Canada

ANNUAL REPORT TO PARLIAMENT

2006–2007

"*People Management in Transition*"

Canada

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A Message from the President of the Treasury Board

As the Minister responsible for the Canada Public Service Agency, I am pleased to present the second annual report to Parliament on human resources management in the Public Service of Canada.

The *Public Service Modernization Act*, which came into force in 2005, signaled a new direction for people management. This report highlights our progress in the 2006–2007 fiscal year toward implementing this Act and modernizing the way public servants are hired, managed, supported and led.

The Public Service of Canada is a vital national institution that is crucial to the nation's success in an increasingly complex world. This Government is committed to renewing the Public Service so that it can continue to provide sound policy advice and high-quality services to Canadians.

This report provides a good overview of the Government's ongoing efforts to sustain a world-class Public Service that is dynamic, fresh and respected.

The Honourable Vic Toews, P.C., Q.C., M.P.
President of the Treasury Board

2009

A Message from the President of the Canada Public Service Agency

Our second annual report to Parliament on human resources management in the Public Service of Canada provides an overview of a system in transition. It outlines our progress in improving the management of people and provides important insights into some of the issues and challenges that are shaping the future direction of the Public Service.

We have made progress in a number of areas through collaboration and commitment to Public Service renewal and excellence. Our successes include facilitating the hiring of the right people when and where they are needed, fostering more collaborative labour–management relations, improving access to learning and training for employees at all levels, and clarifying roles and accountabilities for people management.

This report has been prepared in accordance with the requirements of the *Financial Administration Act* and the *Public Service Employment Act*, both of which are key legislative elements of the *Public Service Modernization Act* that came into force in December 2005.

I am proud of our achievements in building a modern people management system that can meet the needs of the Public Service well into the future.

Nicole Jauvin, President
Canada Public Service Agency

People Management in Transition

To sum up, the Public Service is today in a situation where it is compelled by demographics, by national and international circumstances, and by its own immediate history to rethink how it recruits, develops, manages and retains its workforce. Addressing these challenges will be a continuing task into the future.

Executive Summary

This second annual report to Parliament, *People Management in Transition,* charts the progress made in modernizing and renewing people management in the Public Service of Canada in fiscal year 2006–2007.

It responds specifically to the reporting requirements in sections 12.4 of the *Financial Administration Act* (FAA), and section 28 of the *Public Service Employment Act* (PSEA).

People management strategies and plans in fiscal year 2005–2006 focused on the fundamental changes and activities required to enable the coming into force of the *Public Service Modernization Act* (PSMA). In fiscal year 2006–2007, priorities evolved toward consolidating PSMA outcomes across the Public Service and supporting Public Service renewal, announced by the Clerk of the Privy Council in November 2006.

The report provides an overview of the elements that comprise the people management landscape in the Public Service; the many forces currently driving transition and change; and the key strategic and operational activities undertaken in fiscal year 2006–2007 to advance the agenda for modernization and renewal. The report concludes with an overview of issues and challenges that will shape the direction of people management in fiscal year 2007–2008 and beyond.

The People Management Landscape

The people management landscape includes three major structures that together support effective people management and define people management issues in the core public administration (CPA). These are the approximately 200,000 Public Service employees that work in the 89 departments and agencies for whom Treasury Board is the employer; the people management system with which they interact on an ongoing basis; and the departments and agencies that share responsibility for managing all aspects of human resources in the core public administration.

Setting the Stage for Modernization and Renewal

There are many forces driving transition and change in people management across the Public Service. Canada's aging workforce and labour-market trends are creating significant recruitment and retention pressures, particularly for knowledge workers. Rapidly changing technologies are bringing a demand for new skills to the workplace; public policy issues are increasingly global; and the complex issues facing government today demand expanded horizontal approaches, new forms of accountability and the routine engagement of multiple stakeholders.

At the same time, the Public Service is evolving toward a vision of modernized people management, enabled by the PSMA, and focused on recruitment, planning, employee development and infrastructure priorities associated with renewal of the Public Service. These efforts provide the imperatives for changing the people management paradigm and are yielding real and tangible progress. Balancing enterprise-wide consistency with departmentally driven people management innovation underpins the Public Service's ability to maintain the forward momentum that is building.

Advancing the Agenda

The Canada Public Service Agency, the Treasury Board of Canada Secretariat (TBS) and the Canada School of Public Service (CSPS) undertook significant work in fiscal year 2006–2007 to successfully advance PSMA goals and initiatives, and to ensure that the legislative framework was effectively in place in departments and agencies throughout the Public Service.

Monitoring and reporting in fiscal year 2006–2007 indicates that departments and agencies are not only compliant in terms of the legislative requirements of the PSMA, they are laying the foundation required to integrate the Act into their ongoing operations. New roles and responsibilities have been assumed, labour–management consultation committees are in place and functioning, and there are many examples where "co-development" is occurring. Progress is also apparent in the integration of human resources planning with business planning.

In fiscal year 2006–2007, the Agency focused on simplifying how departments report progress related to modernization of people management and on ensuring that the indicators of success are accurate and appropriate. The integration of performance measures into the People Component of the Management Accountability Framework (PCMAF) was an important step in this regard.

The Public Service renewal efforts, announced by the Clerk of the Privy Council in November 2006, encompass people modernization efforts to date and bring a focus to key areas to be prioritized in fiscal year 2007–2008 to help meet the challenges associated with a number of the contextual issues described earlier.

Modernizing the People Management System

In fiscal year 2006–2007, the Agency and its portfolio partners have continued to modernize key components that comprise the people management system in the Public Service.

Effective people management starts with **human resources planning** and in particular with human resources planning that is integrated with business planning. In fiscal year 2006-2007, the Agency completed the development of an integrated planning framework and collaborated with selected departments and small agencies to create working templates to help managers implement and improve integrated planning.

The Agency has been actively engaged in activities related to modernization of the **classification** system since 2003, and in 2006–2007 has continued to make tangible progress in modernizing classification policies; in updating the classification standards of various groups in the Public Service; and in monitoring departments and agencies to ensure the integrity of the classification system.

One of the most significant components of the human resources system is **the staffing system**. Both the PSMA, through the new PSEA, and Public Service renewal have highlighted the central role and importance of a modernized staffing and recruiting system to meet current and future needs. The Agency reflected this importance in the priority given to helping to build capacity in the system and providing support to staffing managers and human resources professionals on key staffing issues.

Given the increased duties for human resources personnel, as well as rapid turnover rates, special attention was given to building capacity in the human resources community and in

particular for compensation advisors. Recruitment efforts included special campaigns and collective staffing processes that resulted in the placement of more than 250 human resources candidates in the Public Service during 2005–2006 and 2006–2007.

