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Better government: with partners, for Canadians



2010–11 Human Resources Management

Annual Report
to Parliament



Canada

Annual Report to Parliament

2010–11

Human Resources Management

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Message from the President of the Treasury Board

I am pleased to present the sixth annual report to Parliament on people management in the public service of Canada. This report provides parliamentarians with a regular update on how government manages one of its most important resources, the individuals who serve Canadians as part of the public service of Canada.

The Government of Canada believes that continually striving to improve how it manages the public service translates into tangible benefits for Canadians, both in terms of better service and better value for taxpayer dollars. A number of initiatives have been introduced to leverage the capabilities of this vast and diverse workforce. The Public Service Management Dashboard, for example, enables organizations to share innovative best practices in people management. It includes data on more than 250 performance measures, such as financial commitment to formal training, which is an important indicator for ensuring that employees have the right skills set to do their job.

The Human Resources Services Modernization initiative will reduce bureaucratic red tape for managers and service providers by standardizing and consolidating processes and systems for the management of human resources. In this way, departments and agencies will be freed up to focus on what they should: getting the best results from the public service and improving the delivery of programs that Canadians care about.

But more can be done. Going forward, we are working to further bolster productivity with stronger performance management regimes and better training. We are also reviewing workforce wellness strategies.

Ongoing improvements like these will ensure that we continue to have a strong public service in place to provide Canadians with high-quality services while ensuring effective and efficient use of their tax dollars. I am proud of the achievements thus far and look forward to continued progress in people management in the federal public service.

Original signed by

The Honourable Tony Clement
President of the Treasury Board and Minister responsible for FedNor

Message From the Chief Human Resources Officer

An engaged and high-performing public service is pivotal to creating innovative solutions to economic challenges.

This sixth annual report to Parliament on human resources management provides an overview of the state of people management in the public service of Canada. It outlines the accomplishments in improving people management effectiveness and provides important insights into some of the challenges that are shaping the future direction of the public service.

This report has been prepared in accordance with the requirements of the *Financial Administration Act* and the *Public Service Employment Act*.

I look forward to advancing the people management excellence agenda, as well as to building a public service able to meet the needs of Canadians today and into the future.

Original signed by

Daphne Meredith
Chief Human Resources Officer

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Introduction

This report presents the state of people management in the core public administration¹ for fiscal year 2010–11, in accordance with the reporting provisions of sections 11 through 12.3 of the *Financial Administration Act*ⁱ and Section 28 of the *Public Service Employment Act*.ⁱⁱ

The report is divided into two sections. Section 1 introduces the people management drivers for a high-performing public service and presents the results of an assessment of excellence in people management derived from the Treasury Board of Canada Secretariat's (the Secretariat's) *Management Accountability Framework (MAF)*^{2,iii} evaluation process in 2010–11.³ Section 2 describes the people management infrastructure and associated tools that are in place to enable a high-performing public service.⁴

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1. The core public administration comprises 89 organizations for which the Treasury Board is the employer, as listed in Schedule I and Schedule IV of the *Financial Administration Act*.
 2. MAF is a key performance management tool that the federal government uses to support the management accountability of deputy heads and to improve management practices in federal organizations. Further information on *MAF* can be found on the Secretariat's website.
 3. A list of the 40 federal organizations assessed in the MAF 2010–11 evaluation is provided in the appendix.
 4. "Public service" refers to the core public administration plus organizations that are separate employers, such as the Canada Revenue Agency, Parks Canada and the Canadian Food Inspection Agency.

Section 1: People Management and the Culture of Excellence

Figure 1 presents the core elements of sound human resources management; demonstrates how these elements, supported by an enabling people management infrastructure, contribute to a high-performing and results-oriented public service; and sets out the expectations for people management in the public service. This people management excellence drivers model serves as the foundational framework for assessing people management excellence in the federal public service.

