



Public Service Commission
of Canada

Commission de la fonction publique
du Canada

Use of Temporary Help Services in Public Service Organizations

A study by the
Public Service Commission of Canada

October 2010



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Highlights

This study on temporary help services was conducted in response to a request by the House of Commons' Standing Committee on Government Operations and Estimates in April 2009 to report on the size, patterns of use and costs of temporary help services. In its 2008-2009 Annual Report, the Public Service Commission (PSC) expressed concern that temporary help services, meant for short-term use, may be used in a way that results in the circumvention of the *Public Service Employment Act* (PSEA) and its staffing values.

The PSC recognizes the need for temporary help services to meet short-term, immediate requirements. Managers are often called upon to deliver results immediately and require workers who can quickly and efficiently fill in during unexpected events, such as sickness, unanticipated workload increases or employee departures. Temporary help services represent one of several resourcing options available to managers to meet their short-term operational requirements. These services are obtained through a contracting mechanism guided by the policy framework set out in the Treasury Board (TB) *Contracting Policy* and through the Public Works and Government Services Canada (PWGSC) methods of supply. The PSEA also addresses short-term needs, but through appointment processes, not contracting mechanisms.

The PSEA generally requires that all appointments be subject to the Act. In general, the PSEA establishes requirements for appointments in organizations under the PSC's jurisdiction. Parliament sets out a vision of a values-based approach to staffing, "a public service that strives for excellence, that is representative of Canada's diversity and that is able to service the public with integrity and in their official language of choice." In addition to the core values of merit and non-partisanship, the staffing system is guided by the values of fairness, access, transparency and representativeness.

The PSEA speaks to the following types of appointments: indeterminate (permanent) and non-permanent, which includes term, casual and student appointments. The Act anticipates managers' needs to address immediate resource requirements through provisions such as casual employment, which is excluded from the merit provisions. However, the PSEA places strict limits on casual employment in terms of duration of use to a maximum of 90 working days in any one organization within one calendar year.

Uses of temporary help services that circumvent the *Public Service Employment Act*

This study explored the use of temporary help services in 11 public service organizations, which collectively accounted for 50% of all temporary help service expenditures in 2007-2008. The study found temporary help services that were improperly used to address long-term resourcing needs. The PSC believes that long-term resourcing needs should be addressed through staffing mechanisms pursuant to the PSEA. In our opinion, the study reveals an additional workforce within the public service — one that is not subject to the PSEA, and that is used for long-term and continuous work.

This study found two practices that suggested long-term use of temporary help services. The first was the extended use of full-time temporary help service contracts. The second was the use of individual temporary help service workers in a continuous working relationship with the contracting organization, either by offering workers a series of temporary help service contracts or by using combinations of contracts and non-permanent appointments that fall under the PSEA, such as a term, casual or student appointments.

This study found that nearly one in five of the contracts reviewed (18.4%) were for durations exceeding 52 weeks, the longest being 165 weeks. Long-term contracts were more common for professional and technical workers than for administrative workers. In terms of a continuous working relationship, 16.3% of temporary help workers in these organizations were appointed to a public service position by the same organization in which they held their contracts within the two-week period prior to and/or subsequent to their contract. The PSC believes that, combined, these findings demonstrate the use of temporary help services in situations where the work is long-term and continuous.

Use of temporary help services as a source of recruitment limits access

The study findings indicate that, in practice, temporary help services provide a source of recruitment into the public service. The use of temporary help services as a source of recruitment places the PSEA value of access at risk, and limits the use of the national area of selection to promote Canada's geographical diversity within the public service. This situation is exacerbated, given that 85.2% of contracts reviewed in this study were in the National Capital Region.

The study found that, within 180 days of the end of their contracts, one in five temporary help service workers in our study organizations (20.5%) became employed under the PSEA in the same organization in which they had held their contract. Casual employment was the first point of entry for the majority of workers recruited into employment under the PSEA.

By the end of our study period, 73.2% of the temporary help workers recruited into employment under the PSEA obtained indeterminate or term positions. Although the PSC has established a clear preference for external recruitment to occur through nationally advertised processes, nearly one third (30.1%) of all external appointments of former temporary help service workers to indeterminate or term positions were made through non-advertised processes.

Expenditures for temporary help services have increased over the last decade

Based on the PSC's analysis of data from the Public Accounts of Canada for all PSEA organizations, expenditures for temporary help services nearly tripled over the 10 years between 1999-2000 and 2008-2009. Expenditures for temporary help services increased at twice the rate of those for indeterminate salaries. While expenditures for temporary help

workers increased, expenditures for term and casual employment leveled off or decreased. The upward trend in expenditures for temporary help services reinforces the PSC's concerns regarding the risks to the integrity of the public service staffing system.

Our analysis of 2007-2008 temporary help service contracts for our study organizations indicated that 37.3% were for professional or technical/operational workers; the remainder were for administrative services. Interviewees in our study identified a number of factors contributing to the use of temporary help services, including increased workload, lengthy public service staffing processes and the need to cover for absences due to turnover or leave.

There is a lack of guidance and monitoring on uses of temporary help services consistent with the *Public Service Employment Act* values

The study shows that the decision to engage temporary help services is left in the hands of individual managers, who are provided little formal guidance to determine when their actions circumvent the PSEA. Actions such as the extended use of a temporary help service contract, or the continuous engagement of an individual worker through a combination of contracts and PSEA non-permanent hiring mechanisms (term, casual and student positions) can adversely affect merit, fairness and access. Furthermore, due to the lack of integration between the contracting, financial and human resources reporting functions related to temporary help, it is difficult to monitor whether the objectives of the PSEA are being respected. Ultimately, only the manager and the temporary help service worker know whether a continuous working relationship exists.

Next steps

The PSC is committed to consulting with TBS, PWGSC and individual organizations to identify solutions to address the issues raised in this study, including facilitating better guidance and advice to managers. The PSC will also look at proposing possible amendments to the PSEA. The time required to staff a position under the PSEA is also being addressed by providing support and encouraging organizations to establish their own benchmarks. In addition, the PSC is committed to working with others to provide guidance to deputy heads on the use of temporary help services when conducting their human resources planning, and on how temporary help services can be used appropriately in relation to other non-permanent hiring mechanisms under the PSEA. As part of this consultation with stakeholders, the PSC will examine ways to monitor the use of temporary help services within the context of the PSEA and in light of recent contracting changes.

Introduction

About the Public Service Commission

The Public Service Commission (PSC), an independent agency reporting to Parliament, is mandated to safeguard the integrity of public service staffing and the political impartiality of public servants. The PSC develops policies and guidelines to ensure that appointments are made according to the principles of merit and non-partisanship and that they respect the core appointment values of fairness, access, transparency and representativeness. In addition, the PSC recruits qualified Canadians to the public service from across the country. To ensure the effectiveness of the staffing system, the PSC conducts audits, evaluations, studies and investigations that can lead to recommendations for improvement or corrective action when necessary.

Issue of study

In response to the increased expenditures for temporary help services in the public service, the Standing Committee on Government Operations and Estimates requested in April 2009 that the PSC report on the size, patterns of use and costs of temporary help services.¹ In its 2008-2009 Annual Report, the PSC expressed concern that temporary help services, meant for short-term use, may be used in a way that results in the circumvention of the *Public Service Employment Act* (PSEA) and its staffing values.² The PSC recognizes the need for temporary help services to meet short-term and immediate requirements. However, the PSC has concerns about the potential risks to staffing system integrity, including the protection of merit, fairness and access to the appointment process.³

¹ Standing Committee on Government Operations and Expenditures (2009). www2.parl.gc.ca/HousePublications/Publication.aspx?DocId=3796242&Language=E&Mode=1&Parl=40&Ses=2#Int-2686356

² PSC (2009). 2008-2009 Annual Report. www.psc-cfp.gc.ca/arp-rpa/index-eng.htm

³ The PSC recognizes that there are other aspects of the PSEA that may be circumvented, such as linguistic requirements and political impartiality. For the purposes of this study, these issues were not addressed, given data limitations.

Study objectives

The study had the following four objectives:

- To provide an overview of the use of, and expenditures for, temporary help services within public service organizations;⁴
- To determine the major factors that lead organizations to choose temporary help service workers as part of the contingent workforce;
- To determine whether temporary help services are used to address organizations' long-term needs that would otherwise be addressed through the PSEA, and to identify areas for improvement; and
- To estimate the percentage of individuals who are appointed to public service positions within public service organizations after having worked as part of a temporary help service contract.

⁴ For the purpose of this study, the public service is defined as those organizations whose appointments are made under the exclusive authority of the PSC and pursuant to the PSEA.

Methodology

The study combined quantitative and qualitative methods to explore the use of temporary help services in public service organizations. Eleven organizations were selected for study, based primarily on the criteria of highest expenditures for temporary help services and intensity of use. Combined, these 11 organizations accounted for over 50% of total public service expenditures on temporary help services in 2007-2008. As the study used a non-random sampling strategy, findings cannot be generalized to the public service as a whole.

The statistical component of the study was based on contract and financial data collected from these 11 organizations. The study went beyond a sampling procedure by requesting all contracts held by these organizations for the target year. This enables conclusions to be drawn about the practices within these 11 organizations based on usable data. Analysis of contractual data from the study organizations was based on 4 217 contracts from the 2007-2008 fiscal year.⁵ This fiscal year was chosen to enable the study team to observe, over time, whether temporary help service workers were subsequently recruited into indeterminate (permanent) or non-permanent (term, casual and student positions) employment under the *Public Service Employment Act* (PSEA).⁶

Interviews were undertaken with 66 individuals in the 11 study organizations who were familiar with the use of temporary help services in their organizations. Analysis of contract and interview data was complemented by a review of government-wide and organization-level documents related to the contracting policy for temporary help services, practices and guidelines, a review of the broader literature on temporary help and discussions with senior officials from the study organizations.

To provide an analysis of overall trends in expenditures for temporary help services in all PSEA organizations, the study team also collected and analyzed 10 years of expenditure data (fiscal years 1999-2000 to 2008-2009) from the Public Accounts of Canada for all federal organizations subject to the PSEA.

For further details on the methodology, including the organizations sampled for study and the number of contracts analyzed, see **Appendix 1**.

⁵ Although 4 217 contracts were available for analysis, depending on the specific analysis undertaken and the quality of available data, fewer contracts were analyzed. Therefore, the number of contracts given in the graphs and tables shown in the report may vary. See Table 5 in Appendix 1 for details on the use of contract information.

⁶ For the purposes of this study, non-permanent employment is defined as term, casual and student employment.

Setting the context

Temporary help services defined

For the purposes of this study, temporary help services are defined as services provided to the Government of Canada by resources of temporary help service firms⁷ coded under “Professional and Special Services” in the Public Accounts of Canada.⁸ This definition does not include other services, such as professional consulting, or other non-permanent appointees, such as term, casual or student employees.⁹ Temporary help services cover a range of services, from office support and administrative services to operational, technical and professional services.¹⁰

Previous Public Service Commission involvement in activities related to temporary help services

Although the *Public Service Employment Act* (PSEA) does not discuss the use of temporary help services, the Act anticipates managers’ need to address immediate resource requirements through the provision of casual employment that is excluded from the merit provisions. Nevertheless, the Act places strict limits on the use of casual employees in terms of duration of use, to a maximum of 90 working days in any one organization within a calendar year.¹¹ Other non-permanent staffing mechanisms to the public service workforce, such as specified term appointments, are subject to the merit provisions of the PSEA.

The Public Service Commission (PSC) has historically had some involvement in the way in which temporary help services are used. In the late 1970s, the PSC undertook a pilot project, based in the National Capital Region (NCR), to supply temporary staff to public service organizations

⁷ Treasury Board (2008). *Contracting Policy*. www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14494. Temporary help service firms are defined by Treasury Board as business organizations providing temporary help services and consisting of more than one employee or principal.

⁸ Referred to in the Public Accounts under Professional and Special Services, temporary help services (Object Code 0813). Coded under Standard Object 04 in the Public Accounts of Canada. www.tpsgc-pwgsc.gc.ca/recgen/txt/72-eng.html

⁹ TB (2008) op cit. For reference purposes, temporary help services are defined in the Treasury Board *Contracting Policy* as services provided under contract to the government for assignments in which the employees of a firm are engaged to provide services to a department or agency on a temporary basis.

¹⁰ PWGSC (2009). www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/classifications-eng.html

¹¹ A PSEA provision allows Elections Canada to appoint casuals up to 165 days.

upon request.¹² In 1984, the PSC and the Treasury Board of Canada Secretariat (TBS) conducted an audit on the use of temporary help service workers in the federal public service and their subsequent recruitment into the public service.¹³

Past Public Service Commission involvement in the delivery of temporary help – 1976 to 1979

In December 1977, due to concerns about the use of temporary help services within the public service, the Treasury Board of Canada Secretariat, in consultation with the Public Service Commission and Public Works and Government Services Canada (formerly known as the Department of Supply and Services), developed guidelines on the hiring of temporary workers through private employment agencies in the National Capital Region.

As a result of these consultations, hiring of personnel agency staff was limited to periods of up to eight weeks.

