avoid the administrative burden on the Pay and Benefits group.
- Term appointments should be made for three months initially so that all term employees receive the maximum benefits.

Summary – Sharing Ideas with the Joint Committee

A total of 139 individuals chose to share their ideas with the Joint Committee. The following findings are a roll-up of various statements made by individuals and reflect the opinions of more than one.

Use of Term Employment

- Term employment should only be used for legitimate reasons (i.e. maternity leave, medical leave, personal leave, projects that have an existing end date, to meet urgent operational needs, and where the indeterminate employee will be returning); otherwise, term employment is not legitimate.
- Term positions are used by some individuals as stepping stones for private sector jobs.
- The current way term employees and contractors (long-term use in the same position) are used has become part of our corporate culture and is also an indication of poor business planning.
- Term employment is used as another form of probationary period (staffing mistakes cannot be corrected without enormous investment of time, which is usually prohibitively expensive).

- Term employment should be maintained: it provides an efficient method of acquiring staff when there is an urgent need. Hiring a term employee enables managers to let the employee go with minimal paperwork if the person should prove to be unsuitable, unqualified, or the work requirement is of a short duration.
- Departments hire terms for less than one year to avoid the priority system.

Recruitment of Term Employees

- Current hiring practices take far too long given the short-term need associated with term employment. Casuals and temporary help are sometimes used when term employment really should have been used. (Statements referred to both departmental processes and PSC processes.)
- The timeliness of hiring can affect the decision to use term employees.
- The next generation to be recruited may not be interested in joining organizations that do not take care of their employees.
- Contracting personnel through agencies and internships needs to be re-evaluated.

Retention of Term Employees

- Competing for the same position repeatedly after qualifying initially is redundant, time-consuming, expensive, and very stressful for term employees.
- In addition to the cost of continuously running board interviews for the same position, the investment in training for term employees should be considered plus the cost of training new staff.
- In order to retain people in the Public Service who are already trained, early decision making and more advance notice on renewal or non-renewal of term should be provided.
- Repeated extension of term employment should lead to indeterminate staffing.
- The ability to recruit and retain good workers will be difficult in the future when only offering term positions.
- Current human resources and staffing procedures for posting jobs within the Public Service internally limit opportunities for term employees due to geographical restrictions.
- Given the projected turnover due to retirements in the Public Service, now is the time for the federal government to realize the value of term employees.

Treatment of Term Employees

- Term employees do not receive formal performance evaluations.
- Repeated extensions and long periods of temporary employment affect self-esteem, dignity, sense of well-being, and can be emotionally overwhelming.
- Repeated extension of term employment does little to support the image of an employer of choice as the employee is forever in a holding period, which affects the employee's personal and family life.
- The uncertainty experienced by the term employee costs the government money because of the continued preoccupation with job security.
- Advance notification for renewal of term employment is too short, and decisions are often last-minute.
- The provisions of the WFA (unions want a job for life for their members) leads management to use terms to reduce risk of WFA.
- Working conditions that make term employees feel like they are second-class workers include fewer training opportunities, not being asked to participate in committees or important meetings, being treated a resource as opposed to a person.
- A break in employee service may affect benefits that could be accompany continuous service (i.e. continuous service and pension, earned vacation).
- Term employees will not stand up for their rights for fear of retaliation and non-renewal of their contract.
- There were several references to the non-renewal of term employees who were approaching the time requirement to become indeterminate.
- Term employees have to pay all the same deductions as indeterminate employees but do not enjoy the same status and job security.

Possible Solutions

Given that the focus of this part of the Web site was to provide an opportunity to interested PSAC term employees, former PSAC term employees, and public service managers to share ideas and potential solutions with the Joint Committee, individual suggestions have been recorded.

- The period of time before a term employee is appointed indeterminate varied:
 - after a set probationary period
 - after 6 months
 - after 1 year
 - no more than 12 months over 2 consecutive fiscal years
 - 2 years any department
 - 2 years same department
 - after 3 years
 - after 3 years of service regardless of breaks in service
 - years of service during the freeze should be considered in any change
 - everyone hired on a term basis initially for trial periods of say 9-12 months during or at the end of which time a decision would be made as to whether the employee would be appointed permanently
- Continuous service with different departments should be considered for appointment to indeterminate status.
- Seniority should be used in determining rank on boards (one can rate first in one competition only to rate second on another one for the same job).
- All terms should have to qualify only once on a board for their position; indeterminate appointment should then be based on seniority.
- Term employment is a valuable tool if handled wisely. (Improvements should be made to the current testing system; records on employee performance should be kept; if a term employee is let go or fired, there should be some mechanism in place to prevent this individual from being hired by another department.)
- There needs to be a healthy look at the effects of term employment on family life.
- Term employees should not have to walk the picket line during a strike especially when they are not sure of their future with the government.
- Term employees should be encouraged to develop learning plans and to take part in a mentoring program.

- It would be helpful for staff members who want to remain with the federal government to be informed on how to prepare themselves to be considered and how to compete in competitions. Time, energy, and money is invested in term employees and to reap the benefits, time should be taken to develop the term employees who are interested in being part of the “Workplace of Choice” in the future.
- When you hire a term employee, they should be given the same treatment as an indeterminate employee – the rules and regulations, the way the system works can be confusing. A brief explanation and a “new employee orientation session” would certainly help.
- There should be a clear indication of objectives and goals to be achieved and standards to be met. This should be evaluated over the length of the term appointment and a clear indication should be given regarding whether or not the employer wishes you to continue.
- There should be a limit to the number of times a term can be renewed.
- Managers need to do a better job in their business planning phase in order to better forecast resource requirements. This way, they will not put themselves in a situation where they have to find a way to beat the system to hire the people they need.
- Improve the annual performance reviews and tie annual performance evaluations to job security or continued employment.
- Create a pool of qualified resources that managers can tap into, something like a “Term Employee Supply Pool.”
- On-line system or database should be implemented for managers to input their requirements and receive CV’s that meet those requirements.
- PSC candidates should be tested for language skills and perhaps have security clearances besides the administrative testing, which would accelerate the hiring process.
- Term employees should be paid slightly more than non-term employees to compensate for added risk. This is exactly why contractors are paid more to help with workload.
- There should be a limit to the number of term employees allowed in any particular unit, department, directorate, or division.
- If somebody is hired for a term position as a result of a competition, they should not have to undergo another competition for the same classification unless they are subsequently not employed in that position for a continuous period of 18 months.

- Eliminate both indeterminate and term from the government vocabulary and start hiring and retaining people based on their skills, not on their employment status. When people are being laid off, an indeterminate employee who is not a good performer will be kept before a term employee who performs well because of employment status.
- Have a special committee in the office including an advisor from the union to help term employees know their rights in regards to strikes and other issues.
- Create a bridging program to integrate term employees into indeterminate workforce. Such programs should include interim funds to carry a term between projects and should include training plans so employees have the skills and expertise necessary to provide continuity.
- Extend the time limits of lists that term employees are on or do away with them altogether.
- Run competitions for both term and indeterminate use; after the probationary period the term positions should be made indeterminate.
- A person in the same position for two years or more should be indeterminate, or 3 years in the same department in different positions. If the manager of the work unit is unable to fund the position, the person should go on a priority list within the department.
- Have rules for term employees when it comes to layoffs or stop taking \$550 a year of union dues from term employees.
- Union should improve its representation of term employees.
- The federal government should consider “indeterminate seasonal” hiring. This way, terms would not be forced to keep applying for competitions in order to stay employed.
- A brochure should be prepared and must be given to every term employee as soon as they are hired (or on their first day on the job). This brochure would outline the rights and responsibilities of term employees, what they are eligible for and what they are not eligible for as term employees of the government, and include the differences between term and indeterminate employment.
- Give long-service term employees the same right of referral and access to all vacancies as those employees that are affected, priority, or work-force adjusted.

Comparison of Manager and Employee responses

For the most part managers and employees were saying the same things. The table below is a summary of their responses with respect to...

EMPLOYEES	MANAGERS
<p>14% indicated that their managers told them they would be made indeterminate or that most terms in the work unit get indeterminate jobs eventually; 9% were told they would likely be made indeterminate if funds became available.</p>	<p>In relation to commitment to indeterminate employment, 10% indicated that term employees would likely get an indeterminate job if money became available; 9% indicated that most terms here get indeterminate jobs eventually; and 5% indicated they would likely be made permanent when indeterminate employees leave.</p>
<p>The top three reasons that employees were given to explain why managers were hiring on a term basis were as follows: to fill an opening quickly, to backfill a position for an indeterminate employee who is on assignment, and to deal with a fluctuating workload.</p>	<p>The first two reasons were the same responses managers provided; the third one differed in that managers indicated the need to cope with temporary funding.</p>
<p>The majority expressed a need for the policy requirement of 5 years of accumulated time before becoming indeterminate should be reduced to 3 years or less.</p>	<p>The majority of managers indicated the time period should be 3 years or less.</p>
<p>How the employees first got to know the term employees and how the managers first got to know the employees in their current job matched with the majority indicating they met first time at interviews, or when they started their jobs, averaging 55% with the lower end of the scale 1-2% indicating they knew the manager or employee socially or personally or were told about the person from family or friends.</p>	<p>Same comment.</p>

EMPLOYEES	MANAGERS
<p>With respect to term extensions, 53% reported having been extended up to 2 times in their current job, 25% indicated that they had been extended 5 times or more.</p>	<p>56% of managers reported the same activity, however, the question differed slightly for managers who were asked to think about the most recent term they had extended and how many times had that person been extended, which resulted in 6% of managers indicating more than 5 times. In a subsequent question, managers were asked how many times a term employee in their work unit is likely to have been extended before he or she achieves indeterminate status. 38% of managers indicated 4 or more times, which is close to the employees' results.</p>
<p>The average duration of term extensions:</p> <ul style="list-style-type: none"> • 3 months or less (13%) • between 3 and 6 months (24%) • between 6 months and 1 year (30%) • 1 year (20%) 	<p>The average duration of term extensions:</p> <ul style="list-style-type: none"> • 3 months or less (9%) • between 3 and 6 months (23%) • between 6 months and 1 year (34%) • 1 year (15%)
<p>65% of employees indicated that time spent in different departments should count towards indeterminate status.</p>	<p>50% of managers indicated the same.</p>
<p>The reason most cited as to why terms did not achieve indeterminate status was lack of funding.</p>	<p>Managers provided the same reason.</p>
<p>Top three areas where terms are treated differently than indeterminate employees were access to training, receiving learning opportunities (actings or developmental), and obtaining decision-making responsibilities.</p>	<p>This was identical to what the managers said.</p>
<p>21% indicated that they had experienced a break in service. The top 2 reasons were identical: funding problems and insufficient work.</p>	<p>28% indicated that term employees in their work unit had experienced a break in service. Reasons given for breaks were the same.</p>

Conclusions

Findings from the Web site tools confirmed the research results from Phase 1 of the study and introduced new areas that had not been identified in the initial research.