The **compensation** component of the human resources system deals with the traditional functions associated with pay, pensions and benefits. In fiscal year 2006–2007, there was a major focus on reviewing and streamlining compensation policy. The *Policy Framework for the Management of Compensation* was approved by Treasury Board in February 2007. In addition, the 39 policy instruments that directly deal with or support specific aspects of terms and conditions of employment were reviewed. As a result of this review, it is expected that the 22 policy instruments dealing with terms and conditions of employment and pay administration will be reduced to five.

In 2006–2007, a review of and/or changes to the Disability Management Plan, the Public Service Health Care Plan, the Public Service Dental Care Plan and the Pensioners' Dental Services Plan were also initiated.

Learning, training and development policies and systems are among the most important components of a modernized people management system and in fiscal year 2006–2007 were a major focus of modernization activity.

A new *Directive on the Administration of Required Training* took effect May 15, 2006. To support the effective application of this directive, a Required Training Coordinators Network was established; guidelines on the administration of required training were completed; and 98 percent of managers and executives in the core public administration validated their management knowledge of human resources, finance and procurement policies in order to retain their delegated signing authorities.

To further ensure that a strong base of knowledge to support work competencies is the norm in the Public Service, the new *Standards on Knowledge—Required Training* was completed in 2006–07 and will be launched in June 2007. The standards set the minimum common knowledge requirements for four groups of employees—new recruits, supervisors, managers and executives.

A complementary initiative was the successful introduction by the Treasury Board portfolio and the Public Service Commission of the *Key Leadership Competency Profile for the Public Service of Canada* into many of their programs and services. The profile reflects the key leadership competency skills, abilities and characteristics that federal public servants require to meet the challenges of today and tomorrow. This tool is now used by the Agency, the Public Service Commission's Personnel Psychology Centre and CSPS.

Another key development initiative saw the introduction of the Government of Canada Fellows Program, an executive exchange program with other public and private sectors. Announced on October 27, 2006, the program aims to enhance and strengthen relationships between the sectors, to build understanding, to share talent and ideas, and to foster the continual development of Canada's executives.

Perhaps no element of the people management system so directly impacts and characterizes the working environment within the Public Service as **labour relations.** Treasury Board, as the employer, continued its work to streamline labour relations policy and align its directives with the goals of a modernized labour relations environment. This environment is characterized by mutual respect and collaboration through such means as co-development of responses to issues of concern in the workplace and informal conflict resolution systems.

In fiscal year 2006–2007, the policy on labour relations reached the final stages of approval; the policy and its associated directives and guidelines are expected to be introduced in 2007–2008.

Nine collective agreements were resolved without labour disruption in 2006–2007. Several steps were taken in preparation for the upcoming round of bargaining to start next year—negotiations for 24 of 27 collective agreements will begin in 2007–2008. Following certification of the Association of Justice Counsel as the bargaining agent for Law Administration employees, extensive consultations took place to discuss managerial or confidential exclusions for this group.

Toward a Values-Based, Representative and Accessible Environment, with a Culture of Accountability

The people management system in the Public Service rests on a solid platform of values and ethics, and operates within an environment of strong, policy-based respect for official languages and employment equity. In fiscal year 2006–2007, major activities were undertaken to modernize and strengthen policies and programs related to values and ethics, official languages and employment equity within the Public Service.

Values and ethics are a cornerstone of modernization and the Agency plays a leading role in supporting ministers, Public Service leaders and employees in meeting their responsibilities to advance and sustain a workplace environment predicated on integrity.

A major milestone will be the coming into force of the *Public Servants Disclosure Protection Act* on April 15, 2007. The legislation strengthens the regime for reporting of wrongdoing by federal employees while ensuring a fair process for those against whom allegations are made. The new act is a key aspect of the *Federal Accountability Act*, which took effect in December 2006.

Employment equity policies and programs in the Public Service help ensure that the core public administration reflects the increasingly diverse nature of Canadian society. Employment equity goals are based on Canadian workforce availability for four designated groups—women, Aboriginal peoples, persons with disabilities and visible minorities.

The revised employment equity policy received final approval in 2006–2007 and will take effect in 2008. The new policy will be clearer, simpler and results-based to support the integration of employment equity goals into all aspects of people management and business planning, and to facilitate accountability for results.

In fiscal year 2006–2007, programs to achieve employment equity among future managers, directors and assistant deputy ministers showed significant results for Aboriginal people, persons with disabilities and visible minorities.

The Agency's annual report on employment equity in the Public Service of Canada is available on its website (see Appendix 3, Related Websites).

Official languages policies and programs are designed to ensure the representative participation of Anglophones and Francophones in the Public Service, the use of two official languages in the workplace and the delivery of services to the public in both official languages.

In fiscal year 2006–2007, strengthened monitoring and reporting systems were put in place to more systematically assess an institution's performance and obtain more results-based information in order to help the Agency assist departments and agencies whose performance may have been weak in selected areas.

As well, in fiscal year 2006–2007, a number of new official languages tools were developed and implemented, including an *Official Languages Management Dashboard* that allows personnel responsible for official languages to use the web to get an instant portrait of the official languages program in their institution, and *The ABCs of linguistic profiles at your fingertips* that enables departments to objectively and consistently identify the linguistic profiles of bilingual positions in accordance with the *Qualification Standards in Relation to Official Languages.*

The Agency's annual report on official languages is available on its website (see Appendix 3, Related Websites).

To enhance the **culture of accountability** for people management in the Public Service, central agencies established a sharper focus on the development of monitoring and reporting systems. These systems were designed to clarify the roles and responsibilities of deputy ministers and increase transparency and oversight in people management operations.

In addition, throughout the year, policies and programs were reviewed to ensure they had sound monitoring and reporting frameworks. Results-based management accountability frameworks were developed for major program initiatives and new audit and evaluation functions were established for human resources management.

Looking Ahead

The focus on policy renewal, capacity building, learning and development, and new monitoring and reporting initiatives in fiscal year 2006–2007 has contributed significantly to advancing the management modernization agenda in the core public administration and has provided a solid foundation for ongoing work in fiscal year 2007–2008.

In the coming year, focused efforts will be directed toward a review of the roles and responsibilities of the many players involved in various aspects of people management policies and programs, and on the development of risk-driven accountability frameworks for people management in the core public administration.

To support Public Service renewal, the Agency will continue to work with departments and agencies to advance the goal of fully realizing the flexibilities in staffing and labour–management relations enabled by the PSMA. Work to accomplish the goals set out in the Public Service Renewal Action Plan will also continue in the four priority areas of human resources planning, recruitment, employee development, and enabling infrastructure systems and processes.

Over the coming year, the implementation of the *Public Servants Disclosure Protection Act* will be a key component of a long-term strategy to firmly embed values and ethics in the organizational culture of the Public Service.

With more than a quarter of public servants eligible to retire by 2012, the business of people management has never been more critical. As a result, over the coming year, the

commitment to renewing human resources management will deepen and accelerate as we work toward a modern people management system that supports an efficient and effective Public Service delivering solid, professional advice to ministers and high-quality service to Canadians.