The PSC also began a pilot project to staff all short-term (8 to 13 weeks) stenographic jobs for two organizations.

Even for jobs of less than eight weeks, the PSC accepted job orders from all organizations in the regions, offering them a second source of supply for these positions.

Although the results were favourable, the pilot project was not extended due to concerns about competition with the private sector.

Policies and guidelines for contracting temporary help services

In the federal public service, deputy heads delegate to managers the contracting, staffing and financial authorities needed to best manage their teams to produce results.

When faced with a human resource requirement, managers have several options, including filling vacancies through a staffing process for indeterminate or term positions, hiring casual employees or contracting for temporary help or for other professional services, such as consultants. As noted in **Table 1**, different requirements apply, depending on the option chosen.

¹² PSC (1976-1979). PSC Annual Report.

¹³ PSC and TBS (1984). Special Audit of Temporary Help Services.

Table 1: Requirements for hiring and contracting in the federal public service

Options	Authority / Requirements	Duration
Indeterminate employment	Staffing authority – PSEA	Permanent
Term employment	Staffing authority – PSEA	Non-permanent (various durations)
Casual employment	Staffing authority – PSEA	Up to 90 working days in one organization within a calendar year
Student employment	Staffing authority – PSEA	Non-permanent (various durations)
Professional services (consultants)	Public Works and Government Services Canada (PWGSC) enabling legislation and associated tools; TB enabling legislation and <i>Contracting Policy</i> requirements	Financial limit: Depends on contract and method of supply
Temporary help services within the NCR		Limit: As of May 2009, 48 weeks (24-week extension with PWGSC approval); \$400K limit
Temporary help services within the regions		- Maximum of 20 weeks - Range from \$40K to \$100K

Source: PSEA (2003), *Department of Public Works and Government Services Act* and *TB Contracting Policy* (2008)

Key requirements for procuring temporary help services are outlined in the *TB Contracting Policy*.¹⁴ Federal public service organizations must use PWGSC as the common service provider for temporary help services.¹⁵ The *TB Contracting Policy* identifies the circumstances under which managers may contract for temporary help services.¹⁶

PWGSC, in its role as the government's procurement agent, is responsible for administering the tool used by departments and agencies to engage temporary help. Federal organizations must use the mandatory PWGSC standing offers or supply arrangements in order to contract for temporary help services.¹⁷

PWGSC manages both regional and national standing offers and supply arrangements for temporary help services. It offers further guidelines on the temporary help contracting process, which varies depending on the contracting vehicle used. The process for obtaining temporary help services in the NCR is outlined in **Appendix 2**.

¹⁴ TB (2008) op cit.

¹⁵ TB (2006). *Common Services Policy*. www.tbs-sct.gc.ca/pol/doceng.aspx?id=12025§ion=text

¹⁶ TB (2008) op cit.

¹⁷ TB (2008) op cit. Organizations may use alternative arrangements for contracting temporary help; however, they must apply to PWGSC for an exemption.

Limits on value and duration of contracts

Depending on the region, various contractual and time limits apply to the PWGSC standing offers and supply arrangements (see **Appendix 3** for a description of regional differences).

In the early 1980s, the maximum length of a temporary help service contract was eight weeks.¹⁸ During the 1990s, the time limit was amended and, up until 2003, a contract could not exceed 20 weeks.¹⁹ Between 2003 and May 2009, there were no time limits associated with the PWGSC standing offer and supply arrangements; however, no contract could exceed \$89,000 in value.²⁰ Since May 2009, under the NCR standing offer and supply arrangement, contracts cannot exceed \$400,000 or 48 weeks, with a possible extension of up to 24 weeks with prior PWGSC approval.²¹

Characteristics of temporary help service contracts

To aid in interpreting the study findings, the study team conducted preliminary analysis of the 4 217 contracts collected from the 11 study organizations for the 2007-2008 fiscal year²² (see **Table 2**). Key characteristics of these contracts included:

- The majority of contracts (85.2%) were undertaken in the NCR;
- Based on PWGSC occupational categories, most contracts (62.8%) were for administrative resources; 22% were for operational and technical resources and 15.3% were for professional resources;
- Just over three quarters of contracts (79.4%) were for full-time resources;
- Hourly rates paid to agencies for temporary help workers ranged between \$10 and more than \$100, depending on the level and occupational category. The average hourly rate was \$39.84. The majority of contracts (58.5%) had hourly rates between \$21 and \$40. Nearly 9% of contracts (8.6%) had hourly rates of \$100 or more; and
- Nearly three quarters of the contracts (70.7%) were amended at least once.²³

¹⁸ PSC and TBS (1984). op cit.

¹⁹ TBS (2002). *Contracting Policy*. www.tbs-sct.gc.ca/archives/dcgpubs/contracting/contractingpol-PR-eng.asp?printable=True. Archived version; not in effect after 2002.

²⁰ PWGSC Bulletin (2008). www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/fournisseurs-suppliers/bulletin-2-eng.html

²¹ PWGSC (2010). www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/index-eng.html

²² Although 4 217 contracts were available for analysis, depending on the specific analysis undertaken and the quality of available data, fewer contracts were analyzed.

²³ Contracts may be amended for a number of reasons, including contract extension and replacement of a worker.

Table 2: Contracts for temporary help services – Characteristics of contracts

		Number of contracts	Percentage (%)
Region	NCR	2 708	85.2
	Non-NCR	472	14.8
	Total	3 180	100.0
Category of temporary help worker¹	Administrative/office support	1 805	62.8
	Operational/technical	632	22.0
	Professional	439	15.3
	Total	2 876	100.1
Job status	Full-time	2 624	79.4
	Part-time	679	20.6
	Total	3 303	100.0
Rate paid to temporary help service agency	\$20/h or less	597	18.0
	Between \$21 and \$40/h	1 935	58.5
	Between \$41 and \$99/h	500	15.1
	\$100/h or more	284	8.6
	Total	3 316	100.2
Amendments	0	1 151	29.3
	1 to 2	1 841	46.8
	3+	941	23.9
		3 933	100.0

Source: Temporary help service contracts, 2007-2008

Note: Total number of contracts differ because of missing or poor quality data. Total percentage may not equal 100 due to rounding. See Table 5 in Appendix 1 for details.

¹ www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/classifications-eng.html

Study findings

Uses of temporary help services that circumvent the *Public Service Employment Act*

The Public Service Commission (PSC) recognizes the need for temporary help services to meet short-term requirements. However, the PSC has concerns about risks to the integrity of the staffing system when a temporary help service worker is used to fill in where the nature of the work is ongoing and long-term. The PSC believes that the long-term use of a temporary help service worker results in the circumvention of the *Public Service Employment Act* (PSEA).

In this study, two practices were identified that suggested the long-term use of temporary help services. The first was the extended use of a full-time temporary help service contract. The second was the use of an individual temporary help service worker in a continuous working relationship with an organization, either by offering that worker a series of temporary help service contracts or by using a combination of contracts along with other types of non-permanent appointments that fall under the PSEA, such as a term, casual or student appointment.

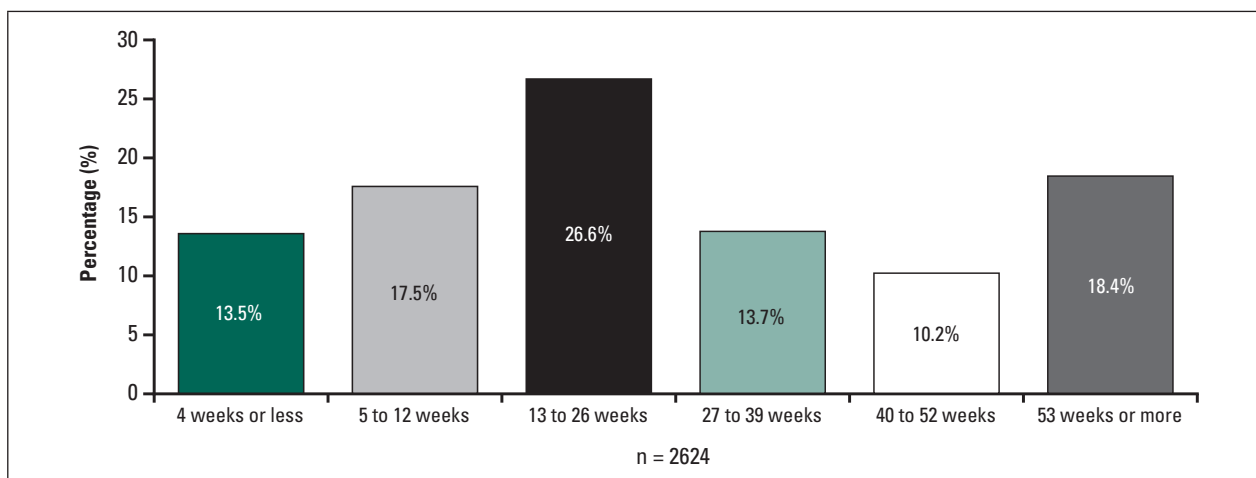
Nearly one in five contracts were for more than 52 weeks

To determine the incidence of long-term contracts, the study analyzed full-time continuous contracts²⁴ in the 11 study organizations for the 2007-2008 fiscal year. It should be noted that, during the period of study, there were no limits to the duration of contracts. Effective May 2009, Public Works and Government Services Canada's (PWGSC) method of supply now limits the duration to 48 weeks, with the possibility of an extension for up to 24 weeks subject to PWGSC approval.

Figure 1 shows that nearly one in six contracts (13.5%) were for short durations of four weeks or less. However, nearly one in five contracts (18.4%) were for durations exceeding 52 weeks. On average, contracts were 29.4 weeks in duration, with the longest contract being 165 weeks and the shortest being one day. Although our analysis of contracts was based on the 2007-2008 fiscal year, PWGSC has informed us that, since May 2009, they have approved only 78 extensions beyond 48 weeks.

²⁴ For study purposes, full-time contracts were identified as 30 hours per week or more. To ensure accuracy, we removed contracts that did not contain information on start date and/or end date.

Figure 1: Contracts for temporary help services – Duration^{1,2}



Source: Temporary help service contracts, 2007-2008

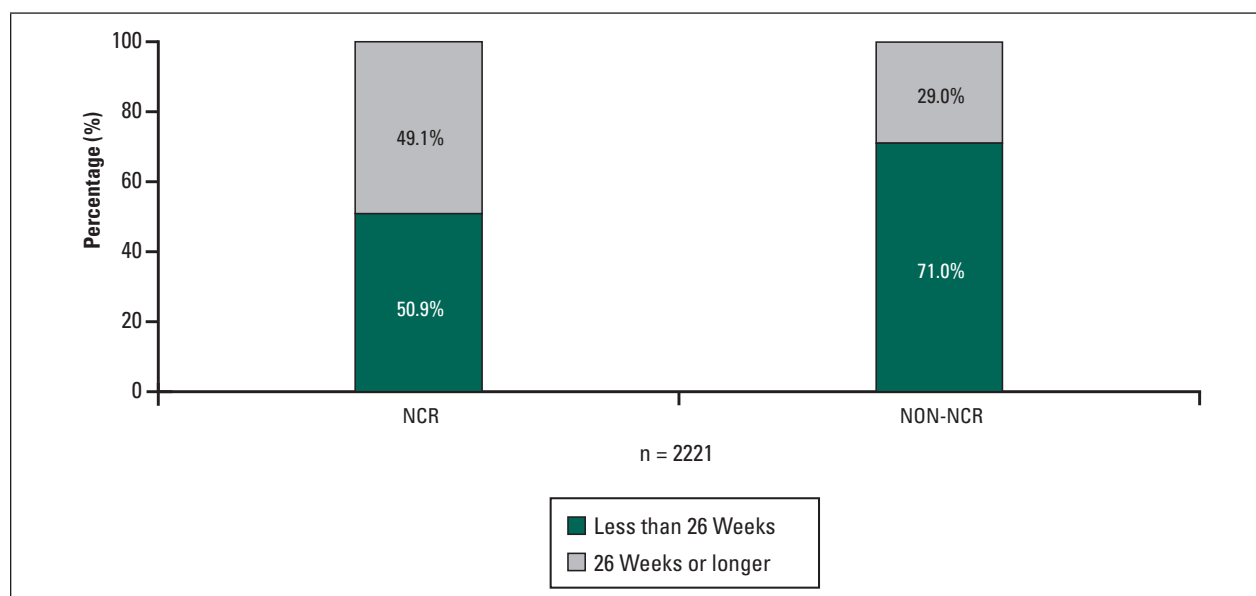
¹ The display shows the duration of contracts, including any amendments. Contracts whose duration fell between the time intervals shown (e.g. four weeks plus a day) were rounded up to the nearest full interval. End points of intervals were chosen to correspond to durations of one month or less, three months, six months, nine months, twelve months and greater than twelve months.

² Contract duration may be underestimated, since organizational tracking systems may not have identified longer-term contracts that started prior to, and ended after our study time frame (2007-2008 fiscal year).

To understand factors that may affect the duration of contracts, the study looked at contract duration in relation to region, occupational classification and contracting rationale. To conduct this analysis, the study used a 26-week cut-off to distinguish short- from long-term contracts.