There are a number of areas that appeared to be more problematic than others and for which potential solutions should be explored. These are outlined below:

- It appears that term employment is being used in situations where there is clearly an ongoing need with 26% of respondents indicating that they have been in their current position in excess of three years. The current policy requirement of five years was not seen as the preferred option for the majority of employees and managers. The various options put forth by employees and managers should be tested (ranging from only indeterminate staffing to indeterminate status after six months up to the current five-year requirement. Two or three years appeared to be where the majority was sitting.)
- Given that 66% of term employees felt it was unfair that continuous service in different departments and agencies cannot be included when calculating service for indeterminate status and that managers were split 50/50 on the issue that this aspect should be tested.
- Repeated and continuous term appointments to the same position could be indicators of an indeterminate requirement (25% of term employees indicated that they had been extended in the same position five times or more). The idea of deciding on a limited number of extensions before having to make an indeterminate appointment could be explored.
- Funding allocation appeared repeatedly as a reason to explain why a term position is created instead of an indeterminate one, why terms are extended, duration of extensions, why some term employees experience breaks in service, lack of advance notice to term employees for renewal of term. Changes to current practices and education and awareness around this issue are required.
- Lack of advance notice to term employees on renewal of term appointment has to be examined. Many experienced last-minute notice or having to initiate confirmation of extension themselves.
- Repeated requirements for term employees to re-qualify through competitions for their own job is a major irritant and costly to the government. This practice needs to be revisited within the context of Staffing Policy and education to managers on their options should be made available.

- While the majority of term employees did not indicate that they were treated differently than indeterminate employees and managers felt they were not giving priority to indeterminate employees over term employees, some term employees did say that there were areas in which they felt strongly that they were indeed being treated differently. The areas that require some action are training and development opportunities for term employees, involvement in decision making, and inclusion of term employees at meetings, retreats, and conferences.
- 13% of term employees indicated that the average duration of a term extension was less than three months and 24% indicated the average was between three and six months. Action should be taken to educate managers on maximizing the length of term extensions for term employees, which would also reduce the administrative burden for Compensation Advisors. (This is also tied to funding allocations.)
- From the information provided, the term employee population is well educated, experienced, trained, has a disproportionately high representation of members of an employment equity group (except for persons with a disability), and has a desire to remain in the Public Service. Proactive action should be taken in terms of HR planning and succession planning to ensure that the Public Service retains resources that will be needed for the future.
- The need for orientation sessions for term employees was raised.
- Solutions for remedying the practice of using term employment as a probationary period should also be explored.
- It appears that the majority of term employees does not receive formal performance evaluations, which should also be investigated.
- The impact of long and cumbersome staffing processes has resulted in the use of term employment instead of indeterminate employment.
- The three-year hiring freeze from 1995 to 1998 has resulted in term employees having up to eight years of term service. Options to reduce the current policy requirement from five years will resolve some of these problems.
- Solutions related to additional union support for term employee members should be explored.

Supporting Document D

Stakeholder Consultations

Joint Term Employment Study

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Introduction

One of the main goals of the Joint Committee was to provide as many opportunities as possible for the various stakeholders to share their experiences and provide their input on the issue of term employment. The main considerations in choosing and developing the research tools that would be used during the joint study were whether they would reach as broad an audience as possible and as quickly as possible given the short timeframes the Joint Committee had at its disposal. However, the Joint Committee also considered the complementarities of the different tools and chose tools that would allow not only broader participation but also different perspectives and more detailed information.

With this in mind, the Joint Committee decided that in conjunction with the focus groups that were being held with term employees, the Joint Committee members would also organize and attend other consultative forums with stakeholders. What follows is a summary of these forums, which were held in Montreal, Toronto, Halifax, Winnipeg, Vancouver, and the National Capital Region between April 15 and May 6, 2002.

Employee Consultations

In addition to the focus groups, which were being held with a random sample of term employees, members of the Joint Committee also attended town hall meetings, work site meetings with term employees, and meetings with the Public Service Alliance of Canada (PSAC) equity group representatives. The members of the Joint Committee felt that these meetings would allow employees who could not complete the web survey or were not chosen as focus group participants a chance to provide their input directly to the members of the Joint Committee.

The town hall meetings were organized and co-ordinated by the PSAC regional offices in Toronto, Montreal, Halifax, Winnipeg, Vancouver, Ottawa, and Hull. They were advertised through PSAC's national and regional Web sites and were open to current and former term employees as well as union activists. A moderator's guide was developed by the Joint Committee, which allowed for an orderly discussion that lasted between two and three hours and covered the main themes of the study: the use of term employment and the recruitment, retention, and treatment of term employees. Two of the meetings were facilitated by PSAC elected officers with members of the Joint Committee in attendance, and the other meetings were facilitated by members of the Joint Committee.

In addition to the town hall meetings and the focus groups, the members of the Joint Committee also maximized their presence by attending meetings with term employees, which were held at the employees' work sites. While interest and availability were the main determining factors for the work site visits, the members of the Joint Committee were nonetheless able to visit a broad cross-section of workplaces that represented a wide variety of occupations, types of work and had large percentages of term employees. These meetings were organized by the term employee members of the Joint Committee with the collaboration of local management. They lasted approximately two hours and were facilitated by members of the Joint Committee using the discussion guide, which was developed for the focus groups with term employees, as a facilitation guide.

Given the high representation of equity groups in the term population, the Joint Committee wanted to ensure that equity group members had a chance to participate in the study. In this phase of the study, members of the Joint Committee attended a discussion group with the Halifax anti-racism action committee, and the co-chairs of the Joint Committee attended the PSAC Access Conference, where participation in the study was promoted and a special survey was developed for the conference participants.

The following is a list of all of the consultations, which were held with employees during this phase of the study.

1. Town Hall Meetings (PSAC-sponsored)

- Halifax - April 18 - Approximately 50 attendees
- Montreal - April 16 - Approximately 30 attendees
- Ottawa - April 17 - Approximately 20 attendees
- Hull - April 18 - Approximately 4 attendees
(The building had been closed due to fire)
- Toronto - April 16 - Approximately 35 attendees
- Winnipeg - April 25 - Approximately 35 attendees
- Vancouver - April 30 - Approximately 50 attendees

2. Work site Visits

- Montreal - April 16 and April 17
- National Defence (Longue Pointe Base), Veterans Affairs (Sainte-Anne de Bellevue Veterans Hospital), International and Domestic Immigration Call Centre, multi-department meeting at Complex Guy Favreau, multi-department meeting at 715 Peel Street
- Winnipeg - April 25
- Agriculture Canada Farm Income Security Branch-NISA/CFIB, Human Resources Development Canada (HRDC, employment insurance call centre)
- Vancouver - April 29
- Grain Commission, HRDC and Refugee Board, HRDC Abbotsford
- April 30
- HRDC employment insurance, National Parole Board (New Westminster), HRDC employment insurance call centre
- National Capital Region - May 6
- External Affairs and Hull Passport Office

3. Other Stakeholders

- Anti-Racism Committee - Halifax, April 18
- Managers First! Managers' National Professional Development Conference - Banff - April 21 to 24
- Access Conference - Toronto, May 11–13
- Written Submissions

What follows is a summary of the main findings during the consultations with employees and is grouped by the studies four main themes. The comments listed are those that the members of the Joint Committee heard most frequently and represent the views of the majority of the employees who participated in the various forums.

Findings

Use of Term Employment

Term employment is often being used for continuing work.

Term employment is not being used in the way that it was originally intended, which is to backfill a long-term but temporary absence or staff a short-term finite project.

Some shops, notably operational establishments like call centres, contain a large percentage of term employees — from 25% to almost everyone.

In some regions, employees feel that term employment is being used to improve the statistics on compliance with the *Employment Equity Act*.

Term employment is being used because term employees are easier than indeterminate employees to dismiss; therefore, they are easier to control and can be pressured to over-perform.

Term employment is being used as an extended probationary period. Terms feel that they are under constant pressure to perform and that they are more closely monitored than indeterminate employees when it comes to punctuality and use of leave.

Recruitment of Term Employees

Overall, most term employees were hired through the Public Service Commission of Canada (PSC) process (often using the PSC Web site), although some were formerly casuals and some were formerly in student programs.

In the National Capital Region, a different tendency exists: many term employees start as employees of temporary agencies, are re-hired as casual employees, and eventually become term employees through a competitive process.

There is often an impression at the time of hiring that long-term positions are available; some newly hired term employees are promised the offer of an indeterminate job “soon” — a promise that is “rarely kept.”

Most term employees were hired through a competitive process; a large percentage was subjected to multiple interviews and stringent written tests.

Most term employees were initially hired for six months or less, and many reported receiving initial appointments of three months followed by six-month extensions. However, there were cases in which term employees were initially hired for one month or less and renewed on a monthly or even weekly basis for extended periods of time.

Treatment of Term Employees

Terms often feel like “second class citizens.” While in some work environments, term employees feel they are treated the same as indeterminate employees, in others there is a definite class structure and “pecking order.”

There appears to be a distinction between work sites where there are many term employees and work sites where there are few. In those environments where a larger percentage of term employees exists, complaints of unequal treatment vis-à-vis indeterminate employees are more frequent. In contrast, term employees who work in a predominately indeterminate environment tend to feel that they are treated the same as everyone else.

Many of the benefits accorded to indeterminate employees are not readily available to term employees. These include the following:

- the bilingual bonus
- the supervisory bonus (payable when training other employees)
- equal distribution of overtime
- access to choice in work scheduling and vacation leave scheduling

- equal access to reclassification
- paid education leave
- long-term disability

Persons with disabilities who are term employees feel that they are often not provided with the tools, specialized equipment, and access to choice of work location necessary to do their work.

Some term employees claim that they are often given the most demeaning or distasteful duties: training their own replacements, removing dead rats from the grain, handling dangerous goods, and working with untrained co-workers in dangerous situations.