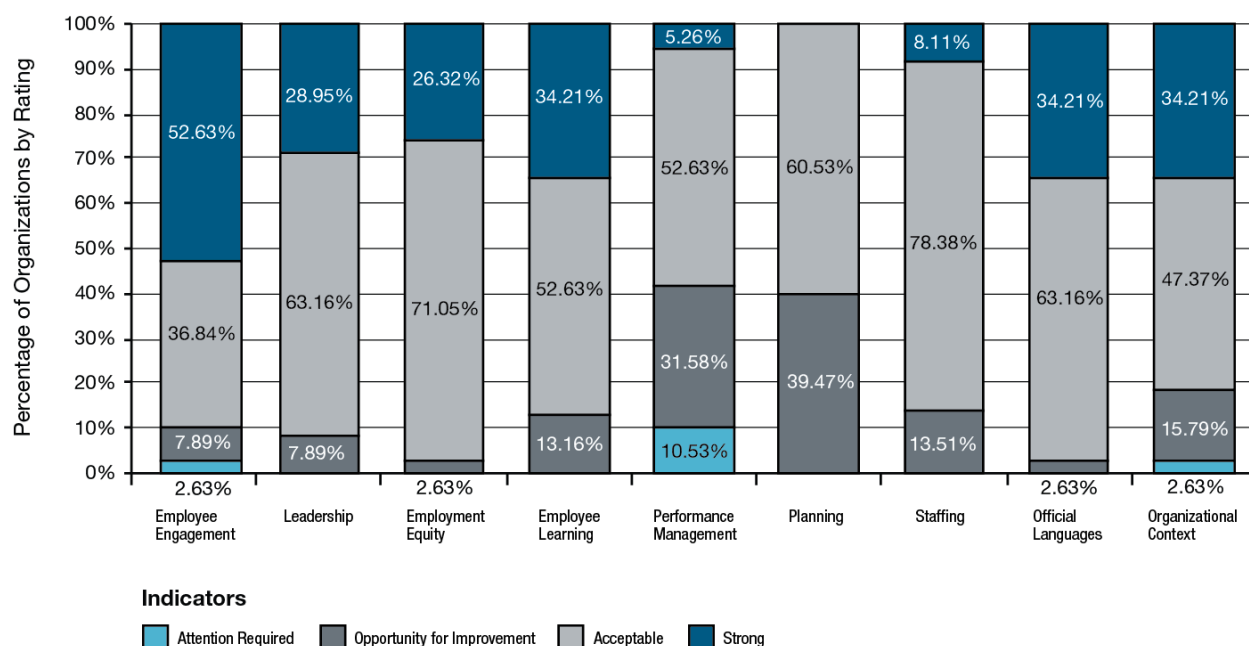
Figure 1. People Management Drivers for a High-Performing Public Service



Excellence in People Management

The MAF assessment of people management excellence is based on nine key performance indicators of people management results. These performance indicators are used to identify opportunities for improvement and to inform decision making by deputy heads in these fundamental areas of human resources management. Figure 2 shows the distribution of ratings using a rating scale of “strong,” “acceptable,” “opportunity for improvement” and “attention required.”

Figure 2. MAF 2010–11—Overall People Management Ratings by Key Performance Indicator



Employee Engagement

Employee engagement refers to the level of satisfaction and commitment that public service employees feel for their job and their organization. Measures of retention are used because research has shown that the more engaged employees are, the more likely they are to remain with their organization and to perform at higher levels. Overall, the public service has an engaged workforce; of the 40 organizations assessed, 36 obtained a rating of either strong (22 organizations) or acceptable (14 organizations). Of particular note was an increase in the number of years of service that employees in highly mobile occupational groups—for example, the Personnel Administration group and the Economics, Sociology and Statistics group—remain with their organization; these employees possess skills in high demand and are represented in most core public administration organizations. In addition, 31 organizations reported a low rate of employee departures (i.e., leaving the organization within 18 months of appointment for a transfer or for a promotion outside the organization or due to resignation). Overall, the MAF results confirm a significant level of employee engagement.

Leadership

Strong leadership inspires confidence, demonstrates skills in planning and direction setting, and adheres to public service values and ethics. To ensure that the public service benefits from, and contributes to, its executives' experience, two measures of executive leadership, namely, turnover rates and years of executive experience in the organization, were assessed. Overall, executives in the public service demonstrate commitment to and seek professional development opportunities in their organization. Of the 40 organizations assessed, 12 were rated as strong and 25 were rated as acceptable on the leadership indicator. Thirty-two organizations obtained a rating of strong or acceptable on the measure of executive churn (i.e., the percentage of executives remaining in their position longer than two years), thus providing a more stable leadership for the organization. The results also showed that executives are committed to their organization (i.e., they would prefer to remain with their organization, even if a comparable position were available elsewhere in the public service), with 38 organizations receiving a rating of strong or acceptable.

Diversity and Employment Equity

Two key areas of employment equity were assessed: the representation of the four designated groups (Aboriginal peoples, persons with disabilities, members of visible minorities and women) and the rates of promotion for members of these groups. Organizations demonstrated strength in both the representation and the promotion of women, but some opportunities for improvement were identified for the representation of the other three designated groups. In terms of promotions, 37 organizations reported that the overall promotion rate for members of the designated groups was equivalent to the promotion rate for non-designated employees. However, only 16 organizations reported that the promotion rate for persons with disabilities was equivalent to the promotion rate for non-designated employees, indicating an opportunity for improvement. These results suggest that a higher representation rate for designated groups does not necessarily translate into higher promotion rates for these groups.