Figure 2 shows that contracts in the regions were generally of shorter duration than those in the National Capital Region (NCR). A total of 71% of contracts undertaken in the regions were for 26 weeks or less, compared to 50.9% in the NCR.

Figure 2: Contracts for temporary help services – Duration and region of contract



Source: Temporary help service contracts, 2007-2008

Appendix 5 provides analyses of contract duration in relation to contracting rationale and occupational categories created by PWGSC for classifying temporary help services. These categories include operational/technical (e.g. labourer, aerospace engineer), professional services (e.g. auditor, economist) and administration.

These analyses indicated that:

- Contracts undertaken for operational or technical resources or for professional help were more likely to be long-term (59.2% of contracts for operational/technical resources were 26 weeks or longer, as were 51.3% of those for professional help). In contrast, contracts for administrative help were less likely to be long-term (43% of administrative contracts were for 26 weeks or longer; **Appendix Figure 10**); and
- Contracts whose justification was to fill in during staffing processes or to deal with increased workload were more likely to be long-term (62.1% of contracts to fill in during staffing were for 26 weeks or longer, as were 61% of those to deal with increased workload). Contracts to cover for employee leave and staff shortages were less likely to be long-term (44.8% of contracts to cover for employee leave were for 26 weeks or longer, as were 43.4% of contracts to deal with staff shortages; **Appendix Figure 11**).

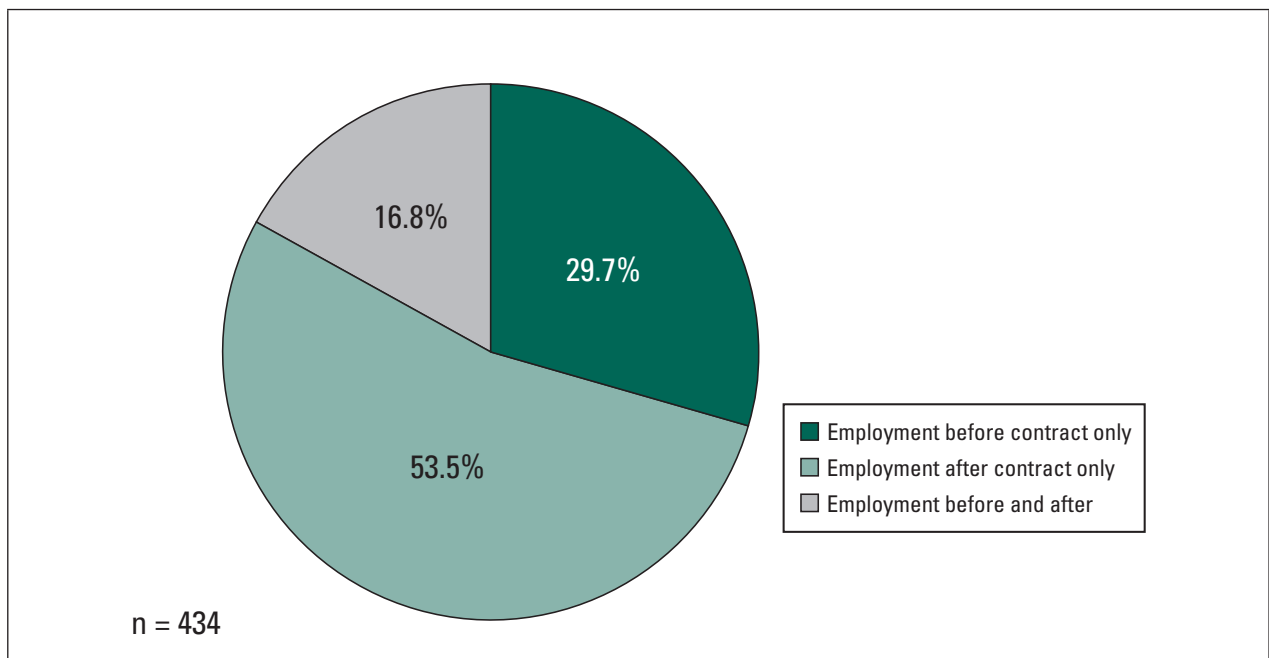
Workers were engaged in continuous working relationships

In order to determine whether there was a continuous working relationship between an individual temporary help service worker and the organization, the study examined situations where a temporary help service worker was employed under the PSEA in the period immediately

surrounding their contract. Our approach was to identify temporary help service workers who had been appointed to a term, casual or student position within a reference period extending from *two weeks prior to their contract start date to two weeks after their contract end date*. It is important to note that, because organizations generally do not collect information on the manager, and because workers are not generally placed in classified positions, it is not possible to determine whether temporary help service workers were repeatedly retained for the same work.

This analysis indicated that 16.3% of the 2 670 temporary help service workers in our study organizations (434 individuals) had been engaged in a continuous working relationship with the organization in which they had held their contracts. **Figure 3** shows that 29.7% of these workers had been employed only in the period prior to their temporary help service contract; 53.5% had been employed only after their contract; and 16.8% had spells of employment both before and after their contract.²⁵ Among those with employment before and after their contracts, the most frequent pattern of movement was from a spell of casual employment, to a temporary help contract, then back to casual employment in a continuous flow (not shown).

Figure 3: Temporary help service workers recruited into non-permanent employment under the *Public Service Employment Act* two weeks before and/or two weeks after their temporary help contract



Source: Temporary help service contracts, 2007-2008 and Job-Based Analytical Information System

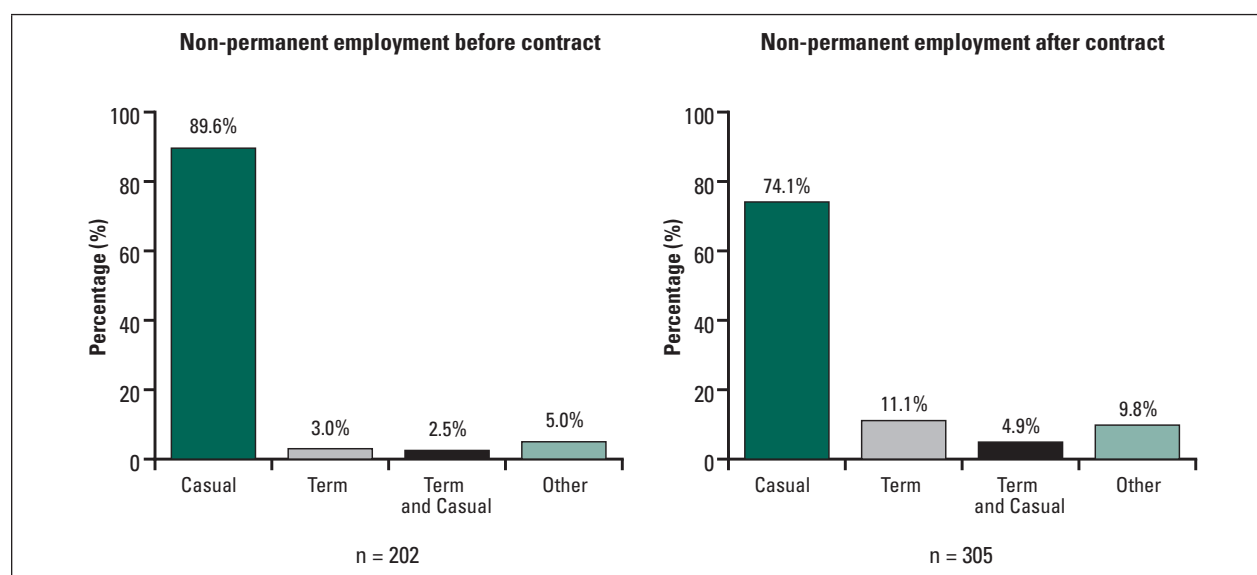
²⁵ Given that our study is based on contracts active only for the 2007-2008 fiscal year, it was not possible to determine whether temporary help service workers held separate contracts before or after this period.

Casual employment was the most common mechanism used to support continuous working relationships

Figure 4 shows the type of employment held by temporary help service workers prior to, and following, their contracts, respectively. The data reveal an employment pattern whereby casual employment was the primary PSEA mechanism used to engage temporary help workers in continuous working relationships. Whether the spell of non-permanent employment was before or after the contract, casual employment was the predominant link:

- 89.6% of those who were employed before their contract held casual positions; and
- 74.1% of those who were employed after their contract held casual positions.

Figure 4: Temporary help service workers recruited into non-permanent employment under the *Public Service Employment Act* two weeks before or two weeks after their temporary help contract by tenure



Source: Temporary help service contracts, 2007-2008 and Job-Based Analytical Information System

The use of temporary help services as a source of recruitment limits access

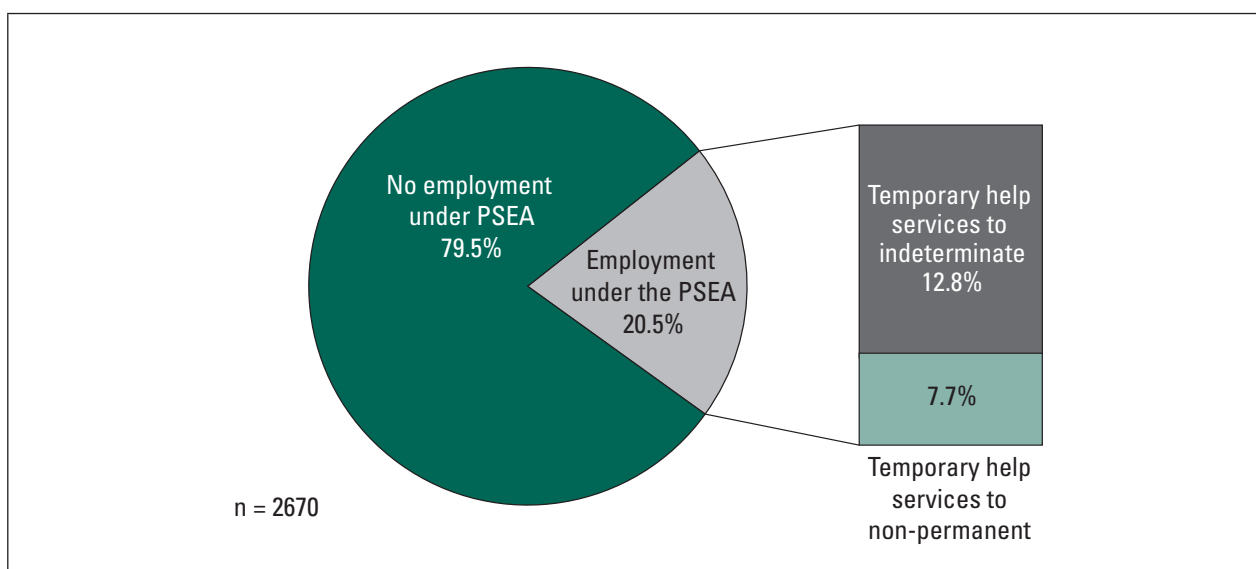
This section of the study explores whether, by obtaining PSEA employment subsequent to their contracts, temporary help workers represent a potential source of recruitment into the public service. In the previous analysis (**Figures 3 and 4**), we identified continuous employment relationships by focussing on appointments during the period immediately surrounding the temporary help service contract (two weeks prior to the start date of the contract and two weeks after the end date). Any worker who obtained subsequent PSEA employment, after the two-week observation window, was out of scope. For the current analysis, therefore,

we extended the observation window to identify workers who were recruited into PSEA employment within 180 days of their contract end date. We then searched for all subsequent and prior public service appointments for these individuals up to April 30, 2010, and back to March 31, 2005, to identify the paths through which the various appointments had been obtained.