Terms suffer from high job insecurity, which has a number of consequences:

- Because their jobs are not permanent, term employees often have trouble getting mortgages and credit and are hesitant to start families — “my life is on hold.”
- Terms often feel compelled to “toe the line” and not make waves on the job or exercise the rights afforded by their collective agreement because they may not be renewed; some are afraid to take sick leave when ill or identify their disabilities, and many are not comfortable expressing their opinions. They are sometimes subjected to dangerous or unsafe working conditions because they dare not complain.
- Some term employees are subjected to intimidation and “subtle threats,” being told by managers and warned by co-workers that the employer has “no legal obligation” to term employees and urged to “be careful” and “not push” if they expect to be renewed — this results in an atmosphere of fear at the workplace.
- Term employees are subjected to heightened anxiety when approaching renewal time, which may be as often as once a month. The anxiety when approaching the five-year rollover threshold is tremendous.

Some term employees reported that the letter they received indicating that their term was being extended included not only the usual stipulation that the duration of the term could be changed at any time, but also an additional provision stating that, if they were to be laid off during the said extension, the letter would serve as the notice of layoff as well.

While job-specific training is often mandatory for term employees, access to developmental training and on-the-job training through assignments is usually severely restricted, if not completely unavailable.

Retention of Term Employees

Most term employees are required to compete repeatedly for their jobs in order to be extended; if they don't make the list, they won't have a job. As a consequence, these term employees feel threatened as the number of new term employees grows.

Term employees are often required to compete repeatedly against each other for placement on the list, which fosters stress and disharmony.

Many term employees feel that integrity and honesty in the staffing and employment process is lacking. Some term employees reported feeling that favouritism is frequent and managers are selective about which rules they apply with respect to competitions and hiring. Some also reported feeling that pockets of nepotism exist.

Reverse order of merit is sometimes used to determine which term employees will not be renewed. In these instances, "personal suitability" is frequently the overriding criteria (up to 80%) used to judge merit.

Most term employees are not told until the last minute whether they will be renewed or let go; in many cases, they don't receive their renewal letter until after the term has expired.

Some term employees are pressured to apply for indeterminate positions, while others are not allowed to apply. In any case, indeterminate positions are few and far between.

Many term employees, especially those under 35, don't want to wait around and see if they will be hired for another three months; good people, who now feel nervous of the government as an employer, are leaving.

From a youth perspective, term employment is a significant deterrent to viewing the government as a workplace of choice.

Term employees reported spending a lot of time looking and competing for indeterminate positions. Most reported that they spend time every day looking for indeterminate positions. One term reported that "during a six-month term appointment, you spend the first two months learning the job, the next two doing the job well, and the last two looking for another job."

Consultations with Human Resources Practitioners

In addition to the consultations with employees, Joint Committee members also attended meetings with a cross-section of human resources (HR) practitioners. The purpose of these meetings was to ensure that the HR community was able to participate in the study and to allow the Joint Committee members to explore some of the issues, such as staffing practices, in greater detail. These meetings were held in Halifax, Montreal, and Vancouver and were organized by the management members of the Joint Committee in collaboration with the PSC. Participants were chosen based on departmental representation and reflected a cross-section of the various HR functions. The meetings were facilitated by the members of the Joint Committee, and the discussion guide, which was developed for the focus groups of term employees, was used as a facilitation guide.

The following is a list of the consultations, which were held with HR practitioners and other employer representatives.

1. Meetings with HR Practitioners (Employer-sponsored)

- Halifax - April 19
- Vancouver - April 29
- Montreal - April 15

Again, the following summary contains the common threads running through the information gathered and is grouped by the four main themes of the study.

Findings

Use of Term Employment

Term employment is often being used for continuing work because the workload is there but it is not possible to get funding for this workload on a permanent basis.

Some HR practitioners feel that casuals are now being used to fill the niche previously filled by term employees: staffing of short-term, finite projects.

Term employment is often cited as a substitute to undergoing the lengthy process necessary to staff indeterminately.

Term employment allows managers to hire without fearing the consequences of a future downsizing, which would require a “guaranteed reasonable job offer” or a termination incentive financial package if the employees were indeterminate.

Some managers use term employment as a substitute for probation.

While overt productivity demands are not higher for term employees than indeterminate employees, “if they [term employees] don’t produce, they won’t be renewed; the consequences of not succeeding may be more serious.”

Recruitment of Term Employees

Most term employees are hired through the PSC process, either directly into the job or into a PSC inventory.

In the regions, name referrals from the casual or student ranks or from other sources are rare. One region reported that name referrals are used sparingly — mostly for the hiring of term employees from the scientific and employment equity communities.

There is confidence that the recruitment mechanisms used to hire term employees are as rigorous as those used to hire indeterminate employees and that the time investment is the same; however, hiring term employees is faster because no appeals or post-boards are necessary.

Most term employees in an office environment are initially hired for six months, although some departments in some regions advocate one year; term employees in operational units are often hired for less than six months.

Treatment of Term Employees

Term employees are second-class citizens; they have no voice.

The HR practitioners recognized that insecurity was high for term employees and that the impact was stressful — especially for single mothers.

The level of activity around grievances from term employees is virtually nonexistent.

Term employees don’t grieve or complain in general; they keep a low profile, which indicates a low level of morale.

Some HR practitioners maintained that the fear term employees feel about not being renewed is “self-inflicted.”

Some HR practitioners cited occasions when the automatic rollover to indeterminate was avoided by not renewing the term and hiring a new person.

There was recognition that a discrepancy exists in favour of indeterminate employees for developmental opportunities, secondments, one-year assignments, leave scheduling, and conference attendance.

In some departments, it is true that indeterminate employees get the “first crack at training and conferences.”

Retention of Term Employees

Some HR practitioners were surprised to hear that term employees were required to compete repeatedly for their jobs and found it difficult to understand the need for multiple and repeated competitions for the same job. Others were surprised that continual re-competing was not the norm in all environments.

Managers recognized that sometimes term employees wouldn't apply for their friend's job.

In one region, labour relations practitioners felt that seniority, rather than reverse order of merit, is a more humane method to achieve downsizing.

HR practitioners stated that “we have a problem processing our own [indeterminate] people,” and indicated that, due to lengthy and ponderous internal mechanisms, staffing cannot be done “in a timely way.”

There is recognition that there will be recruitment challenges in the future.

Most HR practitioners did not feel that an inordinate amount of working time was spent by term employees searching and applying for indeterminate positions; however, they did recognize that most term employees are on “a quest for stability.”

Appendix A – Access Conference Report, May 10–12, 2002

From May 10 to 12, the co-chairs of the Joint Committee attended the PSAC Access Conference, a conference of PSAC members with disabilities that was held in Toronto. The Access Conference provided the members of the Joint Committee with a unique and important opportunity to view the issue of term employment from the perspective of employees with disabilities.

In order to maximize this opportunity, a kiosk was set up during the conference, and a special survey was developed specifically for conference participants. The kiosk allowed the Joint Committee co-chairs to promote the joint study and to talk to conference participants on a one-on-one basis about their experiences as term or former term employees.

The special survey was developed to determine whether there were specific issues that were unique to term employees with disabilities and included questions related to accommodation and inclusiveness. A report on the results of this survey is available under separate cover.

Of the 71 participants at the conference, most visited the kiosk and about a dozen participants stopped and had lengthy discussions about their experiences as current or former term employees. Their stories were similar to those other term employees across the country had shared with the members of the Joint Committee. They talked about the competitions they went through to get their initial term appointment and about the numerous competitive processes they have gone through since, in many cases for the same term position they currently occupy. The insecurity they felt as a result of never knowing whether their term would be renewed or from having their terms extended at the last minute was also shared with the Joint Committee members. What distinguished the experiences of the participants of this conference from the other term employees was the difficulties they faced in getting the tools or specialized equipment they needed to do their work. Many of the participants talked of either not getting the equipment they needed at all or of having to constantly remind management of their needs. However, it was difficult to determine whether these issues were related to the fact that they were term employees or whether there were consistent shortcomings in this regard regardless of the status of the employee since, in some instances, they were the only employee with disabilities in their workplace or the situation had not improved once they became indeterminate.

According to the annual report to Parliament, entitled *Employment Equity in the Federal Public Service 2000–01*, 8 out of 10 term employees belong to designated groups. Members of the Joint Committee wanted to take advantage of every opportunity available to hear from equity group members.

While members of equity groups were heard from throughout the consultative process and were well represented in the Web site survey, the PSAC Access Conference provided the Joint Term Study with a unique and important opportunity to view the issue of term employment from a disabled person's perspective.

In response to this opportunity, the Committee modified the Web site survey to accurately capture this perspective and translated the questionnaire into an alternative format, as needed.

The questionnaire was then distributed at the Access Conference, requesting information about work history, the experience of being recruited, experiences in the workplace as a term employee (if applicable), and any observations about the experiences of term employees the workplace from the viewpoint of persons with disabilities.

A total of 19 responses were received.

Of the respondents, 15% were initially hired indeterminately and had never been term employees. Only 11% are term employees at the present time, but the remaining 74% had started their careers in the Public Service as term employees. Therefore, 85% of these respondents were initially hired as term employees.

More than 50% of the former term employees were converted to indeterminate after serving at least two years as a term. The majority won their indeterminate jobs through competition, although 5% were subject to the five-year rollover provision.

Of the 11% of respondents who are presently term employees, all are in the CR category. However, CRs make up only 42% of the total sample group, and 53% belong to the AS and PM categories.

All respondents are of the view that preference is given in the workplace to indeterminate employees over term employees. The four most commonly cited areas of preferential treatment were as follows:

- participating in work-related social events (e.g. Christmas parties) 63%
- having flexibility around hours of work 47%
- having access to choice with regard to the physical work location 47%
- receiving training opportunities (e.g. courses, conferences, seminars) 47%

The least common area of preferential treatment reported was “receiving the tools or specialized equipment necessary to do the work.” This statement was chosen by 26% of the respondents.