1. Introduction

Human resources management[1] in the Public Service of Canada reflects the strategic and operational approach taken to managing the Government of Canada's most valued assets—the people working in its departments and agencies who play a central role in carrying out the successful business of government and in delivering high-quality services to Canadians.

This second annual report to Parliament, entitled *People Management in Transition,* charts the progress made in modernizing and renewing people management in the Public Service in fiscal year 2006–2007. It provides the context for and the landscape surrounding targeted policy and program initiatives undertaken to establish a people management system that fosters a workplace and workforce second to none.

The report provides information related to the core public administration—that is, the 89 departments and agencies for which the Treasury Board is the employer (see Appendix 1). It responds specifically to the reporting requirements in section 12.4 of the *Financial Administration Act* (FAA) and section 28 of the *Public Service Employment Act* (PSEA), key legislative elements of the *Public Service Modernization Act* (PSMA) that came fully into force in December 2005.

In fiscal year 2005–2006, people management strategies and plans focused on the fundamental changes and intensive activities associated with the coming into force of the PSMA. In fiscal year 2006–2007, priorities shifted to consolidating PSMA outcomes across the Public Service. Policies and programs were designed not only to support the long-term realization of the goals of the PSMA, but also to create a solid people management system platform that could support future initiatives such as Public Service renewal, announced by the Clerk of the Privy Council in November 2006.

The information in this report is presented in four main sections, following this introduction.

Section 2, "The People Management Landscape," provides an overview of core public administration demographics and a description of the components that frame the administration and operation of people management in the Government of Canada.

Section 3, "Setting the Stage for Modernization and Renewal," describes the forces driving transition and change in people management across the Public Service. These include key environmental trends and issues challenging the composition and priorities of the Public Service; the new enabling framework provided for by the PSMA; the focus on recruitment and related planning, employee development and infrastructure initiatives associated with renewal of the Public Service; and the imperatives associated with monitoring and reporting to ensure an effective management accountability framework for people management in the Public Service.

Section 4, "Advancing the Agenda," describes the strategic and operational activities undertaken to address modernization and renewal objectives in fiscal year 2006–2007, and highlights the achievements and status of these initiatives to date.

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[1] The terms human resources management and people management, as it is often referred to in the core public administration, are used interchangeably throughout this report.

Section 5, "Looking Ahead," concludes with an overview of issues and trends that will shape the direction of people management in fiscal year 2007–2008 and beyond.

In addition to the prime accountability that deputy heads now assume for people management in the core public administration, three central agencies—the Canada Public Service Agency, the Treasury Board of Canada Secretariat (TBS) and the Canada School of Public Service (CSPS)—along with the Public Service Commission, share responsibility for various aspects of the human resources system. This report was prepared by the Agency in collaboration with its central agency partners and in cooperation with the Public Service Commission, which reports annually to Parliament on the integrity of the staffing system in the Public Service. In addition to this report, the Agency also submits annual reports on employment equity and official languages.

2. The People Management Landscape

The people management landscape includes three major structures that together support effective people management and define people management issues in the core public administration. These are the approximately 200,000 Public Service employees that work in the 89 departments and agencies for whom the Treasury Board is the employer; the people management system with which they interact on an ongoing basis; and the departments and agencies that share responsibility for managing all aspects of human resources in the core public administration.

2.1 A People Management Profile

With over 200,000 employees in 89 departments and agencies responsible for providing advice to government and delivering a wide range of services to Canadians across the country and internationally, the core public administration in the Government of Canada is the largest and most complex people management organization in the country.

As of March 31, 2007, there were 201,470 employees in the core public administration. 179,238 employees were classified as indeterminate, 15,048 as term and 7,184 as casual. This represents an increase of 2.3 percent, a decrease of 2.1 percent and an increase of 0.9 percent respectively for these groups over the same period in 2005–2006.
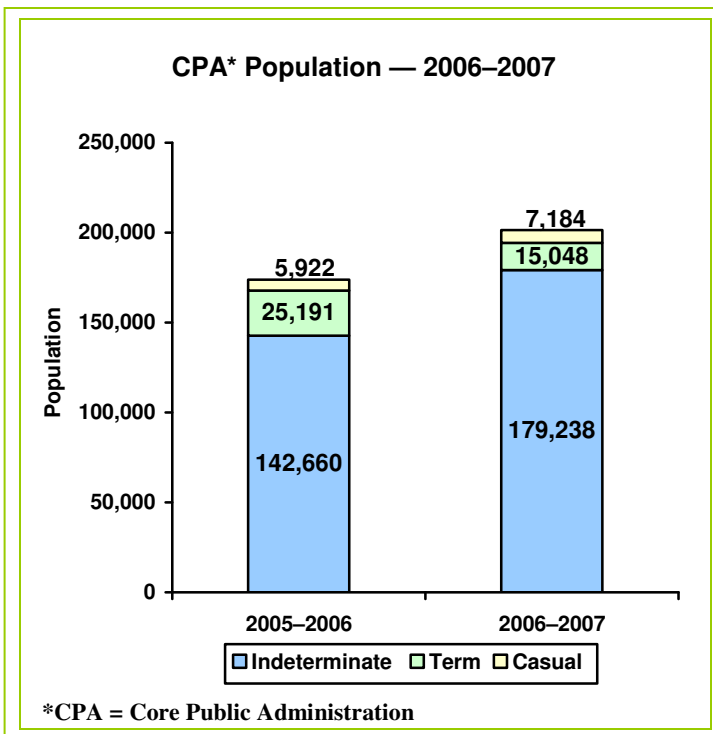
The average age of all employees in the core public administration is 45, and the largest proportion of employees are in the 50–54 age group as indicated below.

CPA* Population — 2006–2007

*CPA = Core Public Administration

CPA - Population Distribution by Age — 2007
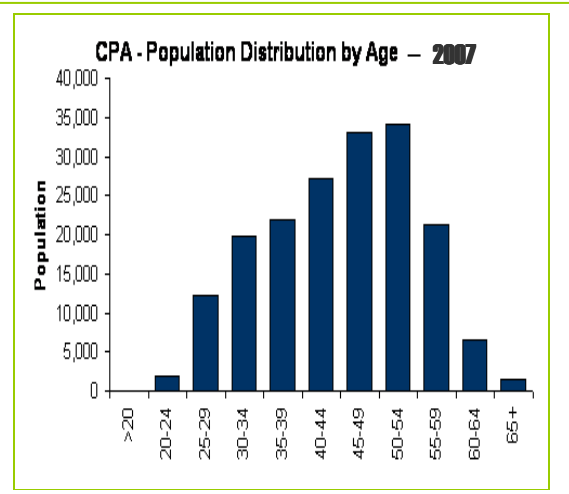
Based on current projections of employees in the 50–54 age group and above, over a quarter of public servants will be eligible to retire by 2012. This demographic change highlights the pressing need to address the related issues of succession planning and knowledge transfer.