One in five workers was recruited into employment under the Public Service Employment Act within 180 days of their contract

As shown in **Figure 5**, 20.5% of the 2 670 temporary help service workers in the study became employed under the PSEA²⁶ within 180 days of their contract end date (a total of 547 workers): 12.8% (341 workers) obtained indeterminate positions and 7.7% (206 workers) obtained non-permanent positions (term, casual and student) by April 30, 2010, the end of our study period.²⁷

Figure 5: Temporary help service workers recruited into employment under the *Public Service Employment Act* within 180 days of contract end date



Source: Temporary help service contracts, 2007-2008 and Job-Based Analytical Information System

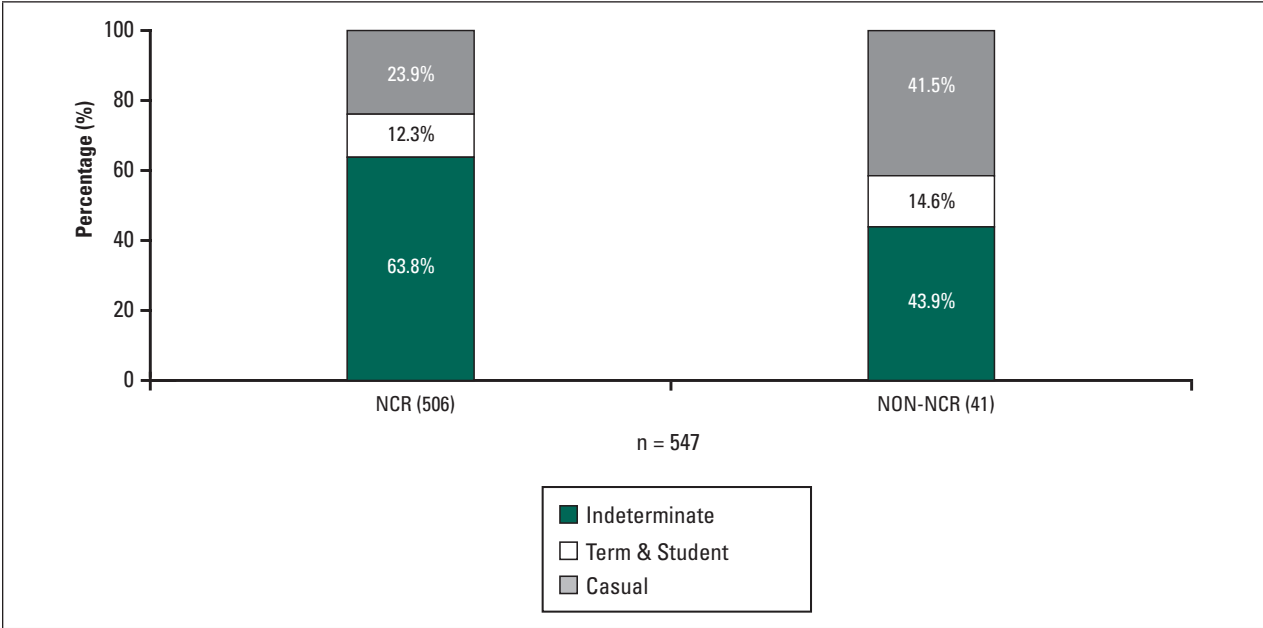
To help us understand the population of temporary help service workers in our 11 study organizations who became employed under the PSEA, the study also looked at their employment tenure by region, language and occupational classification. **Figure 6** shows the regional analysis.

²⁶ Confidence interval of 95% $\pm 1.5\%$. The rate of transition is likely underestimated, since temporary help service workers may have been hired by other organizations within the 180-day observation window, or hired by the same or other organizations after the 180-day window.

²⁷ It is possible that some of these workers may have applied for PSEA positions before or during their contracts. However, the study took into account that possibility by focussing only on appointments with the same organization in which workers held their contracts.

It indicates that appointments in the NCR were more likely to be indeterminate than those in the regions (63.8% of appointments in the NCR were indeterminate, compared to 43.9% of those in the regions). Appointments in the regions were more likely to be casual than those in the NCR (41.5% of appointments in the regions were casual, compared to 23.9% in the NCR).

Figure 6: Temporary help service workers recruited into employment under the *Public Service Employment Act* within 180 days of contract end date by region of position obtained¹



Source: Temporary help service contracts, 2007-2008 and Job-Based Analytical Information System

¹ Numbers for regions were too small to express individually.

Analyses of employment under the PSEA by language and occupation are shown in **Appendix 5**. These analyses indicate that:

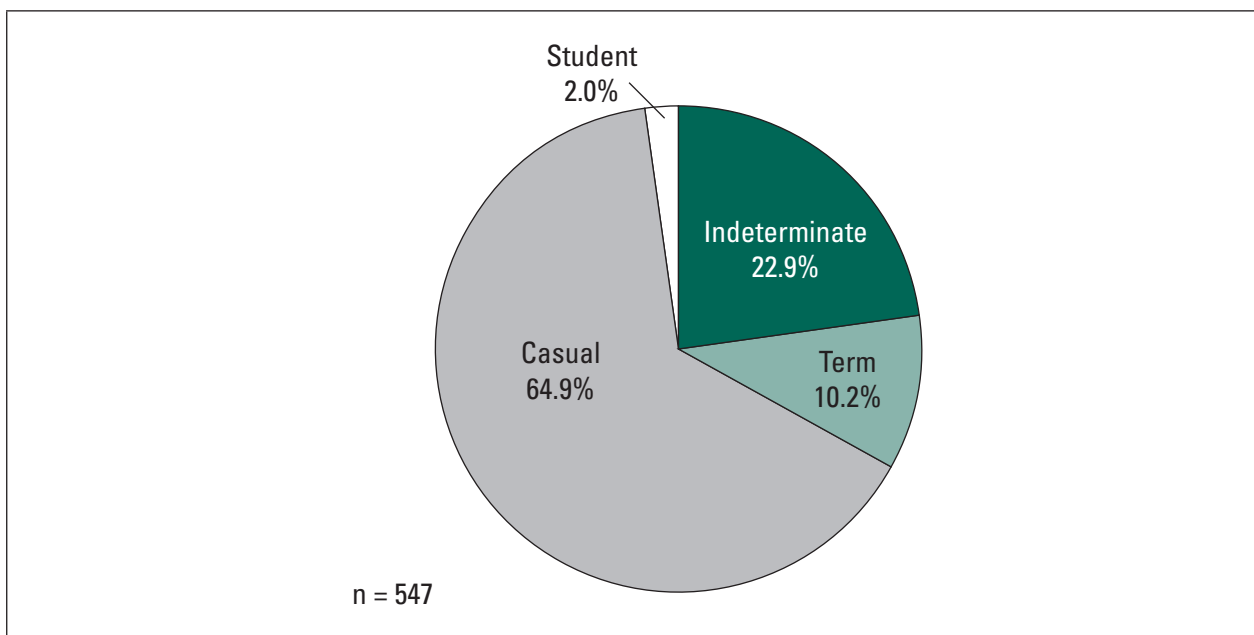
- Of the Francophones who obtained PSEA employment, nearly three quarters (72.3%) obtained indeterminate appointments, compared to 52.2% of Anglophone appointees (**Appendix Figure 12**); and
- Operational or technical (72.6%) and professional workers (66%) were more likely to obtain indeterminate positions than administrative workers (60.3%; **Appendix Figure 13**).

Casual employment was the first point of entry for two thirds of temporary help service workers recruited into employment under the Public Service Employment Act

Although, as previously shown in **Figure 5**, the majority of temporary help service workers who became employed under the PSEA were successful in obtaining indeterminate positions by the end of the study period, **Figure 7** shows that the first point of entry for most of these workers was

casual employment. Nearly two thirds of the workers who became employed under the PSEA (64.9%) started out with casual employment, 22.9% started out with indeterminate employment and 10.2% started out in term employment.

Figure 7: Temporary help service workers recruited into employment under the *Public Service Employment Act* within 180 days of contract end date by first point of entry



Source: Temporary help service contracts, 2007-2008 and Job-Based Analytical Information System

Use of non-advertised processes to recruit workers into employment under the Public Service Employment Act

To determine the type of selection process by which temporary help service workers obtained their positions, we undertook a separate analysis in which we looked only at those who obtained term or indeterminate positions²⁸ (data not shown). Where workers had obtained more than one such appointment (e.g. two term appointments), we further restricted the analysis to the first appointment. This process identified 269 workers. Findings indicated that 69.9% of these workers obtained their positions through competitive processes open to the public (external advertised); however, 30.1% were through external non-advertised processes. Where temporary help service workers were recruited through non-advertised processes, 44.4% were for indeterminate appointments.

²⁸ Only term and indeterminate appointments require that merit be assessed. Casual appointments do not. Student employment has its own regulations.

Considerable growth in expenditures for temporary help services over the past decade

Temporary help services are reported in the Public Accounts of Canada as a subset of Professional and Special Services. Professional and Special Services include not only temporary help services but also management consulting, legal services and health and welfare services. In 2008-2009, expenditures for temporary help services across the public service represented approximately 3.4% of the Professional and Special Services category.

This section complements the data obtained from our 11 study organizations by discussing trends in expenditures for temporary help services across all PSEA organizations. Trends are presented for the period spanning 1999-2000 to 2008-2009.²⁹

Temporary help service expenditures nearly tripled over the 10-year period, increasing more rapidly than overall government expenditures and expenditures for personnel

Expenditures for temporary help services increased 178%³⁰ over the 10-year period, from \$108 million in 1999-2000 to \$299 million in 2008-2009 (**Figure 14**). This was a faster rate of increase than that in overall government expenditures (35.5%). Expenditures for temporary help services increased at twice the rate of personnel costs.³¹

It is also worth noting that the increase in expenditures for temporary help services (178%) was almost three times the increase seen in the broader category of Professional and Special Services (a 60% increase over the same period; **Appendix Figure 15**).

Temporary help service expenditures grew faster than expenditures for other resourcing options

Managers have a number of resourcing options when they need additional support, including staffing a position indeterminately, appointing non-permanent employees such as term, casual or student employees, contracting professional consultants or engaging a temporary help service worker.³²

²⁹ The Canada Border Services Agency was excluded from analysis due to reorganizations during the 10-year reference period.

³⁰ Not adjusted for inflation. When adjusted for inflation, expenditures for temporary help services grew 132% between 1999-2000 and 2008-2009. Apart from increases in the actual use of temporary help services, this increase could be attributable to any number of factors, such as increases in rates charged by suppliers or increases in the use of workers in highly paid professional categories.

³¹ According to the Receiver General, personnel costs consist of compensation to, or on behalf of, employees for salaries and wages, overtime, severance pay, allowances and other benefits under various collective agreements and other regulations. Also included are the government's contributions, as employer, to various employee benefit plans, and supplementary personnel costs that relate to the cost of employee exchange agreements with other employers, or to various supplementary benefits.

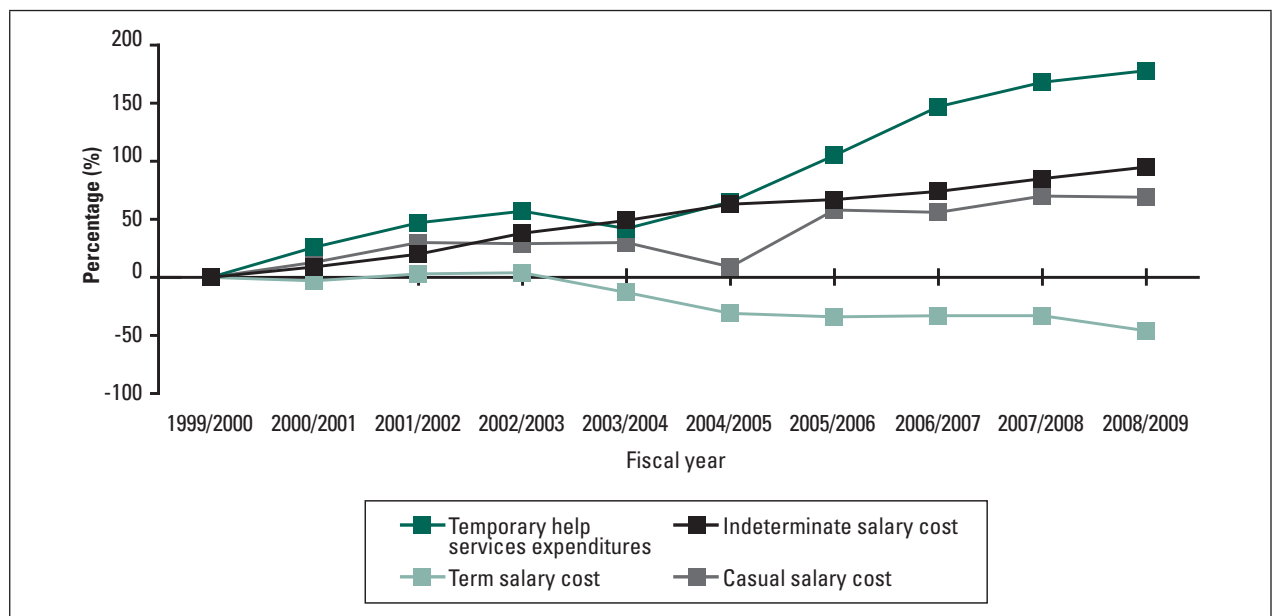
³² Managers may also offer a number of opportunities to their staff, including acting and assignments.

Growth in expenditures for temporary help services exceeded growth in expenditures for any of the PSEA employment options available to managers. Although small relative to expenditures for indeterminate salaries, expenditures for temporary help services grew at almost twice the rate of costs for indeterminate salaries (**Figure 8**).

Temporary help expenditures grew at three times the rate of casual employees. For every dollar spent on casual employee salaries in 1999-2000, \$0.73 was spent on temporary help services. Over the 10-year period, however, the pattern changed. By 2008-2009, for every dollar spent on casual salaries, \$1.21 was spent on temporary help services.

Salary costs for term employees decreased by 46%.³³ With the steady increase in expenditures for temporary help services, and the decrease in term salary costs over the 10-year period, the ratio of every dollar of expenditures for temporary help to term employee salary costs jumped from \$0.13 to almost \$0.69.

Figure 8: Percentage change in expenditures for temporary help services and salary costs for indeterminate, term and casual employees, 1999-2000 to 2008-2009 (in unadjusted dollars, reference year 1999-2000)



Source: Public Accounts and Job-Based Analytical Information System

³³ TB (2008). Term Employment Policy. www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=12584§ion=text#cha1
The decrease in expenditures for term employee salaries may be partially attributed to the introduction in 2003 of the Term Employment Policy, which allowed for the conversion of employees from term to indeterminate.