In response to the question “what do you believe are the most important reasons why some [terms] have not achieved indeterminate status?”, the most frequently chosen responses (in order of frequency of appearance) were as follows:

- there aren't enough indeterminate positions for all the term employees who want one

- the service of some term employees is interrupted intentionally so that they will not become indeterminate
- most term employees are not hired with the intention of making them indeterminate employees

When asked the question “to what extent do you agree or disagree with the following statements when you think of the federal Public Service?”, the responses were as follows:

	Agree	Disagree	Don't Know
Has good salaries	53%	42%	5%
Has good employee morale	26%	74%	
Has excellent benefits	58%	42%	
Has a good quality of working environment	53%	47%	
Offers sufficient flexibility to balance work and personal life	42%	58%	
Offers interesting and challenging work	53%	47%	
Offers good job security	37%	53%	10%
Is fully accessible	21%	79%	
Is welcoming to disabled employees	32%	58%	10%
Provides the tools necessary for disabled employees to work	47%	47%	6%
Provides the tools necessary for disabled employees to participate fully	37%	47%	16%
Considers accessibility issues when planning meetings, conferences, etc.	37%	58%	5%
Provides alternate formats as required	26%	58%	16%
Identifies and removes employment barriers	21%	74%	5%

While findings resulting from a sample of 19 individuals are not necessarily representative of the entire federal Public Service persons with disabilities population, some insight can nevertheless be gained regarding term employment from a disabled person’s perspective.

It can be noted that the general responses from this survey mirror those from the much larger Web site survey on term employment in that the lack of employment security and the perception of low morale are significant.

However, for employees with disabilities, the findings are more significant. The vast majority of respondents do not believe that the federal Public Service is fully accessible or that employment barriers are identified and removed in government workplaces.

A further majority does not believe that the Public Service is welcoming to persons with disabilities, that it provides the alternative formats that may be required, or that it takes into consideration the needs of this community.

Half of the respondents do not feel that they are provided with the tools that they need in order to work, and the majority also feels that they are not provided with the tools that they need in order to participate fully.

Special Survey Regarding Disability Issues & Term Employment in the Public Service

Section 1 - Recruitment Experiences

1. What is your current occupational group? (If you are currently in an acting position, indicate your acting group.)

- AS
- CR
- PM
- ST
- DA
- IS
- GLT
- LS
- Other

2. Are you currently a term employee?

- Yes No

3. Have you ever been a term employee?

- Yes No

4. For how long have you been, or were you a term employee?

- 1 month
- 3 months
- 6 months
- 9 months
- 1 year
- 2 years
- More than 2 years
- Not applicable

5. If you are an indeterminate employee, were you initially:
- hired as a casual?
 - hired as a term?
 - appointed as an indeterminate?
 - hired as a student?
 - appointed through an employment equity process?
6. If you are an indeterminate employee, how did you first learn about your present job?
- word of mouth
 - named referral
 - Public Service Commission recruitment
 - Departmental recruitment
 - competition
 - other

Section 2 - Workplace Satisfaction and Retention Issues

7. Are you of the view, based on your experience that preference is given to indeterminate employees over term employees with respect to the following:

	Yes	No	Not Applicable
receiving the tools or specialized equipment necessary to do the work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
getting acting or developmental assignments?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
receiving rewards or recognition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
booking leave?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
receiving training opportunities (i.e. courses, conferences, seminars)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
the assignment of interesting work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
getting decision-making responsibilities?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
having access to parking?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
having access to choice with regard to the physical work location?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
having access to flexibility around hours of work?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
participating in work related social events (e.g., Christmas parties)?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Thinking about term employees in your work unit, what do you believe are the most important reasons why some of them have not achieved indeterminate status? (Choose the most important, then the second most important, and then the third most important.)

- Once some term employees have been tried out, the manager decides not to hire them on an indeterminate basis, rather than engaging in a work performance assessment dialogue.
- Some term employees leave for permanent jobs outside the PS.
- There is no funding for indeterminate positions.
- There aren't enough indeterminate positions for all the term employees that want one.
- Most term employees are not hired with the intention of making them indeterminate employees.
- Some term employees are not personally suitable for the work unit.
- Some term employees don't enter enough competitions.
- There are too many indeterminate employees already on assignments or leave to hire more.
- Some term employees won't wait for the 5-year conversion to indeterminate status.
- The service of some term employees is interrupted intentionally so that they will not become indeterminate.
- Some workplaces perceive a cost associated with accommodating a person with a disability.
- Some term employees do not want indeterminate positions.
- Other

9. To what extent do you agree or disagree with the following statements when you think of the federal Public Service?

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
Has good salaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has good employee morale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has excellent benefits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Has a good quality of working environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers sufficient flexibility to balance work and personal life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers interesting and challenging work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Offers good job security	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

10. To what extent do you agree or disagree with the following statements when you think of the federal Public Service?

	Strongly agree	Agree	Disagree	Strongly disagree	Don't know
Is fully accessible	___	___	___	___	___
Is welcoming to disabled employees	___	___	___	___	___
Provides the tools necessary for disabled employees to work	___	___	___	___	___
Provides the tools necessary for disabled employees to participate fully	___	___	___	___	___
Considers accessibility issues when planning meetings, conferences, etc.	___	___	___	___	___
Provides alternate formats as required	___	___	___	___	___
Identifies and removes employment barriers	___	___	___	___	___

Section 3 - Demographics

11. What is your gender?

___ Female ___ Male

12. Which of the following would you consider to be your first official language?

___ English ___ French

13. In which province or territory is your job based?

- | | |
|-----------------------------------|---------------------------------|
| ___ Newfoundland and Labrador | ___ Quebec (Outside of the NCR) |
| ___ Prince Edward Island | ___ Manitoba |
| ___ Nova Scotia | ___ Saskatchewan |
| ___ New Brunswick | ___ Alberta |
| ___ National Capital Region (NCR) | ___ British Columbia |
| ___ Yukon | ___ Ontario (Outside of NCR) |
| ___ Nunavut | ___ Northwest Territories |
| ___ Outside Canada | |

14. In order that we can assess term issues from a representative range of disabilities, please check as many of the following that apply to you.

I am a person with a disability with:

- mobility impairment
- hearing impairment
- visual impairment
- coordination and/or dexterity impairment
- speech impairment/communication disability
- non-visible physical impairment(s)
- developmental disability
- learning disability
- psychological disability
- psychiatric disability
- environmental disability
- other, please specify _____

Thank you for completing this survey.

Appendix B – Managers' National Professional Development Conference Report

April 21–24, 2002

From April 21 to 24, the co-chairs of the Joint Committee attended the Managers' National Professional Development Conference, a forum of managers below the executive category. This event was held in Banff, Alberta, and provided the Joint Committee with a timely opportunity to give broad exposure of the Term Study to a large gathering of managers and to enlist their support in participating in the initiative through the Web site designed for this purpose or through participation in focus groups to test possible solutions.

A kiosk was set up near the main entrance of the plenary room, affording us high visibility to participants, which numbered in the order of 700. The Joint Committee is thankful to the organizers of this event for having accommodated the request for our presence under short notice. The kiosk allowed the co-chairs to promote the joint study and to talk to an important number of conference participants on a one-on-one basis about the various aspects of the study as well as to gather their general reactions to it. It also provided an opportunity to answer questions they had about the initiative. The co-chairs were able to gauge the limited awareness of the study by conference participants, lending value to the decision to use this forum as means of broadening awareness within the managerial community.

Roughly 200 participants picked up a bookmark or a quantity of them for further distribution within their work environment. The Web site prototype was also available at the kiosk for their viewing. Several managers provided their general views about term employment, recognizing the legitimacy of and need for this type of employment in particular short-term situations. It was also frequently mentioned that the use of term employment has evolved beyond its original intent in situations where employees were kept in this status for extensive periods of time, completing functions that would otherwise be considered permanent were it not for unstable funding arrangements.

The co-chairs were given the opportunity to hear some keynote speakers and are grateful for having been given this opportunity. Members of the national secretariat for this community of managers were approached at the conference regarding the use of participant lists by the Joint Committee to form focus groups in the testing solutions phase of the study. Their collaboration was immediate and facilitated considerably the Joint Committee's efforts in organizing such groups.

**Focus Group Report to the Joint PSAC-TBS
Committee on Reactions from Managers and
Term Employees to Solutions on the Use,
Recruitment, Retention and Treatment of Term
Employees in the Federal Public Service**



PN 5145

June 2002

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1.0 Introduction and Methodology

Environics Research Group Ltd. is pleased to present the following report to the Joint Committee of the Public Service Alliance of Canada (PSAC) and the Treasury Board of Canada Secretariat (TBS), dealing with proposed solutions to the use of term employment and the treatment, recruitment, and retention of term employees in the federal Public Service. The report deals with the results of a series of 14 focus groups, seven of which were conducted among past and present managers of term employees in the federal Public Service, and seven of which were conducted among term employees who are PSAC members working for the federal government.

Two focus groups were conducted in each of the following locations: Toronto (May 13), the National Capital Region (NCR) in French (May 14), Winnipeg (May 15), Vancouver (May 16), Montreal (May 21), Halifax (May 22), and the NCR in English (May 23). Outside of the NCR, the Montreal groups were conducted in French, and the groups in the other locations were conducted in English. In each location, an afternoon session was conducted among managers in the federal Public Service, followed by an early evening session among term employees.

Environics recruited the focus group participants randomly, using lists of names and work phone numbers of term employees and managers supplied by TBS. A total of over 60 term employees and over 60 managers participated in the 14 focus groups; those who participated work for a wide variety of federal government departments and agencies.

The participants in the term employee sessions were also diverse in terms of age and experience as term employees, with some serving in their initial terms and some having been terms for as many as six or seven years. The managers also ranged from some who directly supervised a number of term employees to those who do not currently supervise term employees but had done so in the past. Also, some of the managers worked in human resources and others were operational managers. Equity groups, such as women and visible minorities, were well represented among the participants in both the term and manager sessions.

The issues areas covered in the focus group discussions can be summarized as follows:

- assessment of the need for changes in policies regarding term employment;
- initial reaction to two possible solution scenarios;
- the impact of each solution on managers' and terms' behaviour;
- changes needed to make each solution feasible;
- potential unforeseen consequences of each solution.

The discussion agenda used in the focus groups can be found in the Appendix to this report.

2.0 Detailed Report

2.1 Initial Views on the Issue of Term Employment

2.1.1 Managers' Views

Among managers, there was a wide diversity of views as to whether there was currently a problem with regard to the use and treatment of term employees, and to the nature of the problem. For most managers, the issue of term employment cannot be separated from their broader concerns about overall human resources policy in the Public Service as well as budgeting issues. It was often pointed out that managers would have less of a need to hire employees on a term basis if they had more stable funding for their programs and if the human resources policies didn't make the hiring and possible firing of indeterminate employees so onerous.