Employee Learning

Many organizations invest in the development of their employees by committing financial resources for training as well as by providing learning opportunities through developmental programs. Of the 40 organizations assessed, 35 received a rating of either strong (13 organizations) or acceptable (22 organizations) for the employee learning indicator. More specifically, over half of the organizations received a rating of strong or acceptable on their investment in training (continuous employee learning). Organizations received a rating of strong or acceptable for reporting a significant proportion of employees on short-term (i.e., less than one year) acting assignments, which are considered as "on-the-job" learning opportunities. These results demonstrate that organizations in the core public administration invest appropriately in

employee learning, through both investments in training and the provision of experiential learning opportunities.

Performance and Talent Management

A robust performance management process is important for communicating organizational objectives to employees, setting clear work objectives and expectations, and identifying employee development opportunities. For the performance and talent management indicator, 2 organizations obtained a rating of strong and 21 obtained a rating of acceptable. For the percentage of employees participating in a formal performance management process, only 13 organizations obtained a rating of strong or acceptable. In regard to the performance management of executives, 24 organizations obtained a rating of strong or acceptable for the extent to which their executive performance management regime is aligned with the Treasury Board *Directive on the Performance Management Program for Executives*.^{iv} However, most organizations reported that they were not fully tracking participation in performance management processes. This is an area where an opportunity for improvement exists.

Workload and Workforce Planning Effectiveness

Effective human resources planning is crucial to people management excellence and enterprise-wide human resources modernization initiatives. It encompasses key aspects of workload and workforce management that are required to consistently deliver organizational mandates. Good planning will become even more pivotal in the context of fiscal restraint.

The MAF assessment identified the need for improvement in human resources planning. Only 23 organizations received a rating of acceptable for the workload and workforce planning effectiveness indicator, and none obtained a rating of strong. Potential solutions to address this issue include decreasing the number of overtime hours worked and decreasing the duration of long-term acting assignments. Succession planning effectiveness could also be improved, to reduce the risk of not having qualified human resources available and trained to deliver organizational mandates.

Staffing

The MAF assessment of this indicator is based on data provided by the Public Service Commission of Canada. Staffing processes that are values-based and supported by an appropriate infrastructure are necessary to ensure a sustainable and competent workforce. Overall, the public service obtained acceptable results (3 organizations were rated as strong, and 29 were rated as acceptable). No major issues were identified in this area; therefore, the public service could be considered as appropriately efficient at performing staffing activities.

Official Languages

The official languages assessment evaluates the extent to which organizations have established and maintained the linguistic duality of their workforces, as measured by senior management's ability to communicate in both official languages; whether meetings are conducted in a bilingual format; and whether employees meet the bilingual requirements of their positions. Most organizations assessed met the official languages requirements (13 received a rating of strong, and 24 received a rating of acceptable).

Section 2: Enabling People Management Infrastructure

In his most recent annual reports to the Prime Minister on the state of the public service, the Clerk of the Privy Council has highlighted the need for public service renewal. And in the [16th annual report](#)^{5,v} he identified some priorities for human resources planning, recruitment, employee development and an enabling infrastructure.

The Common Human Resources Business Process (CHRBP)⁶ directly addresses these priorities by focusing on defining a common way of delivering human resources services across the federal public service. The end vision of the CHRBP is the establishment of the foundation that will enable departments to manage their employees consistently and efficiently. A common foundation will spur departmental collaboration and the pooling of investments, to develop ways of meeting common needs. The horizontal effort to implement generic, system-wide human resources process standards requires sustained effort and attention from the Secretariat's Office of the Chief Human Resources Officer.

In June 2010, the Public Service Management Advisory Committee endorsed the CHRBP as the government-wide standard for people management. A commitment to full implementation by 2013–14 was also endorsed. As of March 31, 2011, 92 per cent of the core public administration organizations, in addition to a number of separate agencies, had formally committed to implement the CHRBP in their organization.

Human Resources Services Modernization

The Human Resources Services Modernization initiative represents a major step toward enhancing the efficiency of human resources service delivery in federal organizations. The modernization will reduce the administrative burden of human resources transactions on managers and service providers through the standardization and consolidation of processes and systems. It will enable organizations to focus more on strategic human resources management to better support the delivery of government programs and services.

5. *Sixteenth Annual Report of the Clerk of the Privy Council to the Prime Minister on the Public Service of Canada*, March 2009, pages 5–9.

6. *An Introduction to the CHRBP - Transforming Your Organization*, April 2009.