Workload increase most common rationale for using temporary help services

The Treasury Board (TB) *Contracting Policy* identifies three acceptable rationales for the use of contracting temporary help services. Temporary help services are to be used:

- Against vacancies during a staffing action;
- When a public servant is absent for a short period; or
- When there is a temporary workload increase for which insufficient staff is available.³⁴

Contract data for the study organizations for 2007-2008 were analyzed to determine the reasons cited for engaging temporary help. Only 44.5% of the contracts provided information on rationales. Of those that did, the most common reason cited was increased workload (50.8%). Coverage during staffing processes accounted for 21.1% of the contract rationales and employee leave, 9.8%. Although staff shortage is not included in the TB *Contracting Policy* as a distinct rationale, 10.5% of the contracts reviewed made reference to staff shortages. Findings are summarized in **Table 3**.

Table 3: Contracts for temporary help services – Rationales

Reasons for contracting temporary help as cited in contracts containing rationales	Percent Number of contracts = 1 878
Increased workload	50.8%
Coverage during staffing action	21.1%
Staff shortage	10.5%
Employee leave	9.8%
Other	7.8%
Total	100.0%

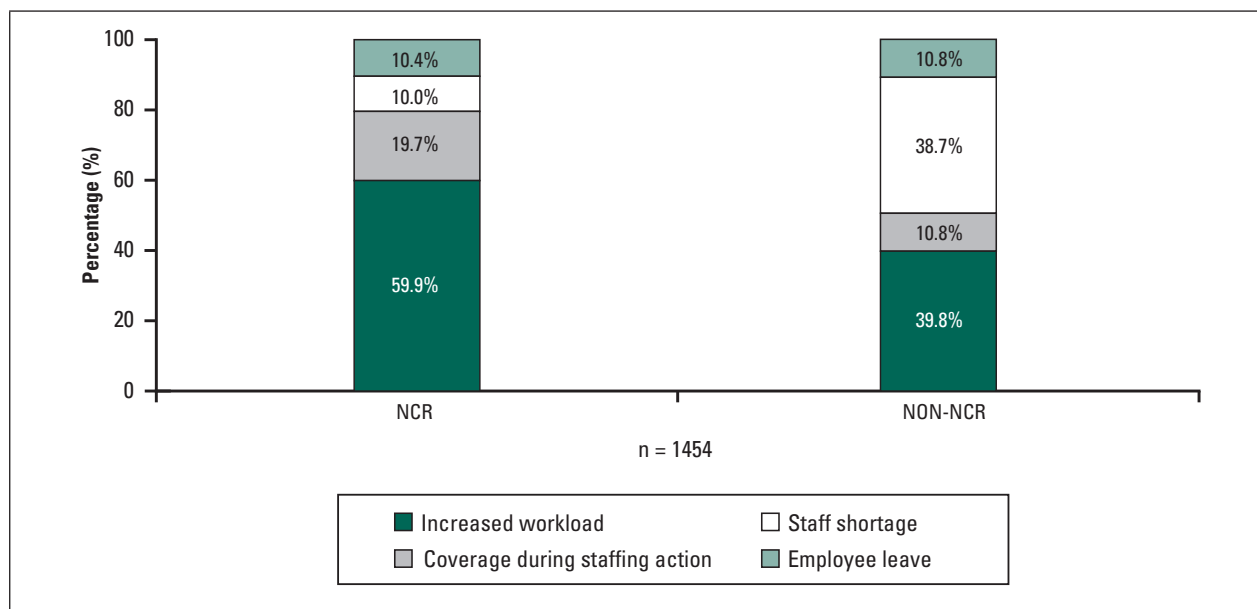
Source: Temporary help service contracts, 2007-2008

Note: Only 44.5% of contracts reviewed for the study contained contracting rationales.

The study also looked at contract rationales in relation to region (NCR vs. non-NCR), the worker's job category as defined by PWGSC and the monetary value of the contract. **Figure 9** shows that, although increased workload was the most common reason for engaging temporary help in the NCR (59.9%), the regions were split evenly between increased workload (39.8%) and staff shortage (38.7%).

³⁴ TB (2008) op cit.

**Figure 9: Contracts for temporary help services –
Rationale and region of contract**



Source: Temporary help service contracts, 2007-2008

Analyses of contract rationales in relation to job categories and contract value are shown in **Appendix 5**. These analyses indicated that:

- Although workload increase was the most common reason for engaging temporary help services across all job categories, coverage during staffing actions was more commonly cited in contracts for professional services than in contracts for other job categories (31.2% of contracts for professionals cited a staffing action as justification, compared with 24.3% of contracts for administrative workers and 12.9% of contracts for operational and technical workers (**Appendix Figure 17**); and
- As expected, coverage during employee leave was a more common rationale in smaller contracts (17.5% of contracts under \$20K cited employee leave as justification, compared with 4.2% for contracts of \$60K or more). Workload increase was more commonly given as justification for larger contracts (62% of contracts valued at \$60K or more were for workload increases, compared with 51.5% for contracts under \$20K; **Appendix Figure 18**).

Interviewees cited operational demands, employee leaves and lengthy staffing processes as drivers of use

To better understand systemic factors underlying the use of temporary help services, interviewees were asked what kinds of circumstances gave rise to the use of temporary help in their organizations. Responses mirrored the three TB contracting rationales. The drivers cited included cyclical or unexpected spikes in operational demands and the need to fill positions on a temporary basis to accommodate leaves or to backfill during lengthy staffing processes.

Quick and flexible contracting considered a benefit while loss of skills and experience considered a disadvantage

Interviewees said that the major advantage of temporary help services over other forms of non-permanent resourcing was speed and flexibility. Interviewees noted that, in times of pressure, temporary help service workers could be engaged quickly and efficiently and without the commitment to keep them on permanently. A further advantage was ready access to workers who already possessed the skill sets needed to do the job.

Disadvantages included the loss of skills and knowledge when temporary workers finished their contracts, and difficulty in finding temporary workers with skills and experience in specific areas. Some interviewees believed that the limits to contract duration meant that they were unable to keep a worker long enough to meet their needs. Some noted that, given the time limits, the cost of temporary help was considerable, in terms of both the financial investment and the time and energy required for training and orientation.

There is a lack of guidance on and monitoring of uses of temporary help services consistent with *Public Service Employment Act* values

Our review of government-wide policy suggests that there is a gap in the direction provided to managers on the use of temporary help services as it relates to the PSEA. In terms of contracting, the *TB Contracting Policy* cautions against any practices, such as excessive or improper contracting, that might circumvent the merit principle or bilingualism. However, it does not provide specific guidance on what might constitute circumvention of the merit principle.

PWGSC's contracting documentation³⁵ provides guidance to users by identifying unacceptable practices and by indicating in its Frequently Asked Questions that "Temporary help services are not intended to be a permanent staffing tool." The 'THS on-line' system advises users that the system must not be used for the purposes of filling casual, term or permanent staffing arrangements. However, the guidance does not mention the point at which acceptable contracting practices circumvent the PSEA (see **Appendix 4**).

In terms of staffing, the PSEA requires that all appointments be made in accordance with the Act. The PSEA anticipates managers' needs to address immediate resource requirements through the provision of casual employment that is excluded from merit provisions. The Act places strict limits on casual employment in terms of duration of use. The Act, however, does not cover the use of temporary help services.

³⁵ PWGSC (2010), Temporary Help Service Standing Offer/Supply Arrangements Frequently Asked Questions. www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/fournisseurs-suppliers/faq-eng.html

At the organizational level, the study found that most organizations had documentation in place that reiterated PWGSC prohibited practices, such as cautioning users against the initiation of staffing arrangements with temporary help service workers. However, a few went further by having policies or guidelines in place to help managers identify practices that negatively impact staffing values.

Human resource (HR) specialists interviewed for the study noted that, when managers approached them for advice, they proposed staffing options under the PSEA, where appropriate, including term or casual positions, or various internal responses, such as assignments or secondments. Contracting specialists interviewed for the study indicated that they too provided guidance on the use of temporary help services, and occasionally suggested staffing a position as an alternative option. However, they noted that, consistent with their role, they proposed these alternatives when they perceived a conflict with contracting guidelines and not with staffing values per se. It should be noted that managers are expected to consult only HR experts for an appointment process and only contracting specialists for engaging temporary help services.

Combined, our findings indicate that, although managers may be provided with policy guidance or advice during the contracting process, there is a lack of formal guidance about how to use temporary help services specifically so as not to have an impact on staffing values.

Little monitoring in place to ensure that use of temporary help services respects the objectives of the Public Service Employment Act

Our document review and discussions with senior officials show that, for the organizations studied, there were few formal mechanisms at the HR or contracting level to monitor practices that affect the PSEA. Furthermore, the study found little evidence to suggest that there is integration between the contracting and HR functions at the organizational level that would allow for the monitoring of improper practices, such as the continuous use of the same temporary help service worker through a combination of contract opportunities and other types of non-permanent arrangements.

In the absence of formal mechanisms at the HR and contracting levels to monitor practices that might impact the PSEA, it is difficult to ensure respect for the PSEA. Ultimately, only the manager and the temporary help service worker know whether questionable practices, such as the continuous use of an individual worker, exist.

Conclusion

Whereas there is a role for temporary help services in addressing short-term needs, this study of 11 *Public Service Employment Act* (PSEA) organizations found temporary help services that were improperly used to address long-term resourcing needs. The Public Service Commission (PSC) believes that long-term resourcing needs should be addressed through staffing mechanisms pursuant to the PSEA. In our opinion, these results reveal an additional workforce within the public service — one that is not subject to the PSEA, and that is used for long-term and continuous work.

This study found two practices that suggested a long-term use of temporary help services. The first was the extended use of full-time temporary help service contracts. The second was the use of individual temporary help service workers in a continuous working relationship with an organization, either by offering these workers a series of temporary help service contracts or by using combinations of contracts and non-permanent appointments that fall under the PSEA, such as a term, casual or student appointment.

The study also found that, in practice, temporary help services provide a source of recruitment into the public service. This use places the PSEA value of access at risk and limits the use of the national area of selection to promote Canada's geographical diversity within the public service. This situation is exacerbated, given that 85.2% of contracts reviewed for this study were undertaken in the National Capital Region.

Although expenditures for temporary help services are smaller relative to those for professional and special services, they have nearly tripled over the last 10 years and have increased at a much faster rate. Over this period, expenditures for temporary help services grew at a much faster rate than costs for other resourcing options available to managers to complete their work. This upward trend in expenditures for temporary help services reinforces the PSC's concerns regarding the risks to the integrity of the public service staffing system.

Temporary help is engaged through a contracting mechanism, not an appointment process, and is only one of the resourcing options available to managers to meet short-term operational requirements. The decision on when to engage temporary help is left in the hands of individual managers. However, managers are provided little guidance to determine when the extended use of temporary help services, or the continuous use of an individual temporary help service worker through a combination of contracts and PSEA non-permanent hiring mechanisms, results in the circumvention of the PSEA and its values.

In terms of follow-up, the PSC is committed to consulting with stakeholders to identify solutions to address the issues raised in this study, including facilitating better guidance and advice to managers. The PSC will also look at proposing possible amendments to the PSEA. The time required to staff a position under the PSEA is also being addressed by providing support to organizations and encouraging them to establish their own benchmarks. In addition, the PSC is committed to working with others to provide guidance to deputy heads on the use of temporary help services within their human resources planning, and on how temporary help services can

be used appropriately in relation to other non-permanent hiring mechanisms under the PSEA. As part of this consultation with stakeholders, the PSC will examine ways to monitor the use of temporary help services within the context of the PSEA.

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Appendices

Appendix 1 – Methodology

The study sample was limited to 11 organizations. In order to report on all four objectives, study organizations had to have the capacity to generate both contracting and financial data on temporary help service contracts. To facilitate this, only organizations using SAP, a software application that has the capacity to connect both contractual and financial activities, were identified for sampling.

The sampling procedure chosen was purposive. Organizations were selected based on two selection criteria: highest expenditures for temporary help services and intensity of use (temporary help service expenditures relative to the number of employees). This sampling methodology allowed the study team to understand the use of temporary help services in a variety of settings. The final 11 organizations selected for study are provided in **Table 4**. Combined, these organizations accounted for over 50% of total public service expenditures on temporary help services in 2007-2008. Note that some of the biggest users were also the most “intense” (e.g. Health Canada).

Lines of evidence

Data for the study were obtained from multiple sources:

- Temporary help service expenditure information collected from the Public Accounts of Canada for public service organizations;
- Temporary help service financial and contracting information collected from the 11 study organizations;
- Interviews with hiring managers, human resource professionals and contracting specialists within the study organizations; and
- Review of government-wide and organization-level documents related to temporary help service policy, practices and guidelines.

Temporary help services expenditure data from the Public Accounts of Canada

The study team collected and analyzed 10 years of temporary help service expenditure data (fiscal years 1999-2000 to 2008-2009) obtained from the Receiver General from data prepared for the Public Accounts of Canada. Analysis was restricted to federal organizations subject to the *Public Service Employment Act* (PSEA).