Some managers, particularly those working in human resources, and in Toronto and Halifax, identified many of the same problems that the term employees themselves identified. These managers felt that many terms were treated unfairly and put through the difficult emotional strain of never knowing if they could count on having their terms renewed and that terms were not made to feel valued. Also, these managers spoke of how some managers were "abusing" the existence of term employment, using it in ways for which it was not meant. They felt that, while terms were really only supposed to be used for "sunset" programs with a defined end point, or to deal with short-term peaks of workload, or leave replacements, in practice, many managers were hiring people as terms to perform work that was clearly identifiable as an on-going need. Managers working in human resources see first-hand how term employment can be overused – causing a lot of unnecessary paperwork. At the same time, many managers resort to hiring terms as a way to circumvent the onerous bureaucratic process involved in hiring an indeterminate employee. There was also an almost universal acknowledgement that the current five years that a term employee must work before conversion to indeterminate status was far too long.

Most of the managers focused more on the problems that the current system poses for them as managers. For example, a number of managers spoke of how the practice of keeping good employees as terms for too long was causing many of these people to look for other jobs either in other departments or in the private sector. There was a lot of concern that, in the future, there would be skilled labour shortages in the Public Service and that making so many young employees start out in term positions was causing retention problems. The managers also spoke of how it was often more difficult and more bureaucratic to hire terms than it ought to be. Sometimes a manager needs someone immediately and apparently it can take months to get a term in place, let alone have an indeterminate hire completed. There were also complaints about the time involved in getting all the paperwork in order to renew a term. Some managers also mentioned that there was more potential for nepotism and favouritism in the hiring of term employees than with indeterminate employees.

At the same time, it was very clear that managers also view the existence of term employment as almost essential to the functioning of the Public Service. In every session among managers, the managers spoke of a variety of situations in which there was no realistic alternative to hiring term employees. These included back-filling the positions of people who have been seconded or deployed elsewhere, covering for those on maternity leaves and leaves of absence, working on programs that have a very defined lifespan, as extra staff taken on to deal with peaks of workload or short-term replacements and, finally, to act in positions that are needed currently but that may soon be rendered obsolete by technological change. Some managers wondered whether the whole joint committee process was designed to solve the problems with term employment from the managers' perspective or from the term employees' perspective.

Managers also universally spoke of the pressures that they are under to staff within budget parameters that can be inconsistent from year to year. They saw the whole issue of term employment in a much broader perspective, one that spoke of some of the very systematic problems in how the federal Public Service is run. Right now, A-based and B-based budgets, and the lack of multi-year funding make it very unattractive for managers to risk hiring indeterminate employees for whom they may not have enough money or work in the long-term. Managers are under pressure to manage their budgets and there is a lot of risk in hiring someone permanently.

Many managers, while recognizing some of these problems, were still very defensive of the concept of term employment. They felt that it allowed for a lot more flexibility in the labour force and allowed the Public Service to deal with short-term needs without permanently adding to the size of the Public Service. Many of the managers also volunteered that, in their departments, there was already an effort being made to reduce the proportion of term employees in the workforce and that they had been trying to convert terms with several years experience to indeterminate status as quickly as possible.

2.1.2 Term Employees' Views

The term employees' views on the problems with current policies on term employment were described in detail in the focus group prepared by Environics Research in Phase One of this research. Essentially, they feel stressed and in a constant state of worry about their lack of job security. They spoke of not feeling respected in the workplace, being denied training opportunities, the unfairness of having to work five years or more in the same department in order to automatically become indeterminate, and not being able to get loans and mortgages.

There was a consensus that term employment was often not being used in the spirit in which it had originally been intended. There was a feeling that too many terms were being kept as terms for many years, even though there was clearly an on-going need for the job to be filled. Under the status quo, there is nothing to force managers to justify why a position is being filled by a term and nothing to prevent abuses.

Term employees, like managers, do see a role for term employment. They are quick to point out that there are clear cases of sunset programs, back filling of positions and peaks of demand that need some kind of short-term workforce. Terms are also frequently told that there are budgetary issues that force their managers to be very careful about hiring indeterminate employees.

2.2 Scenario One – Reforming Rules around Term Employment

2.2.1 Reducing Number of Years Worked for Automatic Conversion to Indeterminate Status

The major provision of this scenario is to reduce the amount of time worked by a term employee before automatic conversion to indeterminate status from the current five years to one year or, alternatively, two or three years.

Reaction to the overall idea of reducing the time worked before conversion was almost unanimously praised by both managers and terms, though there was considerable debate as to whether the time worked should be one year, or two years or more. From the employees' point of view, this was seen as being a big step toward correcting the current perceived abuses of term employment. It was felt that it should not take more than a year or two at the most for managers to know whether or not an employee was competent. This change would go a long way to prevent term employees from being employed for as much as four and a half years before having a break in service that would cause them to lose whatever time they had accumulated.

Some term employees had concerns as to whether one year might be too short. They pointed out, as did the managers, that maternity leaves are one year and that many programs are a year in duration. If the limit were one year, then there was a possibility that too many term employees would become indeterminate even though there really was no long-term need for them.

Some of the clear advantages of this solution include the following:

- There would be more job security and less stress for term employees.
- There would be less turnover of staff as it is assumed that it would become easier than it is now for terms to become indeterminate and have a long-term future in the places where they work.
- Term employees would have much better morale and would feel more loyal to their employers. By knowing they would become indeterminate in a year, terms would not spend as much of their work time competing for other jobs.
- Managers would not have to spend as much time renewing terms and running competitions for positions.
- There would be a good impact on recruitment and retention as the job security offered in the Public Service would be more comparable to that in the private sector.

2.2.2 Reducing Time Worked for Indeterminate Conversion to One, Two, or Three Years

Overall, most participants, managers and term employees alike, seemed to think that reducing the time worked to become indeterminate from five years to one might be a bit too drastic. One year would not even cover the length of a typical maternity leave and, on top of that, many programs of short duration (sunset programs) have a lifespan of one to two years. This regulation was seen as having the potential of making too many terms, who are terms for perfectly legitimate reasons, into indeterminate employees with all the long-term budgetary implications that would entail. A minority of managers and a larger minority of terms felt that one year would be a good limit, but most seemed to settle on a two-year limit as being the best compromise.

To the term employees, the reduction to two years would be a vast improvement over the current five years. To the managers, a reduction to two years would be more fair and less difficult for the term employees than the current five years, while at the same time still giving managers the flexibility to use term employment for originally intended reasons. This way, a term could be hired to work on a program that had an 18-month life span, or to fill in for most secondments and absences without automatically becoming a “hot potato.” That is to say, a term who suddenly becomes indeterminate even though there is not really a long-term need for them, leaving their manager to deal with the budgetary consequences. Also, two years would be a more adequate amount of time to evaluate an employee before they become indeterminate.

There was little support for reducing the time before conversion to three years. This was considered to be too long by terms, and managers felt that reducing the period to two years was something they could manage.

2.2.3 Possible Consequences of Scenario One

Term employees in all groups seemed to be quite aware of the possible negative unforeseen consequences of making the rules on term employment too restrictive from a manager’s point of view. The last thing they want is for the solutions to be such a disincentive to hiring term employees that all it does is make managers use more casual and contract workers, or cause a decrease in the availability of jobs of any kind in the federal Public Service. As much as term employees have objections to some of the specific details of how they are treated, they also frequently pointed out that being a term employees is a good “foot in the door” to the Public Service. Getting a term position was seen to be easier than trying to go through the lengthy competitive process of being hired right from the start as an indeterminate employee.

Managers also had a number of concerns about the potential consequences of this solution – particularly if the reduction in time worked before becoming indeterminate was as little as one year.

- Managers who have been in the habit of using the period worked by a term employee as a sort of informal probation period worried that one year might be too short a probationary period.
- If many term employees suddenly become indeterminate, what impact will this have on budgets?
- This will make it more difficult to get rid of employees who perform poorly.
- Resorting to more contract and casual employees and consultants will be much more expensive than using terms.
- If the time worked to become indeterminate is cut to one year, it would become impossible to hire a term just for the duration of a maternity leave without that person then having a “job for life.”
- Problems with indeterminate employees, who might not be given as much flexibility with respect to secondments, vacations, and leaves of absence if it becomes harder to fill their positions temporarily with term employees.
- Higher costs for the Public Service as a whole in finding positions for term employees who have worked for just over a year on sunset programs that have expired, or for term employees working in areas that have become automated and where their labour will have become redundant.

It was notable that managers in Winnipeg and Vancouver seemed to be most concerned about the impact of these potential changes on their ability to dismiss employees who are not performing well.

Another point that was often raised by both managers and term employees was that while this solution might work well for people doing clerical and operational jobs that the Public Service as a whole always needs, it could cause problems for more technical and scientific positions. Various departments such as Agriculture and Agri-Food Canada, Health Canada, Fisheries and Oceans Canada, employ scientists and lab technicians to work on a term basis on projects that have a set duration that is dependent on grant money. In many cases these people may be hired because they have expertise that is relevant to a very specific study. Once the project is finished, they cannot easily move to another position. Managers were concerned about what would happen to these people if they became indeterminate. At the same time, managers and terms also acknowledged that the public sector must compete with the private sector for people with these kinds of skills and that offering work on a term basis does not make the federal government a very attractive employer.

There were also concerns that in smaller centres with smaller populations of public service employees it would be much harder to deal with the lack of flexibility this would entail.

2.2.4 Changes in Behaviour

From the term employees' point of view, this policy change would have little impact on their behaviour. They would have better morale and they would spend more of their time working and less of their time looking for other positions. Only a couple of term employees mentioned that they might work less if they knew that all they had to do was "stick it out" for a year before becoming indeterminate.

For the managers, a change in policy of this nature would have much more of a real impact on behaviour. Some managers, especially in Montreal, and in Winnipeg and Vancouver, spoke of how a reduction of this time period from five years to one would remove a lot of their flexibility with regard to staffing decisions.