Disability Management Initiative

By the end of 2010–11, the Disability Management Initiative had completed the second year of its three-year mandate from the Treasury Board to design a more effective, fair and sustainable regime for the management of illness, injury and disability in the federal public service. First, practical tools and guidance were developed to assist organizations in the current environment, including:

- ▶ Data and information for deputy heads on occupational and non-occupational illness, injury and disability through the Public Service Management Dashboard;
- ▶ A Web-based handbook for managers on disability management best practices, and a manual for organizations on establishing disability management capacity; and
- ▶ A disability management training curriculum for disability management advisors.

A second set of initiatives focused on detailed design and costing of structural reforms needed for a new environment to more effectively support modern, proactive and integrated disability management.

Performance Management Program for Executives

Each year the Secretariat publishes the final results of the [Performance Management Program for executives on its website](#).^{vi} These reports provide aggregate data on program results and expenditures by fiscal year.

Public Service Management Dashboard

The [Public Service Management \(PSM\) Dashboard](#)^{vii} is an online suite of information and knowledge transfer tools released in spring 2010. The PSM Dashboard was developed to meet the performance monitoring and reporting needs of central agencies, as well as to inform decision making by deputy heads and departmental human resources officials.

The PSM Dashboard reduces the burden of departmental people management performance reporting by leveraging and sharing data from central systems among users. It is a robust people management tool that assists deputy heads with their people management accountability and decision making. It contains more than 250 performance measures accessible to over 1,700 users across the public service. The PSM Dashboard will eventually incorporate additional performance measures, toolkits, hyperlinks and functionalities to enable a high-performing public service.

Conclusion

Excellence in people management is critical to the development of a high-performing public service delivering value-for-money results for Canadians. The MAF assessment of people management in the federal public service showed good levels of performance for most of the performance indicators studied. Nevertheless, some opportunities for strategic streamlining, simplification and transformation of people management practices and processes were identified.

In a context of fiscal restraint, the efficiencies gained from both the CHRBP and other supporting human resources infrastructure and tools are a catalyst for horizontal transformation. In its enabling role, the Office of the Chief Human Resources Officer facilitates synergies and promotes collaboration and economies of scale throughout the public service.

Appendix: Organizations Assessed in the MAF 2010–11 Evaluation

1. Atlantic Canada Opportunities Agency
2. Agriculture and Agri-Food Canada
3. Public Health Agency of Canada
4. Library and Archives Canada
5. Canada Border Services Agency
6. Courts Administration Service
7. Canada School of Public Service
8. Canadian Grain Commission
9. Canadian Space Agency
10. Human Resources and Skills Development Canada
11. Fisheries and Oceans Canada
12. National Defence
13. Environment Canada
14. Industry Canada
15. Veterans Affairs Canada
16. Foreign Affairs and International Trade Canada
17. Department of Finance Canada
18. Economic Development Agency of Canada for the Regions of Quebec
19. Aboriginal Affairs and Northern Development Canada
20. Canadian Food Inspection Agency
21. Canadian International Development Agency
22. Citizenship and Immigration Canada
23. Infrastructure Canada
24. Department of Justice Canada
25. Transport Canada
26. National Research Council Canada
27. Canadian Heritage

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28. Privy Council Office
 29. Correctional Service Canada
 30. Public Prosecution Service of Canada
 31. Public Service Commission of Canada
 32. Public Safety Canada
 33. Royal Canadian Mounted Police (Civilian Staff)
 34. Natural Resources Canada
 35. Health Canada
 36. Statistics Canada
 37. Registrar of the Supreme Court of Canada
 38. Public Works and Government Services Canada
 39. Treasury Board of Canada Secretariat
 40. Western Economic Diversification Canada

Endnotes

- i. *Financial Administration Act*, <http://laws-lois.justice.gc.ca/eng/acts/F-11/index.html>
- ii. *Public Service Employment Act*, <http://laws-lois.justice.gc.ca/eng/acts/P-33.01/index.html>
- iii. Management Accountability Framework, <http://www.tbs-sct.gc.ca/maf-crg/index-eng.asp>
- iv. *Directive on the Performance Management Program for Executives*,
<http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14226>
- v. *Sixteenth Annual Report of the Clerk of the Privy Council to the Prime Minister on the Public Service of Canada*, <http://www.clerk.gc.ca/eng/feature.asp?featureId=19&pageId=221>
- vi. Performance Management Program for Executives, <http://www.tbs-sct.gc.ca/prg/mran-eng.asp>
- vii. Public Service Management Dashboard,
<http://publiservice.ochro-bdprh.tbs-sct.gc.ca/pmi-igp/default.aspx>