Table 4: Organizations selected for study based on 2007-2008 expenditures for temporary help services¹

Organizations	Size (Number of employees)	Expenditures (\$)	Expenditures per employee (\$)	% of Total Expenditures for temporary help services
National Defence	25 067	37,708,494.00	1,504.31	12.8%
Health Canada	9 750	36,751,312.00	3,769.37	12.5%
Public Works and Government Services Canada	12 858	23,226,788.00	1,806.41	7.9%
Foreign Affairs and International Trade Canada	7 358	18,483,438.00	2,512.02	6.3%
Industry Canada	5 460	8,521,546.00	1,560.72	2.9%
Canada School of Public Service	838	6,585,173.00	7,858.20	2.2%
Treasury Board of Canada Secretariat	1 099	6,333,380.00	5,762.86	2.2%
Canadian Heritage	2 272	4,946,288.00	2,177.06	1.7%
Public Safety Canada	938	3,730,480.00	3,977.06	1.3%
Finance Canada	1 091	1,960,165.00	1,796.67	0.7%
Privy Council Office	797	1,403,896.00	1,761.48	0.5%
Total sample		149,650,960.00		50.9%

Source: Public Accounts, 2007-2008 and Job-Based Analytical Information System

¹ Organizations in Table 4 are listed in order of their intensity of use of temporary help services (temporary help service expenditures relative to the number of employees).

Temporary help services contract and financial data collected from study organizations

Organizations selected for study were asked to provide information on all contracts active at some point during the 2007-2008 fiscal year. This reference period captured all contracts having start dates in 2007-2008, those having end dates in 2007-2008 and those that were active throughout the year. The 2007-2008 reference year was chosen to enable the study team to observe, over time, whether workers holding these contracts subsequently entered into employment under the PSEA.

Information collected from organizations included the names of temporary help workers, start and end dates of the contracts, hours worked and other administrative variables directly related to the procurement of temporary help.

In addition, financial reporting data containing the organizational entries to the general ledger for all transactions reporting to economic entity 0813 (Temporary Help Services) from April 1, 2006, to March 31, 2009, were collected and analyzed for purposes of data reconciliation.

Interviews

Sixty-six interviews were conducted across the eleven study organizations. The sample of interviewees was selected to include individuals with involvement in the contracting of temporary help service workers. Within each organization, interviews were conducted with the following:

- Four hiring managers who had used temporary help services within the past year;
- One human resources (HR) staffing specialist; and
- One contracting specialist responsible for temporary help service contracts.

Document review

Analysis of contract and interview data was complemented by a review of government-wide and organization-level documents related to temporary help service policy, practices and guidelines. Documents available for review were obtained directly from the organizations or from publicly available sources. Although each organization was requested to provide common documents such as HR plans and contracting manuals, not all provided information or had such documents available.

Other

In addition to the formal lines of evidence described above, study findings were complemented by a review of the broader literature on temporary help services, discussions with senior officials (Directors General of Human Resources, Contracting and Finance) in the study organizations and analysis of temporary help service data collected by Public Works and Government Services Canada. As well, data from the Public Service Commission's Job-Based Analytical Information System were analyzed in order to draw comparisons to the costs of public service employees and to help in determining subsequent employment of temporary help workers under the PSEA.

Data analysis

Analysis of contractual data from the 11 study organizations is based on 4 217 contracts from the 2007-2008 fiscal year. As shown in **Table 5** below, depending on the specific analysis undertaken and the quality of data available for the analysis, fewer contracts were analyzed. Findings, therefore, represent contracts analyzed and do not necessarily represent all organizations engaged for study. Furthermore, as the study is based on a purposive sampling strategy, findings cannot be generalized to the public service as a whole.

Table 5: Description of sample data by study organization

Organization	Contracts received	Contracts used for analysis ¹	Duration	Amend-ments	Worker names	Region	Reason for use	Hours	Classi-fication of worker
Public Works and Government Services Canada	1 272	1 264	100.0%	100.0%	94.3%	100.0%	90.7%	100.0%	100.0%
National Defence	712	605	99.0%	53.0%	0.0%	100.0%	59.4%	99.3%	97.7%
Treasury Board of Canada Secretariat	594	287	100.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Health Canada	431	370	100.0%	100.0%	50.9%	100.0%	0.0%	57.6%	0.0%
Foreign Affairs and International Trade Canada	421	400	100.0%	100.0%	91.6%	0.0%	0.0%	40.5%	0.0%
Canadian Heritage	351	345	100.0%	100.0%	99.1%	100.0%	0.0%	100.0%	100.0%
Canada School of Public Service	309	301	100.0%	100.0%	26.2%	100.0%	0.0%	29.6%	49.5%
Industry Canada	252	106	100.0%	100.0%	94.3%	100.0%	45.3%	100.0%	100.0%
Finance Canada	243	236	100.0%	100.0%	100.0%	0.0%	97.9%	100.0%	100.0%
Public Safety Canada	193	189	98.4%	100.0%	100.0%	100.0%	22.8%	98.9%	38.1%
Privy Council Office	118	114	100.0%	100.0%	99.1%	0.0%	43.0%	99.1%	99.1%
Totals	4 896	4 217	99.7%	93.3%	81.3%	75.4%	44.5%	78.6%	68.2%

Source: Temporary help service contracts, 2007-2008

¹ Not all contracts received could be used for analysis due to missing or incomplete data. Percentages given in the table indicate the percentage of data received for each organization that was useable for analysis.

Data challenges

The following limitations were addressed using standard study protocols.

- **Unavailable items and information:** In certain cases, items identified for study purposes were not available or not kept as part of the electronic contract file. Using statistical procedures, data were imputed where possible.
- **Inability to link information:** Depending on the record-keeping system, contracting and financial information could not be linked for some organizations. In such cases, estimation procedures were used based on auxiliary information where possible.
- **Reliance on manual entry:** The focus of the study team was on organizational contract information from the 2007-2008 fiscal year. At that time, however, some organizations did not store such information electronically. To address this issue, the study team made every effort to collect paper copies and enter the information manually, using appropriate data quality checks.

We offset these limitations by using multiple sources of data, multiple methods of data collection and the use of triangulation methods to corroborate findings. Also, where data quality issues were evident, contract information was removed from the analysis.

Appendix 2 – Process to obtain temporary help services in the National Capital Region

The following outlines the process for contracting a temporary help service worker in public service organizations.³⁶

1. After receiving the request from the hiring manager, the contracting specialist confirms the need for a temporary help service resource and verifies with the manager that the resource is in response to one of three conditions expressed in the *Contracting Policy* (i.e. increase in workload, temporary absences or vacancies during a staffing action). If none of these conditions apply, the hiring manager may have to consider other options for addressing their needs.
2. Depending on the requirements, the contracting specialist then decides on the best option for contracting. For example, if more expertise is required, the specialist may use the supply arrangement, which allows them to assess companies with the skill set required and choose the best value, not the lowest price, as is required by the standing offer.
3. Once the decision has been made on the contracting vehicle, the specialist uses the temporary help service on-line tool to narrow down the selection of firms.³⁷ If a particular company is preferred, the supply arrangement allows for this flexibility. In this case, the contracting specialist requests the company name, and the on-line system generates two other names from which bids are obtained. More company names can be generated if deemed necessary.
4. Based on the search criteria entered and the firm names generated, a request for availability (standing offer) or service (supply arrangement) is issued to the temporary help service.³⁸ In order to meet the hiring manager's needs, both the contracting specialist and the hiring manager assess the résumés on the evaluation criteria.
5. Once a company and resource have been chosen based either on lowest price (standing offer or supply arrangement) or best value (supply arrangement), the contracting specialist issues a call-up for services.
6. If the hiring manager is not satisfied with the performance of a temporary help service resource, they can end the contract immediately and request that the firm provide another resource or request a new firm and resource.³⁹ In these cases, the contracting specialist provides PWGSC with information on why the resource was unsatisfactory.

³⁶ See Public Works and Government Services Canada (PWGSC), www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/fournisseurs-suppliers/offcmm-stdoff-prta-eng.html#a7; www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/fournisseurs-suppliers/srvtmp-spparg-prta-eng.html.

³⁷ This tool has been available since May 2009 for contracting specialists within the National Capital Region who have received mandatory PWGSC training. It is not available for regional standing offers/supply arrangements.

³⁸ According to the PWGSC, a minimum of three companies must be selected for a supply arrangement.

³⁹ Recently, in Ontario, a new law requires that formal notice of one to two weeks be given to the temporary help service worker after they have worked a certain length of time.

Appendix 3 – Current regional temporary help service standing offer arrangements

Table 6 below outlines the major differences between arrangements for contracting temporary help services in the regions and the National Capital Region (NCR).

Table 6: Regional differences in temporary help service contracting vehicles

Region	Length (call-up period)	Value (call-up limitation)
National Capital Region	Maximum: 48 consecutive weeks (or \$400 000) Time period may be extended for an additional 24 consecutive weeks with the prior approval of Public Works and Government Services Canada.	
Ontario Region (excluding NCR)¹	Minimum: 4 consecutive hours Maximum: 20 consecutive weeks	Maximum: \$50 000 per contract (GST included)
Quebec Region²	Minimum: 4 consecutive hours	Maximum: \$100 000 (GST/HST included)
Western Region³	Minimum: 4 consecutive hours Maximum: 20 consecutive weeks Assignments greater than 20 weeks should have senior management approval.	Maximum: \$100 000 (GST/HST included)
Atlantic Region	Minimum: 4 consecutive hours	Nova Scotia, New Brunswick and Prince Edward Island Maximum: \$50 000 (GST/HST included) For Nova Scotia, greater than \$50,000 is subject to prior PWGSC approval Newfoundland and Labrador Maximum: \$40 000 (GST/HST included)
Pacific Region⁴	Minimum: 4 consecutive hours Maximum: 20 consecutive weeks (including amendments, at the same rate)	Maximum: \$100 000 (GST/HST included) without the prior written approval of the Authority ⁵

¹ Includes all areas outside NCR. [http://clientsontario.pwgsc-tpsgc.gc.ca/temphelp/procedures/clients_e.cfm?src=client; Search Rates \(Equivalent to temporary help service on-line system\): http://clientsontario.pwgsc-tpsgc.gc.ca/temphelp/rates/usermn_e.cfm](http://clientsontario.pwgsc-tpsgc.gc.ca/temphelp/procedures/clients_e.cfm?src=client;SearchRates(Equivalent%20to%20temporary%20help%20service%20on-line%20system):http://clientsontario.pwgsc-tpsgc.gc.ca/temphelp/rates/usermn_e.cfm)

² Quebec Region, other than NCR.

³ Includes the provinces of Manitoba, Saskatchewan and Alberta and the Northwest Territories.

⁴ British Columbia or the Yukon Territory.

⁵ PWGSC (2009). <http://publiservice.gc.ca/services/pacific/text/service/abpr/temp2009/temppart1.html#Call-ups>

Appendix 4 – Unacceptable practices in contracting temporary help services⁴⁰

As part of its Temporary Help Service On-Line System, Public Works and Government Services Canada (PWGSC) has outlined a series of standards and protocols for suppliers and buyers of temporary help services, which were reissued as the bulletin “Unacceptable Practices” in November 2009. Practices with relevance to the *Public Service Employment Act* include payrolling, name referral and staffing arrangement fees.