2.2 The People Management System

Three layers comprise the people management system in the core public administration. The first layer consists of a set of "life cycle" components and processes representing the people management system value chain. These components and processes are situated within a second layer that represents the environment unique to the public sector. Both of these layers operate within a third, which reflects the culture of transparency and accountability in the Government of Canada.

In the core public administration, the Human Resources (HR) Planning element (1) typically includes HR strategy, integrated business and HR planning, and organization design. Classification (2) involves effectively ascribing value to work in the Public Service. Staffing (3) includes staffing operations and capacity-building initiatives. Compensation (4) deals with pay and benefits. Learning and Development (5) includes performance management and recognition programs. Permanent and Temporary Separation (6) addresses processes related to departures, and Labour Relations (7) includes a full range of activities such as informal conflict management resolution systems, as required under the PSMA.

1. The People Management System Value Chain
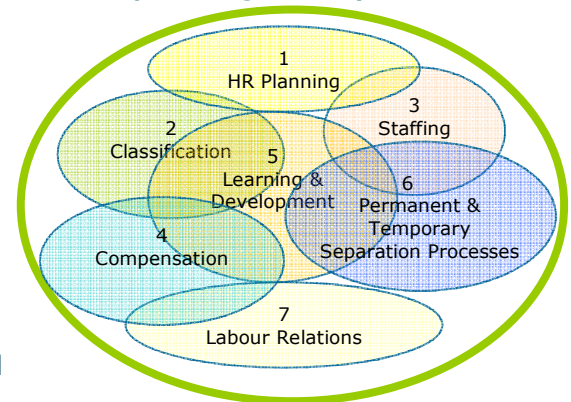
These system components in the federal government interact within a unique cultural environment of values and ethics, respect for official languages and adherence to the principles of employment equity.

2. The Public Service Environment

3. A Culture of Accountability
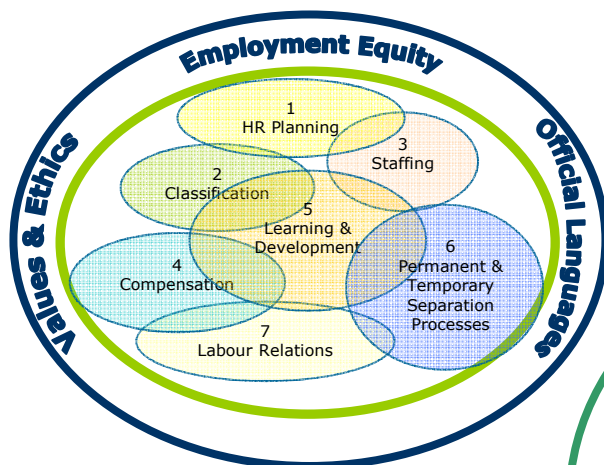
Through monitoring and reporting, an overlay of transparency and accountability surrounds and directs the people management system in the Public Service.

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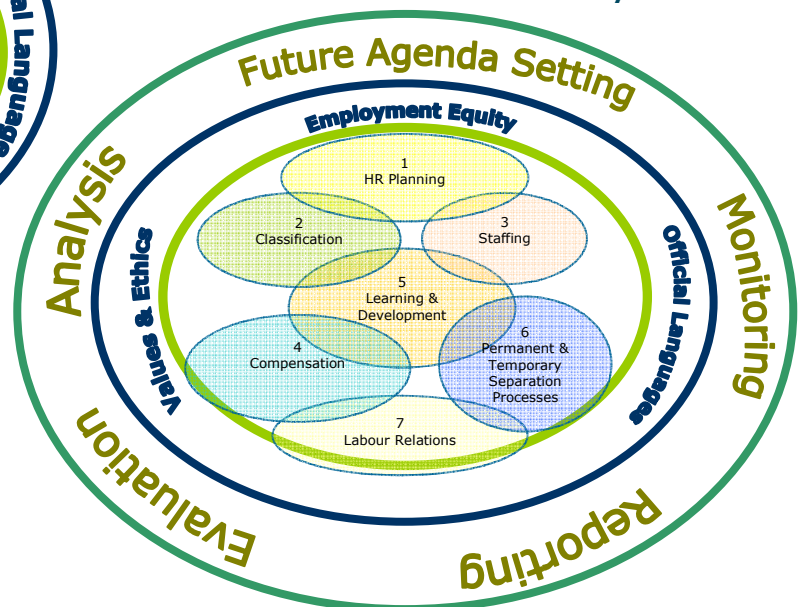
2.3 People Management Roles and Responsibilities

There are three primary functional responsibilities that are aligned with the components of the people management system. They are policy development; system, program or process development; and monitoring, analysis and reporting. These functional responsibilities are shared across three central agencies and the Public Service Commission, and among deputy heads, human resources specialists and line managers in the departments and agencies that make up the core public administration.

Given this complex horizontal landscape, managing human resources requires significant liaison and coordination among the following organizations to ensure that modernization and renewal goals are realized.

Privy Council Office: The Privy Council Office is responsible for the selection, management and development of deputy heads, the most senior leaders in the Public Service, and supports the Clerk as head of the Public Service. It provides advice on the government's structure and organization; fosters a high-performing and accountable Public Service; and ensures the submission of an annual report on the Public Service to the Prime Minister.

Canada Public Service Agency: As the focal point for people management in the core public administration, the Agency is responsible for leadership and service in human resources planning, accountability, modernization, employment equity, values and ethics, and official languages. It is also responsible for classification policy, the federal learning policy and management of development programs.

Treasury Board of Canada Secretariat: Among its many responsibilities, TBS manages pensions, health and dental care, labour relations, compensation, pay administration, occupational health and safety, pay equity, consultations with bargaining agents, collective bargaining, and setting terms and conditions of employment for unrepresented and excluded employees.

Canada School of Public Service: CSPS is responsible for supporting training and professional development, including training associated with leadership development and language training, for public servants. It also provides information to the Agency on the compliance of departments and agencies with the required training elements specified in the *Policy on Learning, Training and Development.*

Public Service Commission: The Public Service Commission is an independent agency reporting to Parliament, whose mandate is to safeguard the integrity of the Public Service staffing system and the political neutrality of the Public Service. It sets policy on recruitment and appointments within the Public Service in accordance with the PSEA. It conducts investigations and audits regarding appointments and investigates any allegations of improper political activity by public servants.

Line departments and agencies: Departments and agencies deliver public programs and services to Canadians. Under the PSMA, primary responsibility for human resources management has shifted from central agencies and the Public Service Commission to deputy heads in departments and agencies, and from human resources professionals to line managers.