- They would have to be much more careful about who they hire, even on a term basis and on top of that they would have to be able to have a much more comprehensive staffing strategy.
- The perceived inflexibility of not allowing anyone to be a term for more than a year would also make managers work around this rule either by hiring more casuals, people on contract and consultants, or they would simply react by getting their current indeterminate employees to put in more overtime.
- Some managers spoke of how if the limit were one year, they would only hire terms for 11 months. In this situation, there could be a number of terms who have accumulated just under one or two years of work time who can never get hired for a time period long enough to obtain indeterminate status.
- They would be less willing to permit indeterminate employees to go on secondments and leaves of absence since it would be harder to back fill their positions temporarily.
- On a more positive note, some managers also spoke of how this change would reduce staff turnover and that would mean less time spent retraining new term employees.

2.2.5 Changes Required to Make Scenario One Work

Term employees typically had little to say about changes needed to make this work. Making this solution work is seen to be a management issue. The main comment that terms typically made in this context was that care must be taken to close loopholes that would allow managers to overuse casual and contract workers. They also felt that the lengths of secondments and leaves of absence might have to be curtailed to one, two, or three years to match the conversion period. Terms had some awareness that there were budgetary issues that would have to be resolved to allow for more terms to become indeterminate but they were not clear on what these were.

Among the managers, it was clear that if this kind of a change were being contemplated, a number of other things would also have to change, particularly if the period worked was reduced to as little as one year. These included the following:

- There would have to be budgetary reforms that would give managers more long-term, multi-year funding.
- There needs to be an acceleration of the evaluation process for employees so those under-performing employees could be “weeded out” at an earlier stage. Evaluation might have to be made less at the discretion of the managers and more by committee.
- There is a risk that managers might hire personal referrals and that those people would very quickly become indeterminate employees without ever having gone through a competitive process.
- Another necessary change would be finding ways to make it easier to dismiss poor performers since it will no longer be possible to simply not renew a term after a year.
- Managers will need to learn much more about staffing strategies. Currently, many do not have the tools to do this. All managers would need more rigorous human resources planning and performance management training.
- Government-wide processes need to be in place to make it easier for employees to be transferred to wherever there is a short- or long-term need. This would include inter-departmental transfers.
- Make someone other than the managers responsible for finding a position for a term employee who has automatically converted to indeterminate status but who may have been working on a now defunct sunset program. This must become a corporate responsibility. Ideally a “career manager” in the department would deal with these issues.
- Find some special exception for sunset programs that are to last more than one or two years.
- There needs to be more oversight, accountability, and transparent, merit-based hiring.

2.2.6 Break in Service Policy

Currently, if a term employee has a break in service of more than 60 days, they lose any time they have accumulated toward indeterminate status. The consensus among terms and managers was that this policy was very unfair under the current system, in which a term must work for five years to become indeterminate. If the five-year rule were to continue as is, then it would make sense to extend the 60-day limit or even to eliminate it altogether.

In principle, terms and managers feel that some credit should be given for time worked regardless of interruptions, especially if it means preventing some unscrupulous managers from purposely causing a term to have a break in service as a way of avoid having to offer the person an indeterminate position.

However, if the five-year limit is shortened to one year, then this becomes less of an issue and is virtually rendered moot. Both terms and managers felt that if a person only has to work a year as a term, it would not be fair to have the employee work for six months, then have a two-year break in service followed by another term to then become indeterminate. If a term is only sacrificing at most a year or two by having a long break in service, this is seen to be more acceptable.

It was suggested that the allowable length of a break in service could be a function of how long the period worked to become indeterminate is (i.e. if it is one year, allow a break of 15 days, 30 days if it is two years, etc.). Some also suggested that the break in service rule should only apply if the term chose to have the lapse, as opposed to if it were involuntary. In other words, if a term chooses to stop working for several years before having become indeterminate, then they may have to put in a full year or two all over again to become indeterminate. However, if the term wants to keep working and is only experiencing a break in service due to a management decision, then the rule could be waived.

2.2.7 Mobility Between Positions and Departments

The current policy allows term employees to work in a variety of positions within the same department, accumulating time toward conversion to indeterminate status. However, the time worked must be in the same department or agency. In the proposed Scenario One, the possibility of changing these rules was also presented, given that the reasons for both rules would be affected if the period worked is shortened from five years to one or two.

For the most part, both managers and terms agreed that there was little reason to restrict term employees from working at a variety of positions within the same department. Initially, some managers thought that it might make sense for a term to work in the same position if they only had to put in a year before becoming indeterminate. However, they quickly concluded that the Public Service is a dynamic place and that it would not be fair to penalize a term for doing a six-month term in one position and then following that with a six-month term at another position that might even represent a promotion based on good performance.

The only concerns raised about allowing terms to switch positions was the issue of what position they would then take on if they converted to indeterminate status. For example, a person could be hired to a six-month term, then given a one-year term at a higher position without any competition. This person might then have “leapfrogged” over an indeterminate employee in a lower level without having a competitive process.

Managers in larger departments also have concerns about term employees becoming “hot potatoes” for whomever they are working in their last term before becoming indeterminate. For example, at HRDC there are two areas that are very separate from one another and are practically like separate departments. If a person is hired for a six-month term in a phone centre and then does a one-year term working on a specific HRDC program, which group is responsible for employing that person indeterminately? Also, if the person works a series of short terms in different positions that eventually add up to a year, will there be any one manager who has been supervising the person long enough to be able to evaluate their performance before they become indeterminate?

If, in fact, the amount of time worked in order to become indeterminate were reduced to as little as one year, it would be less problematic to say that the whole period must be worked in the same position. If the period is longer (i.e. if the two- or three-year option is chosen), then it would make sense to allow the term to have the flexibility of being able to experience other positions in the department.

On the related issue of whether terms should be able to accumulate time toward conversion to indeterminate status while working in different departments or agencies, opinion was more divided. Almost all term employees and most managers acknowledged that, in theory, there is really only one employer and that is the Government of Canada. It was noted that, regardless of agency or department, everyone is paid by TBS. Many term employees felt that under the current situation in which term employees may have to work for as many as five years to become indeterminate, it was very unreasonable to penalize term employees for wanting to work a term in more than one department. Some departments and agencies are very small and cannot necessarily offer continuous work. Also, terms should not be put in a position in which they cannot even consider a position in another department that might otherwise be very attractive and that could offer them more experience and a chance to learn more skills.

The concern here is similar to the concern expressed by managers and some term employees regarding allowing term employees to work in more than one department while accumulating time toward becoming indeterminate. If this is permitted, then it will mean that whichever department was the last one the term employee worked at before conversion would be left “holding the bag.” Managers would then be very reluctant to hire a term who had already accumulated time in another department for fear that they would become indeterminate before they had a chance to assess whether there was a permanent need for the person and also before they have been adequately evaluated.

As was the case with the issue of allowing position changes within the same department, this policy is also regarded as one that becomes increasingly moot the more the length of time worked to become indeterminate is reduced. If, for example, a term employee only has to work one year before becoming indeterminate, most managers and terms felt that it was reasonable to say that the entire year should be with the same department. This would make it easier to evaluate the individual before renewing their term and would also avoid the unintended consequence of departments getting “stuck” with a term employee who works one term after putting in time at another department, and then becomes indeterminate.

If the period worked before conversion is set at two years or more, then it would be more reasonable to allow inter-departmental switching. This could also be permitted in the context of creating a government-wide pool of term employees with particular skills that could work in different departments on an ad hoc basis.

2.2.8 Limits on Number of Term Renewals

For the most part, managers and term employees alike did not think that it made very much sense to limit the number of term renewals allowed. It made more sense to them that conversion to indeterminate status be based on the amount of time worked, as opposed to the number of renewals. If the amount of time worked were reduced to one year, then the whole idea of limiting the number of renewals would become somewhat of a moot point. It was pointed out that currently many term appointments are for six months or more anyway, so it would only take a couple of terms to reach the one- or even two-year limit. This policy was only seen to be relevant in the case of term employees who were given a series of one-month terms, but that could be more easily remedied by setting a minimum length of terms. For example, if terms had to last at least six months, this really would not be an issue.

2.3 Scenario Two – Elimination of Term Employment

2.3.1 Impact of Elimination of Term Employment

The second scenario discussed with managers and term employees would essentially eliminate term employees as a category of employment in the federal Public Service. There would be one tenure for all employees and everyone would be hired on an indeterminate basis. It was explained that there would still be other mechanisms for dealing with short-term workforce needs such as contract and casual labour, and student programs. Also, this scenario could involve the creation of a pool of indeterminate employees with various qualifications who would be available for short-term assignments.

For the most part, managers reacted quite negatively toward the idea of eliminating term employment altogether. They felt that this would remove a vast amount of flexibility from the federal Public Service and that it would result in poorer service to the public, more overtime work for indeterminate employees, and much more reliance on casual and contract workers. Managers also felt that this would end up costing the government much more money as so much would be spent on overtime and casual and contract work – all of which would end up being

more expensive in the long run. This was envisioned as leading to a situation in which managers would be very reluctant to hire anyone unless there was a very clear long-term need for the person. Also, given that it currently takes about eight months to get an indeterminate employee hired, this would lead to paralysis. Managers would have the unpleasant choice of either waiting eight months or having to train and re-train a parade of casual workers for a job that is temporary in nature but that may still involve one to two years of work. A need was expressed for continued flexibility as the Public Service is not the same across the country with respect to departmental mandates and culture.

Term employees also had a lot of reservations about this scenario. Many felt that it was a bit too drastic and could have the unintended consequence of increasing the use of casual workers – who are treated far worse than term employees – or managers simply doing without the extra staff and either having work not get done or getting indeterminate employees to do the extra work. Some term employees also feared that if term employment didn't exist at all it would mean a much tougher and more rigorous process for getting their foot in the door with the federal Public Service.

The groups of managers in Montreal and term employees in Montreal and in Ottawa had many of the same reservations, but they tended to see more possible positive aspects to this scenario – at least in theory. The term employees themselves felt that this would offer them a much more stable workplace with less turnover and more job security. The managers commented that this scenario would also have the added bonus of creating a fairer and more competitive process in hiring. Everyone would have to compete for their initial position and would then do their probation. This would be better than the current situation where terms are hired after a much less rigorous process than indeterminate employees and could then get grandfathered into an indeterminate position.

Other concerns raised by managers included:

- more bureaucracy in hiring people and a much greater need for high level staffing personnel;
- more incidence of getting saddled with under performing indeterminate employees; (Many people would get past their probation before their faults came to light.)
- having no work to offer people whose sunset programs had come to an end but still having to pay them;
- many overruns in HR budgeting;
- would be incompatible with the reality of the instability of labour and workload needs;
- secondments and leaves of absence for indeterminate employees might have to be much more limited and even curtailed.