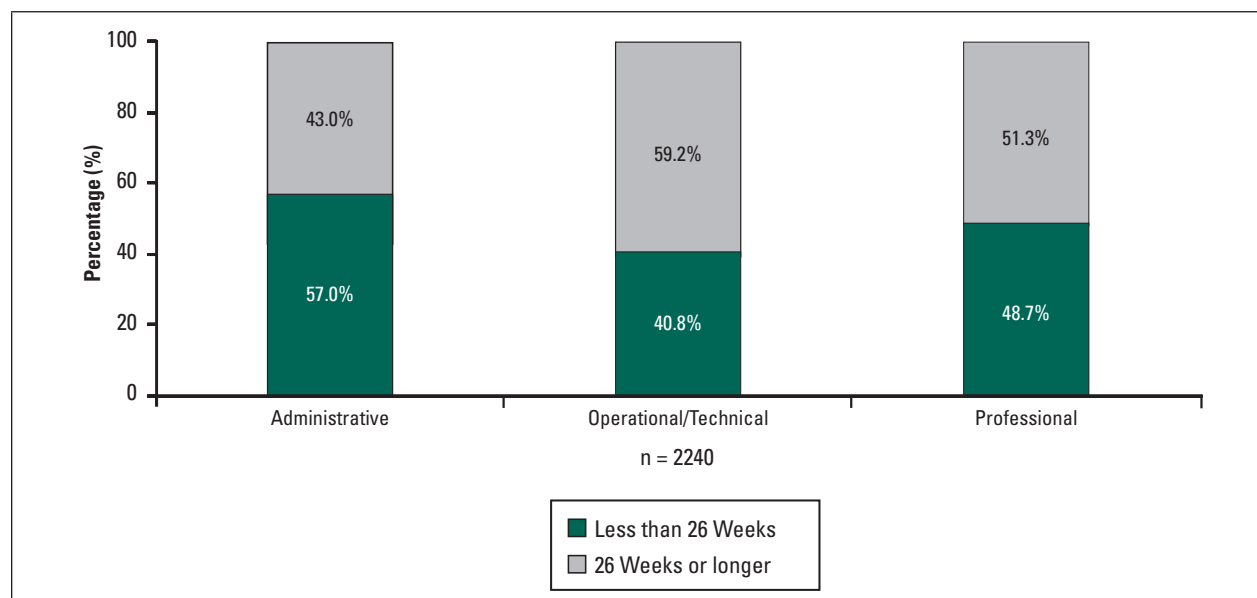
- **Payrolling:** This involves the practice of organizational officials asking temporary help service firms or agencies to hire specific individuals who, in turn, are contracted by the organization as temporary help service workers. According to PWGSC, the On-Line System must not be used by departments or agencies for the purposes of casual, term or indeterminate staffing arrangements, including amending a call-up/contract to accommodate any of these staffing practices.
- **Name referral:** This occurs when a manager requests the services of a specific worker. PWGSC’s concern is that firms be treated fairly. Given that the standing offer is structured to ensure that the firm with the lowest price is chosen, managers are allowed to choose a particular person within this firm, since no firm is unfairly treated. The supply arrangement, on the other hand, allows for contracting specialists to include their choice of firm among the other options provided by the Temporary Help Service On-Line System. In this case, name referral is forbidden since it is seen as preferring a specific firm.
- **Staffing arrangement fee:** If a hiring manager wants to engage a temporary help service worker as a casual, term or indeterminate employee through a non-advertised process and prior to the completion of 20 consecutive weeks of service, the organization must pay the agency a percentage of the annualized salary offered to the worker, depending on how quickly this staffing action takes place. In this situation, the less time one spends as a temporary help service worker under the contract, the greater the fee paid to the agency.⁴¹

⁴⁰ PWGSC (2009) op cit.

⁴¹ Percentages range from 2% to 20%.

Appendix 5 – Additional tables and figures

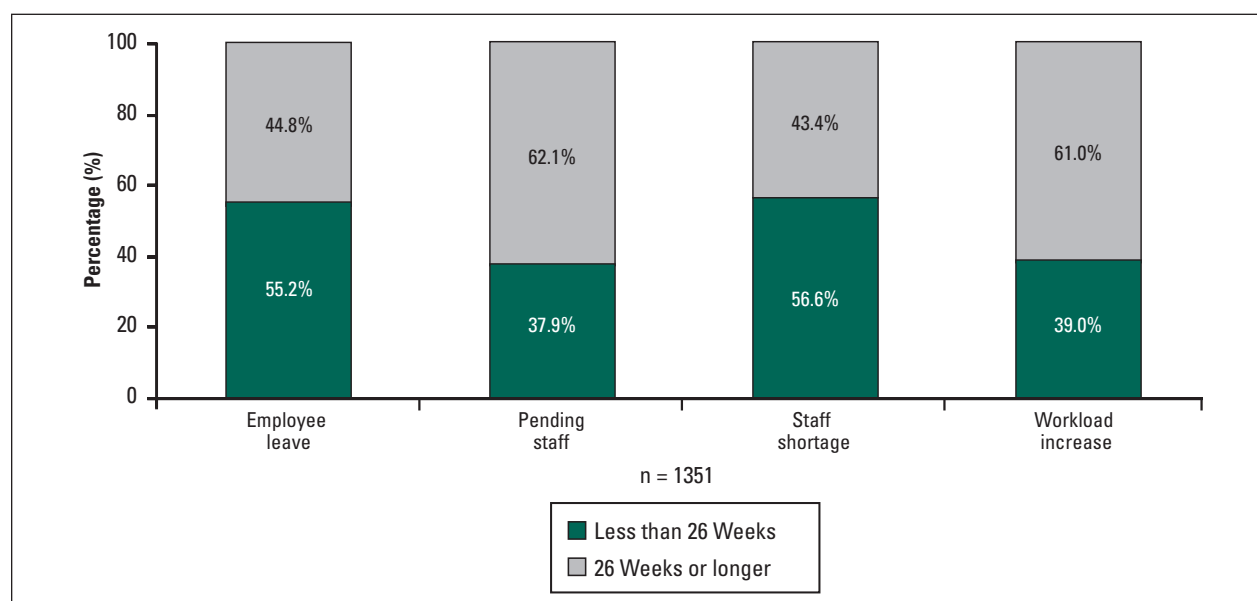
Figure 10: Contracts for temporary help services – Duration and occupational classification¹



Source: Temporary help service contracts, 2007-2008

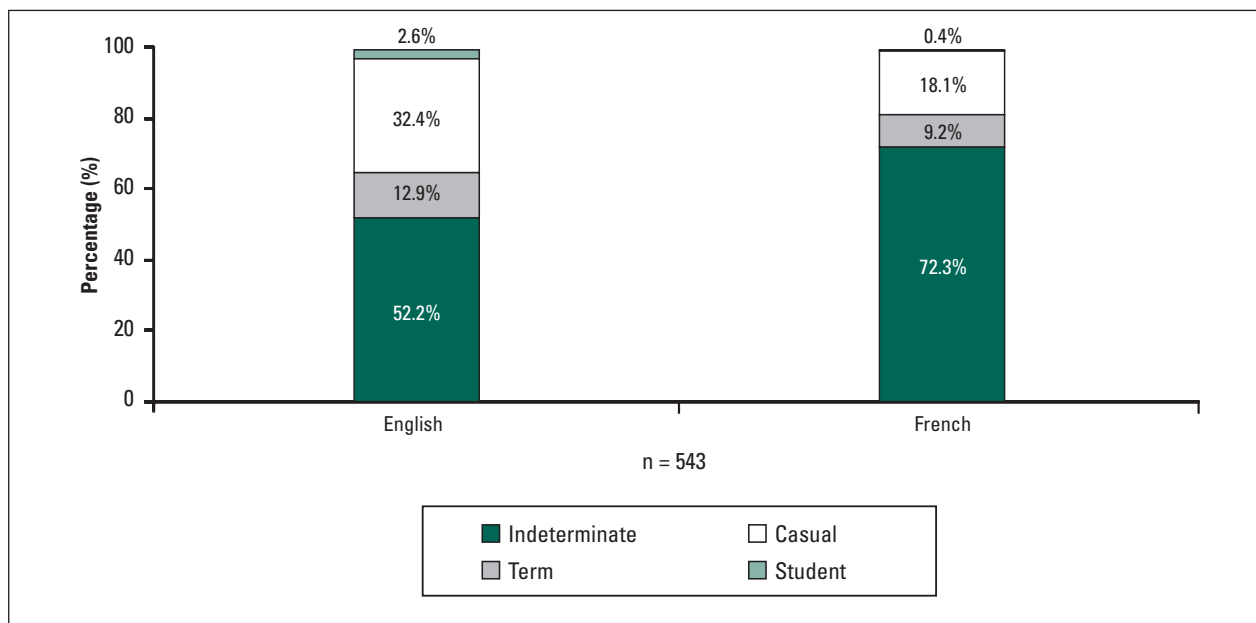
¹ Occupational classifications used for this analysis are as defined by Public Works and Government Services Canada (PWGSC). www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/classifications-eng.html

Figure 11: Contracts for temporary help services – Duration and rationale



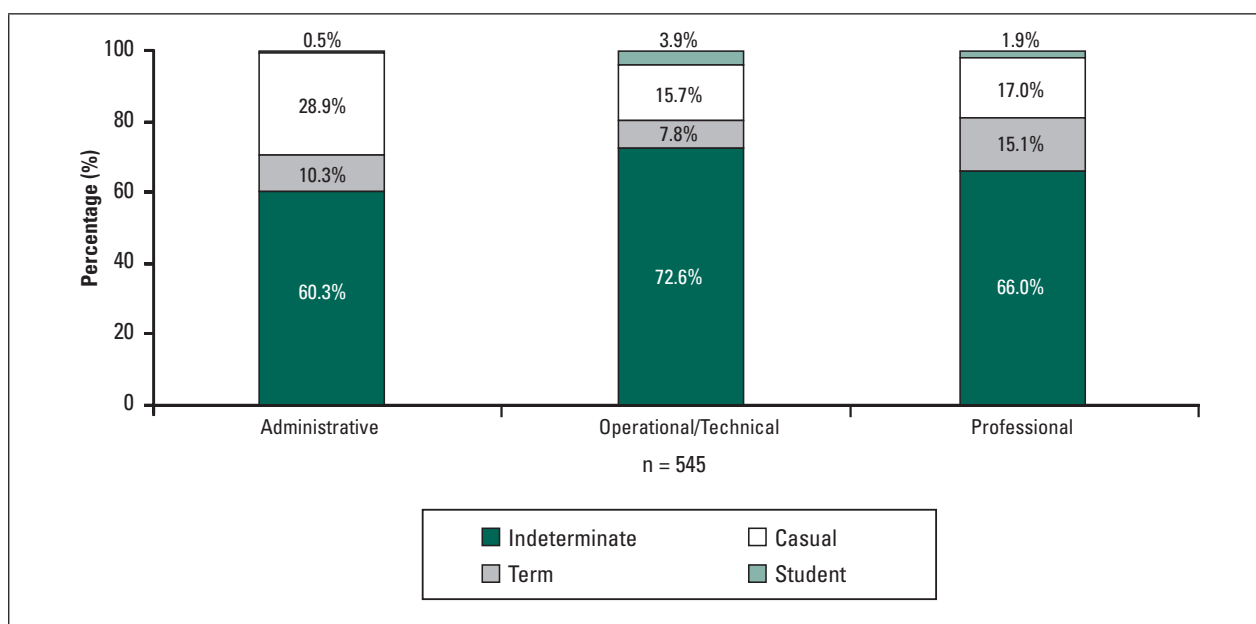
Source: Contracts for temporary help services, 2007-2008

Figure 12: Temporary help service workers recruited into employment under the *Public Service Employment Act* within 180 days of contract end date by tenure and first official language of appointee



Source: Contracts for temporary help services, 2007-2008 and Job-Based Analytical Information System

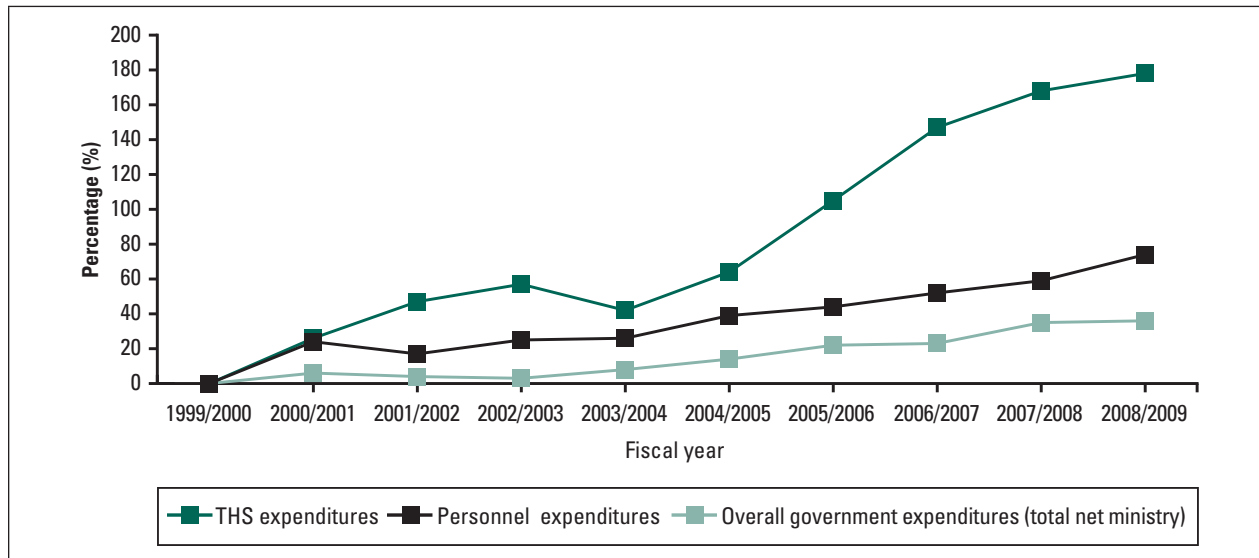
Figure 13: Temporary help service workers recruited into employment under the *Public Service Employment Act* within 180 days of contract end date by tenure and occupational classification¹



Source: Temporary help service contracts, 2007-2008 and Job-Based Analytical Information System

¹ Occupational classifications used for this analysis are as defined by PWGSC. www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/classifications-eng.html