3. Setting the Stage for Modernization and Renewal

Today there are many forces driving transition and change in people management in the Government of Canada. These include key trends and issues challenging the composition and priorities of the Public Service; the new enabling framework provided by the PSMA; the focus on recruitment and related planning, employee development and infrastructure initiatives associated with the renewal of the Public Service; and the imperatives associated with monitoring and reporting to ensure effective management accountability for people management in the Public Service.

3.1 Key Trends

Policy, program development and service delivery to Canadians has become increasingly complex as a result of a number of trends converging and colliding with a people management system that is rapidly transitioning its legislative and institutional framework in order to retain, attract and develop the talent needed to serve Canadians in the 21st century.

Canada's aging workforce and labour-market trends are creating significant recruitment and retention pressures, particularly for knowledge workers. Rapidly changing technologies are bringing a demand for new skills to the workplace; public policy issues are increasingly global; and complex issues facing government today demand expanded horizontal approaches, new forms of accountability and the routine engagement of multiple stakeholders.

3.2 The *Public Service Modernization Act*

Although the dimensions of these emerging trends and issues become increasingly apparent each year, the PSMA, which was introduced in November 2003 and came fully into force in December 2005, anticipated that a radical transformation of the legislative framework was required to enable modernization and renewal of people management in the Public Service.

The PSMA consisted of four pieces of legislation. It included amendments to the *Financial Administration Act* and the *Canadian Centre for Management Development Act*; the *Public Service Labour Relations Act*; and the PSEA.

The primary goals of the Act were to establish an important re-alignment of roles, responsibilities and accountability for managing people in the Public Service; to create a modernized CSPS that would support new learning and development requirements; to modernize labour relations and define a new relationship between the employer and bargaining agents; and to introduce changes that would allow for a staffing regime that recognized the imperatives of integrated human resources and business planning, and that was characterized by faster and more flexible hiring approaches.

3.3 Public Service Renewal

The coming into force of final components of the PSMA in December 2005 provided a legislative framework to enable change and modernization of the people management system. Through its implementation, it is building the foundation necessary for the Public Service to respond to the many complex environmental and demographic issues affecting the Public Service today.

These issues are highlighted by the Clerk of the Privy Council in the *Fourteenth Annual Report to the Prime Minister on the Public Service of Canada,* tabled in early 2007*.* This report describes the principles and processes to guide modernization of people management through a program of Public Service renewal. Public Service renewal encompasses modernization efforts to date and sets four priorities that focus on the future: recruitment, planning, employee development and enabling infrastructure.

3.4 Management Accountability

One of the most significant changes underlying the PSMA and reflected in Public Service renewal is a shift in the concept of human resources management from something that human resources departments and specialists in central agencies do, to a core responsibility of deputy heads and their line managers. This shift coincides with the increasing focus on transparency and accountability for people management in the Public Service.

Effective monitoring and reporting systems, with PSMA-specific measures, for the People Component of the Management Accountability Framework (PCMAF) are essential to help deputy heads identify management priorities and challenges, and track progress for people management in the Public Service. Given all of the forces driving transition and change described above, it is clear that, as the PCMAF evolves, the vision of management and the framework of analysis, accountability and transparency that it provides, will become increasingly important to departments and agencies in the future.

Public Service Renewal Priorities

Recruitment: Renewing and sustaining capacity at all levels to ensure the Public Service has the right people and skills it needs now and in the future.

Planning: Integrating business and human resources planning to ensure capacity is in place to meet the needs of the Government and Canadians.

Employee development: Fostering leadership at all levels and ensuring that employees have meaningful work to do in a supportive environment.

Enabling infrastructure: Putting in place the systems and processes to support efficient, user-friendly planning, recruitment and development.

4. Advancing the Agenda

Fiscal year 2006–2007 marks the second year of reporting on Public Service initiatives advancing the people management agenda in the core public administration. The year's work built on the momentum created by the PSMA and on implementing the priorities of Public Service renewal launched by the Clerk of the Privy Council.

4.1 The *Public Service Modernization Act*: A Catalyst for Change

In fiscal year 2006–2007, the Agency, TBS and CSPS undertook significant work to successfully advance PSMA goals and to ensure that the legislative framework was effectively in place in departments and agencies throughout the Public Service.

The Small Agencies Transition Support Team, established within the Agency, provided a range of services to ensure timely and efficient implementation of the PSMA by small agencies. In fiscal year 2006–2007, the team developed 9 generic PSMA policies and guidelines, and 20 unique tools and templates; provided staffing delegation training to over 400 managers; and facilitated over 50 learning events, workshops and information sessions.

Monitoring and reporting in fiscal year 2006–2007 indicates that departments and agencies are not only compliant in terms of the legislative requirements of the PSMA, they are laying the foundation required to integrate the Act into their ongoing operations. New roles and responsibilities have been assumed as the Public Service Commission has delegated staffing authority to deputy heads. With ongoing training, this authority is increasingly being sub-delegated to line managers.

Labour–management consultation committees are in place and functioning, and there are many examples where co-development is occurring.

> "Co-development of workplace improvements" means the consultation between the parties on workplace issues and their participation in the identification of workplace problems … and solutions."
>
> *Public Service Labour Relations Act*, section 9

Several departments used the Public Service Employee Survey, undertaken in 2005–2006, as an opportunity to co-develop solutions to concerns identified. Other examples of issues addressed by management and unions using the co-development model include work–life balance issues in Industry Canada, overtime guidelines in the Atlantic Canada Opportunities Agency, the wellness program in the Canadian Human Rights Commission and a process to negotiate essential services agreements in National Defence.

With the support of the CSPS, training continues for managers and HR professionals to support sub-delegation, informal conflict management and alternative dispute resolution methods.

Significant progress is also apparent in the integration of human resources and business planning. In fiscal year 2006–2007, 90 percent of the departments and agencies reporting confirmed progress in integrating human resources and business planning, compared with only 50 percent in 2005–2006.

More importantly perhaps, organizations appear to be embracing the concept. Departments and agencies including Agriculture and Agri-Food Canada, Fisheries and Oceans Canada, Environment Canada, Industry Canada, Indian and Northern Affairs Canada, and Public Works and Government Services Canada, have developed new integrated planning tools, and some have expanded their integrated plans to include succession management, employment equity and official language components.

Although the long-term success of the PSMA will require a sustained focus on instilling and reinforcing the necessary culture shifts and on championing the modernization of human resources practices, it is clear that several departments and agencies are already starting to see some of the benefits of the PSMA in their organizations.

> **PSMA Progress …**
> - Improved communication and working relationships with unions has facilitated decision making (Atlantic Canada Opportunities Agency and Canadian Environmental Assessment Agency).
> - Increased awareness and engagement of managers in the staffing process has led to managers demonstrating a sense of ownership, openness, responsibility and accountability for staffing decisions (Health Canada, Veterans Affairs Canada).
> - Non-advertised staffing processes have proven beneficial while still respecting transparency and fairness (Canadian Intergovernmental Conference Secretariat).
> - The new *Policy on Learning, Training and Development* has provided the impetus to look at learning needs across the organization and ensure that learning is directly linked to business objectives (Citizenship and Immigration Canada).
> - Successful interventions—through informal discussions with candidates—have allowed early opportunities for dialogue (National Defence).