In general, both term employees and managers tended to think that, in theory, it would be nice to have a totally professional full-time Public Service with no term employees but that this was simply unrealistic. It would require too many systemic changes in the way that the government is run and in how budgets are set and organized.

2.3.2 Changes in Behaviour

Term employees feel that this policy could only make their behaviour and performance improve for many of the same reasons that it would improve if Scenario One were invoked and the time worked before becoming indeterminate were significantly reduced. They would have better morale, loyalty, and dedication. They would spend much less time looking for other jobs and entering competitions.

For the managers, this kind of a policy change would mean a lot of changes in their behaviour. Some described this as something that would cause a vast culture change in the Public Service. They would need much better training in human resources management and in being able to predict staffing needs. Some managers commented that they would have to become veritable HR experts to manage this. They would also end up, in many cases, making their indeterminate employees work a lot harder rather than taking on an indeterminate employee that may or may not be needed in the long run.

Some managers also spoke of how they as managers are very creative people and would find ways to make this work or to get around this. One manager expressed it as “shifting to find the pattern of least resistance to staff jobs.” They would have to be willing to take risks and to use mechanisms such as deployments and secondments from other departments.

2.3.3 Other Changes Required for Elimination of Term Employment to be Feasible

There was considerable discussion about all the things that would have to change in order for this scenario to be possible. It was generally agreed that if term employment was to be phased out entirely there would have to be a variety of major systemic reforms to the way the Public Service functions. The major changes required that were most often mentioned included the following:

- Budgets would have to be stable and multi-year with money available earlier in the fiscal year. Some felt that more money would have to be spent across the board for this to work.
- Finding placements for indeterminate employees would have to become the responsibility of some central agency such as the Public Service Commission of Canada (PSC) – particularly in cases where sunset programs come to an end and a large staff must be placed.
- The mechanism for dismissing poorly performing employees would have to be made easier. It must be easier to hire and easier to fire.

- More co-ordination across departments to be able to share resources and move around people with skills that could be applicable in a variety of settings.
- Making employees on probation the responsibility of the PSC and not of individual departments.
- Take steps to ensure that the “pool” of pre-qualified indeterminate employees available for short-term work assignments is managed by a central agency and does not become a refuge for poor performing employees that no one wants.
- Human resources plans would have to be linked to a firm “A” based budget.
- Managers would need a lot of extra training on managing human resources and staffing issues. They must learn to be very strategic.
- Human resources planning would have to occur at a broader level in organizations instead of at lowest level in order to accommodate movement of indeterminate employees who may no longer be needed.
- Tools would have to be in place first before implementing this option otherwise promises will be made but will not materialize leaving managers with indeterminate people above their budget.

2.3.4 Impact on Use of Contract and Casual Workers

The broad consensus among both term employees and managers was that if term employment were eliminated, the use of contract and casual workers would increase greatly. Other regulations might have to be introduced to prevent this from being abused.

Appendix – Discussion Agenda

May 14, 2002

**PSAC/TBS Joint Committee
Focus Groups with Managers
Phase Two: Solutions
Discussion Agenda
PN5145**

Introductions (10 minutes)

Welcome to the group. We want to hear your opinions. Not what you think other people think – but what you think!

You were all invited to this group as part of a consultation process being conducted on behalf of a joint committee of the Public Service Alliance of Canada and the Treasury Board of Canada Secretariat about the use of term employment. This includes the recruitment, retention and treatment of term employees in the federal Public Service. Up to this point, this consultation has also included town hall meetings with term employees, surveys over the Internet, workplace visits by members of the committee and more.

Feel free to agree or disagree. Even if you are just one person among ten that takes a certain point of view, you could represent thousands of people in the country who feel the same way as you do.

You don't have to direct all your comments to me; you can exchange ideas and arguments with each other too.

You are being taped and observed to help me write my report.

I may take some notes during the group to remind myself of things also.

Let's go around the table so that each of you can introduce yourselves to the group. Why don't you each tell us your first name, where you work, what exactly your job consists of and also a little about yourself outside of the workplace such as who lives in your house and what you like to do for fun.

Initial Views on Term Employment (10 minutes)

What is your experience in dealing with term employees? How do you use them? What do you see as their role in the federal Public Service?

Do you think that changes need to be made in how term employees are treated or is the status quo OK with you?

Last month we did another series of focus groups and Web site consultations (survey, opportunity to send in comments to the Joint Committee). That process examined in greater detail how term employees felt about how term employment was being used, how term employees were being recruited and retained, and how they felt the treatment of term employees could be reformed.

Were any of you aware of this process? Has this been discussed at all in your workplace?

Tonight we have moved on to another phase that will involve us looking at potential solutions to address some of the issues that were raised.

I'm going to show you a couple of possible scenarios for reforms to the system and give you each a chance to give me your impressions of them.

I'm going to circulate these to you in writing so that everyone can have the details in front of them when we discuss them.

DISTRIBUTE SCENARIO ONE

Please read over the first page of this scenario and look at the grid that shows the current policy on term employment, compared to some proposed changes. Don't look at the next two pages yet. We will look at those later.

As you read over these potential changes, I want you to ask yourself four questions:

1. What impact would this change have on getting the work done in your department?
2. How would your own behaviour as a manager have to change if this happened?
3. What would have to happen to make this work?
4. If these changes happen, how will they affect your workplace overall?

Scenario 1

The cumulative working period before a term is automatically converted to indeterminate status would be reduced from the current five years:

Years of service before conversion to indeterminate	Allowance for breaks in service	Allowance for switching positions in same department	Allowance for switching departments	Number of re-appointments allowed
Current policy				
5 years of service as a term under these conditions leads to automatic conversion to indeterminate status	There can be no break in service of longer than 60 days	Different positions are allowed	Must be in same department	No limit
Proposed change				
1 year of service as a term under these conditions would lead to automatic conversion to indeterminate status	Change 60-day break in service rule Or Eliminate it – all breaks in service count for the purpose of calculating cumulative working period	Same position Or Different positions allowed	Must be employed in same department or agency Or Movement between departments or agencies allowed without penalty	Set maximum number of extensions before conversion to indeterminate status

What do you think of reducing the number of years worked for indeterminate status from five to one?

Should breaks in service be allowed? Should all time count regardless of length of break? Why?

Should the time only count if in the same position, or in different positions? Why?

Should the time only count if the term employee works in the same department, or should they be free to switch departments? Why?

What about limiting the number of extensions? For example, after three extensions of three months each, a term becomes indeterminate? Why?

What about if the limit was two years? Is this preferable? Would this change your views on these other issues?

Three years?

Thinking overall about Scenario 1:

What impact would this change have on getting the work done in your department?

How would your own behaviour change?

What would have to happen to make this work?

What kind of a workplace would this change create?

(**PROBE:** treatment of term employees, impact on indeterminate employees, etc.)

Now, you can read the next two pages. I don't want to spend a huge amount of time going over every single point, so just circle anything that catches your eye that concerns you or that you feel we need to discuss.

Treatment Issues

- Access for term employees to the same leave and priority status on return provisions (i.e. sick leave, disability, maternity, care and nurturing) as indeterminate employees
- Give term employees access to **some** Workforce Adjustment provisions in cases where their terms are prematurely terminated (What should these be?)
- Any breaks in service for terms would no longer result in a loss in benefits

Recruitment Issues

- Limit situations where term employment is used strictly to cases where:
 - there is a peak workload requiring short-term help
 - sunset programs with a lifespan shorter than the maximum time a person can be a term before being converted to indeterminate status
 - covering for short-term leaves of absence
- Hire additional indeterminate employees to counter consistent overtime
- Make initial terms longer – at least 1 year – unless special reason

- Encourage hiring on a seasonal indeterminate basis, where applicable
- Create data bank of qualified term employees for call-back if their term has not been renewed

Retention Issues

- Longer notice for term re-appointments (minimum of 1 month in all cases)
- Stop requiring open competitions for terms to keep their current jobs or re-running internal competitions to reappoint from a list; instead, renew terms without competition if term is performing well
- Create a pool of pre-qualified term employees who can be used across the Public Service
- Terms would only have to qualify once through a competitive process as a term; seniority would then be used to subsequently reappoint terms to same job

Budgeting Issues

- Realistic budget alignment; more stable funding; earlier budget allocation
- No more “A” budgets and “B” budgets; one area holds the money and the other holds the people – more co-ordination
- Move to multi-year budgeting
- Allocate budgets in February at the latest

Accountability

- Risk manage term replacements for lengthy absences of indeterminate employees (assess risk of appointing indeterminately up front)
- Maintain current staffing level (manage to 110% of budget); anticipate turnover, leave without pay, etc.
- Managers must do better job in business planning to result in better forecasting of resources

DISTRIBUTE SCENARIO TWO

(Preamble here should explain casual employment, contracting, temp help agencies, and that they would continue to exist.)

Does anyone know what these are? Can you explain to the group?

SCENARIO TWO

Everyone is indeterminate. (No appointments for term periods at all.)

- A pool of qualified indeterminate employees to be created for short-term assignments
- Probation first then indeterminate appointment - should be for 9-12 months as a trial, at the end of which decisions to hire indeterminately would be made
- All employees are appointed to a career in the Public Service and not to a narrowly defined position - staff to a level not a position
- Hire additional indeterminate employees to counter overtime
- Blanket approval to make all current terms indeterminate
- Make appropriate use of probationary period for indeterminate employees versus using term employees as a tryout
- Budgeting
 - Realistic budget alignment; more stable funding; earlier budget allocation
 - One area holds the money and the other holds the people – more co-ordination, “bigger pot”
 - Move to multi-year budgeting
 - Allocate budgets in February at the latest

What do you think would happen if there were no longer any term employees in the federal Public Service and managers were obliged to only hire on an indeterminate basis?

Would this be a good thing?

What would happen with regard to the use of contract and casual workers?

Thinking overall about Scenario 2:

What impact would this change have on getting the work done in your department?

How would your own behaviour change?

What would have to happen to make this work?

What kind of a workplace would this change create?

(**PROBE:** treatment of term employees, impact on indeterminate employees, etc.)

What are the pros and cons of Scenario 1 compared to Scenario 2?