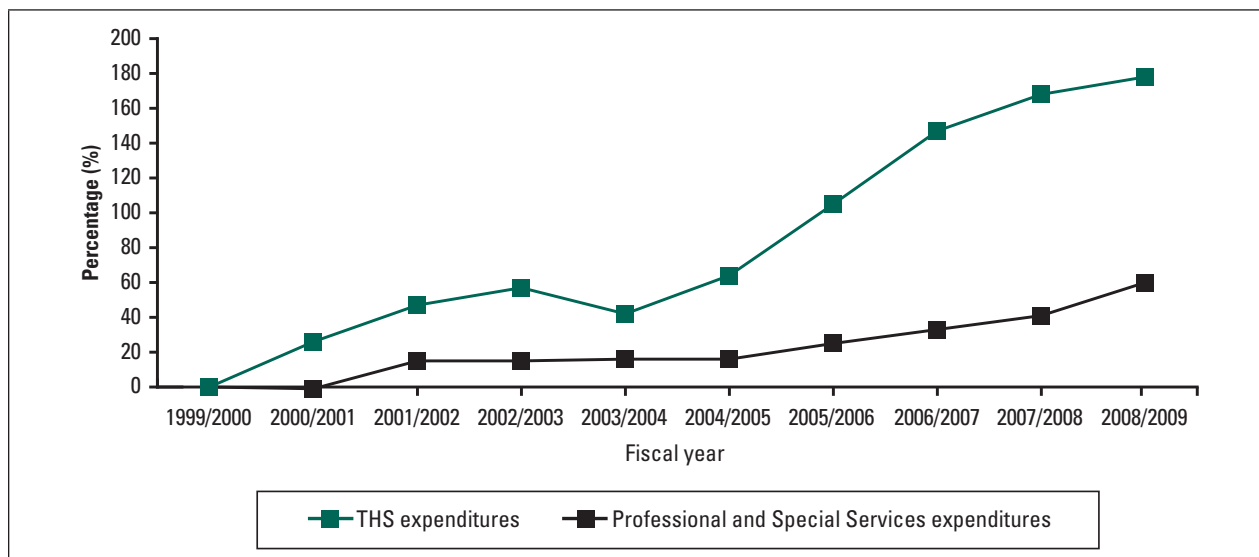
Figure 14: Percentage change in expenditures for temporary help services, overall government expenditures and personnel expenditures, 1999-2000 to 2008-2009 (in unadjusted dollars, reference year 1999-2000)



Source: Public Accounts, 1999-2000 to 2008-2009

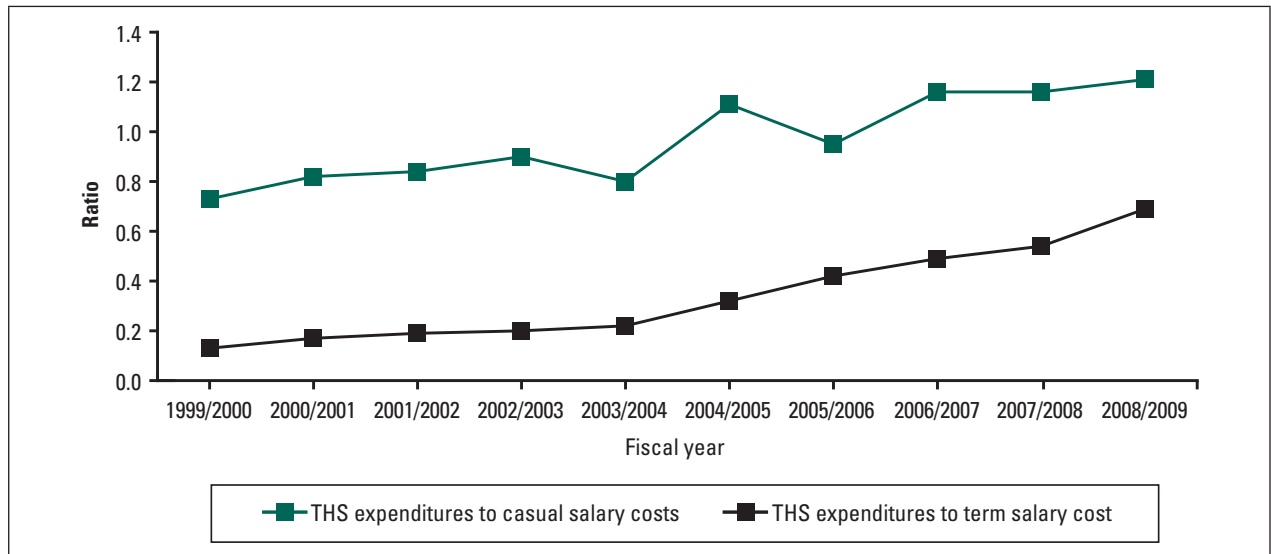
Note: TTHS indicates Temporary Help Services

Figure 15: Percentage change in expenditures for temporary help services and Professional and Special Services, 1999-2000 to 2008-2009 (in unadjusted dollars, reference year 1999-2000)



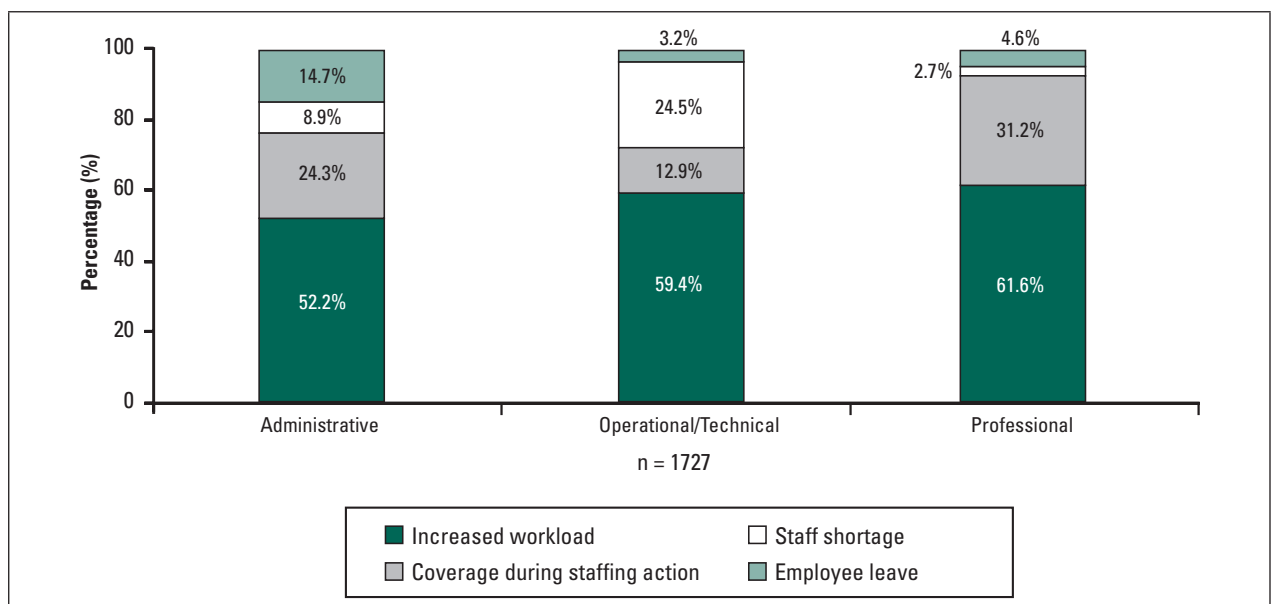
Source: Public Accounts, 1999-2000 to 2008-2009

Figure 16: Ratio of expenditures for temporary help services to expenditures for salaries, casual and term employees, 1999-2000 to 2008-2009 (in unadjusted dollars, reference year 1999-2000)



Source: Public Accounts, 1999-2000 to 2008-2009 and Job-Based Analytical Information System

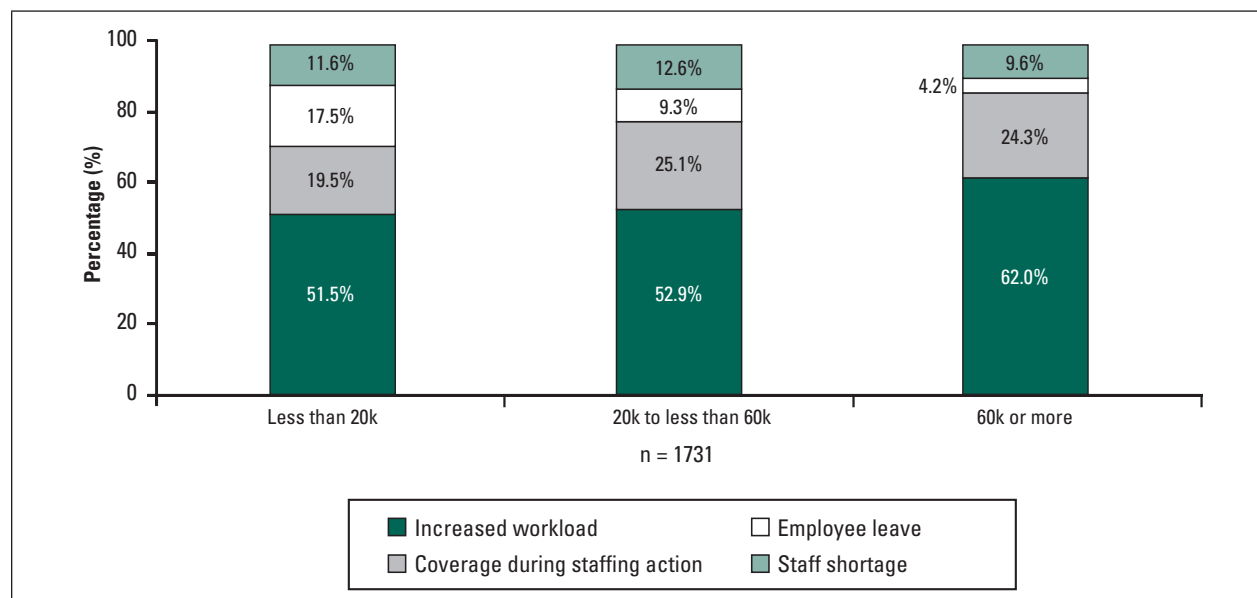
Figure 17: Contracts for temporary help services – Rationale and occupational classification¹



Source: Temporary help service contracts, 2007-2008

¹ Occupational classifications used for this analysis are as defined by PWGSC. www.tpsgc-pwgsc.gc.ca/app-acq/sat-ths/classifications-eng.html

**Figure 18: Contracts for temporary help services –
Rationale and contract value**



Source: Temporary help service contracts, 2007-2008

Appendix 6 – Glossary

Access (Accessibilité) – One of the guiding values of the *Public Service Employment Act*, it requires that persons from across the country have a reasonable opportunity to apply, and to do so in the official language(s) of their choice, and to be considered for public service employment.

Acting appointment (Nomination intérimaire) – Temporary appointment of an employee to another position whose substantive rate of pay constitutes a promotion, as defined by the Treasury Board.

Advertised appointment process (Processus de nomination annoncé) – An appointment process where persons in the area of selection are informed of and can apply to an appointment opportunity.

Appointment (Nomination) – An action taken to confer a position or set of duties on a person. Appointments to and within the public service made pursuant to the *Public Service Employment Act* are based on merit and non-partisanship.

Casual employment (Emploi occasionnel) – A short-term employment option to hire a person. Under the *Public Service Employment Act* (PSEA), a casual worker cannot work more than 90 working days in one calendar year in a given organization, with the exception of the Office of the Chief Electoral Officer, where, in certain circumstances, the maximum period is 165 working days in one calendar year. Other provisions of the PSEA, including the merit requirement and eligibility for internal appointment processes, do not apply to casual workers.

External appointment process (Processus de nomination externe) – A process for making one or more appointments in which persons may be considered, whether or not they are employed in the public service.

Fairness (Justice) – One of the guiding values of the *Public Service Employment Act*, it requires that decisions be made objectively and free from political influence, personal favouritism and bad faith; policies and practices reflect the just treatment of persons; and persons have the right to be assessed in the official language(s) of their choice in an appointment process.

Indeterminate (permanent) employment (Emploi pour une période indéterminée – emploi permanent) – Employment of no fixed duration, whether part-time, full-time or seasonal.

Merit (Mérite) – One of the core values of the *Public Service Employment Act*. An appointment is made on the basis of merit when a person to be appointed meets the essential qualifications for work to be performed, as established by the deputy head, including official language proficiency. The sub-delegated manager may also take into account any current or future asset qualifications, operational requirements and organizational needs.

Non-advertised appointment process (Processus de nomination non annoncé) – An appointment process that does not meet the criteria for an advertised appointment process.

Specified term (term) employment (Emploi pour une durée déterminée) – Employment of a fixed duration, whether full-time or part-time.

Standing offer (Offer à commandes) – An offer from potential suppliers who have met the technical criteria to provide services at pre-arranged prices, with standard terms and conditions, for specific periods of time.

Student (Étudiant) – For organizations where the Public Service Commission has the authority to make appointments, a person who is appointed under the *Student Employment Programs Participants Regulations* in a position as established under a student employment program by the Treasury Board.

Supply arrangement (Arrangement en matière d’approvisionnement) – Similar to a temporary help service standing offer, but may be subject to further negotiation. Supply arrangements allow organizations to solicit bids from a pool of potential pre-screened suppliers based on their specific scope of work. The supply arrangement also includes ceiling prices that allow customer organizations to negotiate the price downward based on the actual scope of work.