4.2 Public Service Renewal: Focuses the Momentum

On November 21, 2006, the Prime Minister appointed an Advisory Committee on the Public Service, with a mandate to examine specific issues facing Public Service renewal today. These include recruitment and retention; policy and legislative barriers; development programs; human resources management policies and practices; and branding the Public Service.

The advisory committee issued its first report in March 2007.[2] In the future, it will report through the Clerk of the Privy Council's annual report to the Prime Minister on the Public Service of Canada*.*

In addition to the advisory committee's assistance, the Clerk has established a Deputy Ministers' Committee on Public Service Renewal. The objective of the committee is to produce action plans for achieving the priorities of Public Service renewal, and to specify key results expected at the corporate level and within individual departments and agencies. In addition to ongoing monitoring and reporting input, these action plans will consider, and reflect, the work of the advisory committee.

In fiscal year 2006–2007, central agencies in general, and the Agency in particular, provided significant support to these committees.

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[2] Appendix 3 provides the website addresses for all reports referenced in this report, including those prepared by the Advisory Committee on the Public Service.

The establishment of these committees underscores the significance of modernizing the people management system in the Government of Canada and the ongoing transition to a system that we can expect to serve us well for many years to come.

> "If we do not commit ourselves to a continuing process of renewal, the Public Service will not remain a creative institution, central to the governance and development of our country."
>
> —*Fourteenth Annual Report to the Prime Minister on the Public Service of Canada*

4.3 Modernizing the People Management System 2006–2007

In fiscal year 2006–2007, the Agency and its portfolio partners undertook key initiatives to build and sustain excellence in all elements of the people management system in the core public administration. This year's focus on streamlining the people management policy suite, developing new training and leadership programs, and enhancing the design of monitoring and reporting systems continued to advance the agenda of modernizing the people management system.

4.3.1 The People Management System Value Chain

The people management system value chain starts with integrated business and human resources planning.

Integrated Human Resources Planning

Effective people management starts with human resources planning, and in particular with human resources planning that is integrated with business planning.

An integrated plan helps to identify optimal strategies and activities in matters such as recruitment, retention, learning, development, employee engagement, promotion, employment equity, official languages and succession planning. When done well, it can serve to mitigate the risks associated with key external and demographic issues facing departments and agencies today.

> Integrated planning helps to ensure that sufficient employees are in place, in the appropriate work categories and levels, to conduct the Government's business both now and in the future.

In 2006-2007, the Agency continued to develop tools and supports to help advance departments' and agencies' integrated planning efforts. The Agency completed the development of an integrated planning framework, which brings together previously separate business, financial and human resources annual planning exercises into a single planning activity. It also collaborated with select departments and small agencies to create working templates that will help managers implement and improve integrated planning.

Two handbooks were finalized and distributed to departments and agencies—the *Integrated Planning Handbook for Deputy Ministers and Senior Managers* and the *Integrated Planning Guidebook*, a handbook for managers and the human resources community.

Given the retirement profile of managers and senior executives in the Public Service today, the importance of skillful succession planning has emerged as a critical issue. The Agency delivered succession planning presentations, tools and workshops at conferences and events this year, and these have created awareness and increased knowledge of how to integrate succession planning into the human resources and business plan.

The importance of integrated planning was highlighted through its inclusion in the Agency's own monitoring and reporting activities. In fiscal year 2006–2007, PCMAF assessments of 40 departments were conducted to measure progress in integrating human resources and business planning. The assessment found that 80 percent of the departments achieved reasonable progress.

Classification

Classification is an important core element of the human resources system in the Public Service because it reflects the way government organizes and values the work of its employees.

The Agency has been actively engaged in modernization activity since 2003 and has continued to make tangible progress in modernizing classification policies; in updating the classification standards of various groups in the Public Service; and in monitoring departments and agencies to ensure the integrity of the classification system. The ultimate goal of this activity is to make staffing systems more effective, simple and flexible.

In addition to establishing qualifications and standards of work, classification modernization activity links to pay equity, compensation, collective bargaining and labour relations. With the implementation of the PSMA and the launch of Public Service renewal, it is clear that modernization of the classification system will continue to play an important role in advancing the overall modernization agenda.

In fiscal year 2006–2007, the Agency simplified its enabling policy suite and guidelines. It combined three previous classification policies into the *Policy on Job Classification* and produced the *Directive on Classification Grievances*, along with four guidelines. The new policy framework will be implemented in 2007–2008.

Work continued on developing new classification standards for several occupational groups, with the standards for two groups—Border Services, and Economics and Social Science Services—achieving Treasury Board approval. Development of the corresponding qualification standards for the two groups has begun.

Classification monitoring activity this year focused on working with specific departments that submitted self-assessment monitoring reports, and on refining and expanding the overall approach in order to instill additional rigour into the planning, delivery and reporting process.

Staffing

One of the most significant components of the human resources system is the staffing system. Staffing encompasses a number of sub-activities, including

recruitment; capacity building; and orientation, integration and setting new employees up in the workplace.

Both the PSMA, through the new PSEA, and Public Service renewal have highlighted the central role and importance of a modernized staffing and recruiting system to meet both current and future needs. The Agency reflected this importance in fiscal year 2006–2007 in the priority given to helping to build capacity in the system and providing support to staffing managers and human resources professionals on key staffing issues.

New staffing tools and procedures, including collective staffing for selected functional communities, were instituted to facilitate recruitment. Functional communities are collectives of Public Service employees who share common work functions, purposes and professional interests. As horizontal integrators, the functional communities routinely advance work in various priority areas such as planning, recruitment and employee development.

A Centre of Expertise on Staffing Recourse was established in fiscal year 2006-2007 to provide advice and support to departments and agencies regarding staffing complaints before the Public Service Staffing Tribunal. The centre works with departments and agencies to identify risks, trends and just-in-time learning strategies, and provides litigation support for cases that proceed to a hearing.

The new staffing regime, along with high levels of turnover and retirement in the Public Service, required a capacity-building endeavor specifically for the human resources community. As part of this plan, an initiative was developed in 2006, specifically for the compensation community.

> The human resources recruitment initiative serves as a model for a fair, transparent, effective and efficient process for collective staffing across the core public administration.

Recruitment campaigns and collective staffing were launched across the Public Service for human resources professionals (PE-01 to PE-04) and for compensation advisors (CA). A job fair for PE-01s and PE-02s held in Ottawa in May 2006 resulted in placement of more than 110 candidates and also exceeded employment equity goals. In 2005–2006 and 2006–2007, more than 250 PE and CA candidates were placed in human resources positions across the Public Service.