THANK YOU FOR YOUR PARTICIPATION

Supporting Document F

Design of the Forecasting Model

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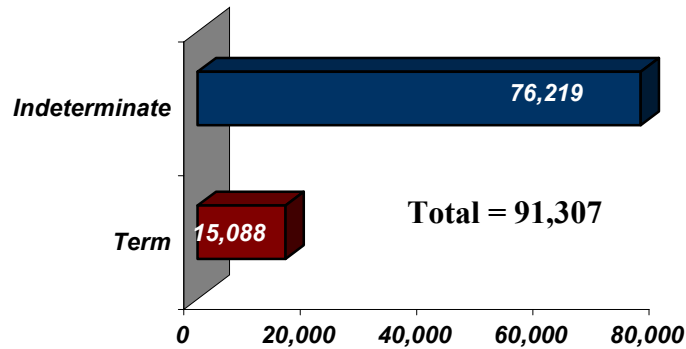
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The Research Directorate of the Public Service Commission of Canada (PSC) uses the itthink® software to develop its macro-simulation models. itthink® is a commercial dynamic modelling software package developed by High Performance Systems Inc. in the United States. It is a tool that allows the user to build dynamic models for simulation, forecasting, and scenario testing. In a human resources (HR) environment, the Research Directorate of the PSC uses this software primarily to simulate scenarios at the macro level based on current and historical patterns of movement and transactions.

The fundamental goal of HR models developed by the Research Directorate is to forecast departures from a population. This can be done for either the entire public service population or for sub-populations within the Public Service (region, department, equity group, or occupational group). The forecasts are based on a mapping of all potential sources and rates of outflow from a population. The models are vacancy-based in that they forecast aggregate departures from the population on a fiscal-year basis to then implement the recruitment volume needed to achieve growth or a constant population.

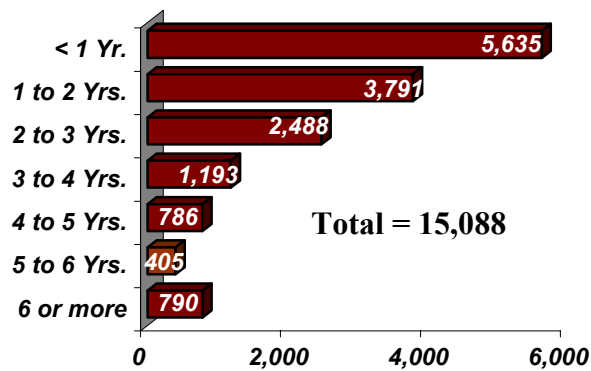
The model developed for the following forecasts is based on an indeterminate model developed in 1998. The model was adjusted to comprise Public Service Alliance of Canada (PSAC) indeterminate employees only and was extended to include PSAC term employees (≥ 3 months) as of March 31, 2001, (see figure 1).

**Figure 1:
PSAC Indeterminate and Term Employment Levels
as of March 31, 2001**



In the model, the term population is further subdivided into years of continuous service ranging from less than one year of service to six years of service or more (see figure 2).

**Figure 2:
PSAC Term Population by Years of Continuous Service
as of March 31, 2001**



Forecasting Indeterminate Separations

The models developed by the PSC are essentially vacancy-based. By order of priority, indeterminate other separations are calculated first followed by indeterminate retirements without and with eligibility. These indeterminate departures then define the level of indeterminate recruitment needed to replace indeterminate vacancies and to allow for growth in the indeterminate population.

Overall, the model uses historical rates of early and eligible retirements and other separations to estimate the expected annual number of indeterminate employee departures. Historical early and eligible retirement and other separations are calculated at the indeterminate and term levels separately. These rates are based on separation data from non-program review years of 1991–92 through 1994–95 as well as more recent separation data from 1999–2000 and 2000–01.

Current and Expected Age Distribution

As described earlier, during the simulation, departures are determined first. Once departures at the indeterminate and term levels are calculated, the remainder of the population is aged by one year. The aging of the population during the simulation allows us to track the expected age distribution of the PSAC population under each growth scenario. These age-specific retirements and other exits remain constant throughout the forecasted period.

Although these departure rates remain constant, they are specific to various age groups, employment equity status, and years of term service. As a result, the age distribution of the indeterminate and term populations will shift over time, explaining the dynamic nature of our age-specific employment totals over time.

Indeterminate Recruitment

The indeterminate recruitment trends used in the model are based on historical appointment data compiled over the last decade (1990–91 to 2000–01). The overall volume of recruitment is determined by expected indeterminate vacancies as well as the growth assumption implemented in the scenario. For example, in the 0% growth scenario, the indeterminate recruitment volume is solely determined by indeterminate departures. That is to say, the number of indeterminate recruits needed equals the number of indeterminate departures.

The model implements three forms of indeterminate recruitment. External indeterminate recruits are hired directly from the external labour market into an indeterminate position. Staffing from terms are term employees who are recruited into an indeterminate position. Finally, the model also allows for term conversions resulting from a change in term conversions policy.

Forecasting Term Separations

As described earlier, the model uses historical rates of early and eligible retirements and other separations to estimate the expected annual number of departures. However, due to low numbers of retirements at the term level, the model aggregates departures due to retirements and other separations into a single outflow. As in separations at the indeterminate level, these rates are based on separation data from non-program review years of 1991–92 through 1994–95 as well as more recent separation data from 1999–2000 and 2000–01.

The model divides the term population by years of continuous service ranging from less than one year of continuous service to six or more years of continuous service (see figure 2). In order to provide for a more accurate forecast of term departures, term departure rates are estimated for each year of service. Again, both employment equity status and age are taken into consideration when deriving departure rates.

In addition to the natural attrition due to term departures, recruitment from terms into an indeterminate position, as well as term conversions due to a conversion policy are also considered to be term departures.

Term Recruitment

Term recruitment is restricted to external recruitment. In other words, the model does not make a distinction between recruitment from the external labour market, recruitment from casuals, and recruitment from terms of less than three months. Recruitment volumes into the term population are based on the number of term separations, departures due to recruitment into indeterminate positions, term conversions, as well as expected growth in the term population.

Supporting Document G

Long Term Specified Period Employment Policy

(Publié aussi en français sous le titre *Politique sur l'emploi pour une période déterminée de longue durée*)

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1. Effective date

This policy takes effect as of June 10, 1999.

2. Policy Objective

To effectively manage the employment of specified period (term) employees in such a way that recognizes the investment made in these employees, that treats them ethically and responsibly and, where possible, that integrates them into the permanent workforce.

3. Policy Statement

Employment of individuals on a term basis should not be unreasonably extended. Employment for a specified period (term) should only be used in situations where a need clearly exists for a limited time and is not anticipated to be a permanent ongoing need.

4. Application

This policy applies to term employees for whom the Treasury Board is employer and who have been appointed under the *Public Service Employment Act* or any exclusion approval order made thereunder.

5. Policy Requirements

1. Departments should carefully review their term employment practices to ensure that employees with extended term service in the same department are given every consideration for indeterminate status. Repeated and continuous term appointments to the same position could be indicators of an indeterminate requirement.
2. Where a person who has been employed in the same department or agency (including functions that have been transferred from another department by an act of Parliament or order-in-council) as a term employee for a cumulative working period of five (5) years or more without a break in service longer than sixty (60) consecutive calendar days, the department must undertake to appoint the employee indeterminately in accordance with the Public Service Employment Regulations established by the Public Service Commission for this purpose.
3. Departments, in determining whether a period of term employment in the same department will count as part of the five-year cumulative period of employment, must take the following into consideration:

- a) a leave of absence without pay of any duration does not constitute a break in service;
- b) a period of part-time employment under the *Public Service Employment Act* is equal to an equivalent period of full-time employment;
- c) periods of term employment immediately before and after indeterminate employment where no break in service has occurred shall count as part of the cumulative working period. The period of indeterminate employment shall not count. (Note that the Public Service Commission has established specific measures to be taken when an indeterminate employee is appointed to a term position)
- d) periods of term employment before and after the suspension period of this policy where no break in service has occurred shall count as part of the cumulative working period. The period of suspension of this policy, from June 1, 1995 to June 22, 1998 inclusive, shall not count.
- e) periods of casual employment, as defined in the *Public Service Employment Act*, shall not count as part of the cumulative working period. Casual employment following term employment is considered as a break in service.
- f) periods worked through student employment programs established by Treasury Board (e.g. FSWEF, COOP) shall not count as part of the cumulative working period.
- g) periods of term employment in sunset programs (see definitions in Annex A) shall not count as part of the cumulative working period. However, periods of term employment immediately before and after such employment shall count as part of the cumulative working period where no break in service has occurred.

Departments must advise bargaining agents when the hiring of term employees into a sunset program will result in service not counting for purposes of this policy.

4. Where a person is employed as a term employee and their term will not be renewed or they will be laid-off before the originally specified end of term, departments are required to provide formal notification to the employee as follows based on continuous employment in the public service:

- Up to one year of service: a minimum of two weeks' notice
- From one year up to three years of service: a minimum of three weeks' notice
- From three years up to five years of service: a minimum of five weeks' notice
- Over five years of service: a minimum of six weeks' notice.

6. Delegation, Accountability and Expected Results

Departments have the delegated authority to give effect to this policy and are accountable for results based on the following indicators:

- a) the frequency with which departments are required to make appointments in accordance with the regulation created pursuant to PSEA 10(2);
- b) the nature and frequency of complaints referred to the Treasury Board Secretariat or the Public Service Commission where a department's practices are found at fault concerning:
 - i) the separation of long-term employees near or at the five-year mark; or
 - ii) the withholding of indeterminate status; or
 - iii) proper notice of termination.

7. References

Financial Administration Act, section 11(2)(a)

Public Service Employment Act, subsection 10(2), section 21.2

Public Service Employment Regulations, subsection 4(2)(i)

8. Enquiries or Complaints

Enquiries relating to this policy should be referred to the responsible officer designated in departmental/organizational headquarters, who in turn may direct questions regarding interpretation to the Human Resources Branch of the Treasury Board of Canada Secretariat.

Appendix A – Definitions

Break in Service – a break between periods of employment, pursuant to the PSEA, of more than sixty (60) consecutive calendar days.

Sunset program –

- a program where there is an agreement for whole or partial funding from outside the department (either by the private sector or another public service organization) and where this agreement is subject to review on a cyclical basis; and/or,
- a program with a definite end date (including any extensions), e.g. major crown projects, devolutions and specially funded finite projects.