Compensation

The compensation component of the human resources system deals with the traditional functions associated with pay, pension and benefits. In the Public Service, these elements are, for the most part, the subject of negotiation and agreement between Treasury Board as the employer and the bargaining agents that represent the employees.

The *Policy Framework for the Management of Compensation,* which was part of the policy suite renewal project undertaken in 2006–2007, was approved by Treasury Board in February 2007. The framework sets out principles to guide compensation planning, compensation decisions and the development of related policies. It also serves as an umbrella for policies, directives, standards and guidelines regulating

cash and non-cash aspects of compensation, thus ensuring consistency and coherence among policy instruments. TBS is responsible for the framework, and TBS and the Agency share responsibility for policies under the framework.

During 2006–2007, the 39 policy instruments that directly deal with or support specific aspects of terms and conditions of employment were reviewed. The application and administration of such a range of instruments has for many years presented challenges to departments and TBS analysts responsible for providing advice and direction regarding pay administration. The incorporation of many of the current policy instruments will significantly reduce the number of pay-related instruments, thus simplifying today's "web of rules." For example, the 22 policy instruments dealing with terms and conditions of employment and pay administration will be reduced to five.

> Consistent, accurate application of terms and conditions of employment is an essential component of effective people management, since it serves to attract, retain, motivate and renew the workforce.

In addition to policy renewal, TBS is focused on ensuring that pension and benefit plans are responsive to the needs of human resources while ensuring the long-term sustainability of these plans. In keeping with these goals, several initiatives affecting the pension plans were undertaken, including a review of the *Public Service Superannuation Act*. As part of this review, an assessment of the needs of and methods for enhancing the phased retirement of public servants was begun and will continue within the broader context of Public Service renewal.

Another initiative was to amend the *Public Service Superannuation Regulations* to deal with early retirement provisions for public servants who are employed in operational service at Correctional Service Canada.

In addition, to facilitate access to up-to-date and accurate pension and benefits information for active and retired plan members, a "one-stop shop" web-based portal was developed and implemented by the Pensions and Benefits Sector of TBS, in partnership with PWGSC. This portal can be found at http://pensionandbenefits.gc.ca/home-e.html.

Disability Management Plan: TBS, working closely with the Agency, recognized that more should be done to support workplace disabilities. In this regard, TBS and the Agency undertook a review of disability management in the federal public service. The review included the development of strategies to support workplace well-being and better employee mental health. The project will be managed horizontally, with significant involvement of key departments and stakeholders.

Public Service Health Care Plan (PSHCP): Several of the changes to the PSHCP agreed to with the bargaining agents and pensioner representatives in January 2006 were implemented on April 1, 2006, including increased coverage levels for several benefit provisions, coordination of benefits within the PSHCP, and protection for members with high prescription drug costs. A new shared-governance framework for the PSHCP, agreed to in principle in 2006, was co-developed and approved during 2006–2007.

The 2006 agreement also included a commitment to introduce a pay-direct drug card and positive enrolment of dependants. These services will be introduced as part of the new administrative services contract for the PSHCP, which is currently being re-tendered. TBS officials have been working closely with Public Service bargaining agents and the Federal Superannuates National Association to ensure that the enrolment process and implementation of the pay-direct drug card can proceed smoothly.

As part of the re-tendering of the contract for the administration of the PSHCP, a request for information was posted on MERX in March 2007 to seek insurance industry feedback on preliminary concepts proposed for the new PSHCP contract. That feedback was used to inform the requirements to be developed for the future contract.

Public Service Dental Care Plan (PSDCP): An agreement with the bargaining agents was reached in 2006 for calendar years 2006 to 2008. Several of these changes were implemented in 2006–2007, including an increase to the calendar-year maximum reimbursement amount, recognition of independent licensed dental hygienists, and some service limitations.

Pensioners' Dental Services Plan (PDSP): Effective April 1, 2006, the PDSP rules were amended to allow open enrolment for pensioners who had previously missed the opportunity to join, and pensioner contribution rates were decreased to reflect actual plan experience. The contract for administration of the PDSP was re-tendered through a competitive process; Sun Life was the successful bidder. As part of the new contract, responsibility for enrolment was transferred to the Pension Offices.

Learning, Leadership and Development

Learning and development policies and systems are among the most important components of a modernized people management system. Certainly, opportunities for learning and development are cited frequently as important factors in attracting and retaining employees. This is of particular significance in the Public Service, where recruiting employees in an increasingly competitive labour market and retaining its experienced workforce are priorities.

Learning

The *Directive on the Administration of Required Training* took effect May 15, 2006. The directive helps to ensure that employees share a common understanding of their role as public servants; supervisors, managers and executives have the necessary knowledge to exercise their delegated signing authorities; and, functional specialists in specified domains meet established professional standards. It clarifies which employee categories must complete required training and sets timelines for doing so. All core public administration institutions must submit annual reports on required training to the Agency by June 30 each year.

> *Policy on Learning, Training and Development*
>
> The *Policy on Learning, Training and Development*, which took effect January 1, 2006, calls on the core public administration to become a learning organization. It outlines specific training requirements and sets learning responsibilities for employees, employers and departments and agencies.

To support the effective application of this directive, in 2006–2007 a Required Training Coordinators Network was established across more than 84 departments and agencies; guidelines on the administration of required training were completed; and 98 percent of managers and executives validated their management knowledge of human resources, finance and procurement policies in order to retain their delegated signing authorities.

In addition, functional specialists in procurement, materials management and real property, who were required to complete training to meet established standards, were identified and registered for required training courses. These specialists are participants in a professional development and certification program that has been in development for the past six years by TBS in partnership with CSPS, Public Works and Government Services Canada, the Canadian General Standards Board and Professional Institute of the Public Service of Canada representatives. For the first time, federal government practitioners who successfully complete the certification component of the program will receive a professional designation from the Canadian General Standards Board as either a Certified Federal Specialist in Procurement or Certified Specialist in Materiel Management. A *Certification Program Manual* and a *Certification Application and Maintenance Handbook* also support the certification program.

More than 95 percent of departments and agencies submitted annual reports on required training, demonstrating a high level of compliance with this important modernization initiative.

To further ensure that a strong base of knowledge to support work competencies is the norm in the Public Service, the new *Standards on Knowledge—Required Training* was completed in 2006–2007 and will be launched in June 2007. The standards set the minimum common knowledge requirements for four groups of employees—new recruits, supervisors, managers and executives.

In addition to common knowledge requirements, custom courses and curricula are being developed. For example, the Agency launched a new competency-based curriculum, developed in consultation with CSPS, for human resources advisors who wish to become accredited in classification. As well, consultations have taken place regarding an updated professional development framework to address continuous learning in the human resources community; new courses are being developed and piloted; and a certification program for human resources and compensation advisors is under development.

Leadership and Development

Competent, ethical and accountable leadership is a key factor in successful people management, and leadership renewal was a key priority in 2006–2007. Although renewal is a priority for all employees, it is particularly important for the executive group, which faces more pronounced demographic challenges. These challenges have increased the need for focused efforts in the areas of succession planning, feeder group skills development and mobility.

> The new *Policy on Learning, Training and Development* establishes a framework for an integrated approach to leadership development.

The *Directive on the Administration of the Leadership Development Programs—Management Trainee Program and Career Assignment Program* took effect on April 2, 2006. The directive makes it easier for departments and agencies to administer the Management Trainee Program (MTP) and Career Assignment Program (CAP) by creating a common occupational group (PL) and salary structure.

In 2006–2007, a results-based management accountability framework was developed that establishes a monitoring and evaluation framework for the programs, including a plan to evaluate MTP and CAP in 2010. A record 104 individuals took part in the MTP, almost half of whom represented employment equity groups.

Five regional federal councils were represented in CAP pilot leadership development programs. These councils, as well as the functional community-based CAP pilot programs, gave regional employees greater access to corporate development opportunities, and departments and agencies greater access to high-potential future leaders.

Recognizing Excellence

The new Public Service Award of Excellence recognizes employees who have shown excellence in achieving results for Canadians that reflect the values, ethics and priorities of the federal public service. The first awards were presented to 30 individuals and teams on June 16, 2006, during National Public Service Week. The award combines three previous awards—the Head of the Public Service Award, the Award of Excellence and the Employment Equity and Diversity Award. Photos, citations and a webcast of the awards ceremony were posted on the Agency's website.

Sixteen participants graduated from the Accelerated Executive Development Program (AEXDP), six at the assistant deputy minister level. From its inception to March 31, 2007, a total of 93 AEXDP participants have graduated from the program, 49 at the assistant deputy minister level or above. The number of Aboriginal applicants and applicants with disabilities in the program increased from six in 2003 to 19 in 2006–2007 due to improved outreach programs.

The Treasury Board portfolio and the Public Service Commission introduced the *Key Leadership Competency Profile for the Public Service of Canada* into many of their programs and services. The profile reflects key leadership competency skills, abilities and characteristics that federal public servants require to meet the challenges of today and tomorrow. This tool is now used by the Agency, the Public Service Commission's Personnel Psychology Centre and CSPS. As well, in fiscal year 2006–2007, the Agency assisted other federal organizations in integrating the competencies into their human resources activities.

Of particular interest to the human resources community, two human resources leadership programs were launched. One program aims to prepare human resources professionals for entry into the executive category; the other is the human resources component of the AEXDP.

The Government of Canada Fellows Program, an executive exchange program with other public and private sectors, was announced on October 27, 2006. The program aims to enhance and strengthen relationships between the sectors to build understanding, share talent and ideas, and foster the continual development of Canada's executives.

Permanent and Temporary Separation Processes

This element of the people management system deals with the human resources processes associated with employees leaving a department, either temporarily for such purposes as educational leave or maternity or paternity leave, or permanently. Policies related to temporary leave, in particular, are often an important consideration in choosing an employer.

In fiscal year 2006–2007, TBS initiated a review of the *Public Service Superannuation Act* to ensure that the superannuation plan addresses employees' needs and remains viable in the long term. In addition to the amendments that were made to the *Public Service Superannuation Regulations,* a web portal is now in place to provide information on pension and benefits.

Labour Relations

No element of the people management system so directly impacts and characterizes the working environment within the Public Service as labour relations. Treasury Board, as the employer, continued its work to streamline labour relations policy and align its directives with the goals of a modernized labour relations environment. This environment is characterized by mutual respect and collaboration, through such means as co-development of responses to issues of concern in the workplace and informal conflict resolution systems. In fiscal year 2006–2007, the policy on labour relations reached the final stages of approval; the policy and its associated directives and guidelines are expected to be introduced in 2007–2008.

A new essential services process with departments was established, whereby departmental managers will be involved in negotiating essential services agreements, and improved reporting and tracking systems will be in place.

Under the *Public Service Labour Relations Act*, each department and agency is required to establish an Informal Conflict Management System (ICMS) and labour–management consultation committee, in consultation with bargaining agents. In fiscal year 2006–2007, the Agency issued a directive setting out the common criteria each ICMS must have and established an ICMS Centre of Expertise to ensure a common approach.

Several consultations were conducted with bargaining agents under the National Joint Council (NJC) umbrella in the context of the Policy Suite Renewal exercise and in different service transformation initiatives. In 2006–2007, the NJC's revised *Workforce Adjustment Directive* was co-developed with bargaining agents and promulgated in June 2006.

Nine collective agreements were resolved without labour disruption in 2006–2007. Several steps were taken in preparation for the upcoming round of bargaining to start next year—negotiations for 24 of 27 collective agreements will begin in 2007–2008. Following certification of the Association of Justice Counsel as the bargaining agent for Law Administration employees, extensive consultations took place to discuss managerial or confidential exclusions for this group.

4.3.2 The Public Service Environment: Values-Based, Representative and Accessible

The people management system in the Public Service rests on a solid platform of values and ethics, and operates within an environment of strong, policy-based respect for official languages and employment equity.

Values and Ethics

Values and ethics are a cornerstone of modernization, and the Agency plays a leading role in supporting ministers, Public Service leaders and employees in meeting their responsibilities to advance and sustain a workplace environment predicated on integrity.

A major milestone was the coming into force of the *Public Servants Disclosure Protection Act* on April 15, 2007. The legislation strengthens the regime for the reporting of wrongdoing by federal employees while ensuring a fair process for those against whom allegations are made. The new act is a key aspect of the *Federal Accountability Act*, which took effect in December 2006.

The 2006 PCMAF results show that departments and agencies are taking constructive steps to strengthen their values and ethics performance, but that certain areas need improvement. For example, the 2005 Public Service Employee Survey showed that 21 percent of public servants felt they were victims of harassment on the job; less than half (47 percent) of employees felt they could initiate formal redress processes without fear of reprisal. The survey also indicated that learning and communication regarding Public Service values need to be enhanced, to prevent values and ethics issues from arising and to assist employees in resolving them when they do occur.

To help departments and agencies improve their performance, the Agency completed the *Roadmap to Results Strategy and Tools for Risk Assessment, Management and Measurement in Public Service Values and Ethics*, and validated the structure, form and content through consultations with key interest groups, both within and outside the Public Service. It also generated program models to help departments overcome obstacles to instilling a strong culture of Public Service values and ethics; produced awareness tools; and established a National Master Standing Offer to facilitate access to outside expert advice on values and ethics.

In addition, extensive consultations with stakeholders took place toward revising the *Policy on Prevention and Resolution of Harassment in the Workplace*. Revisions to the policy are expected to be introduced in 2007–2008.

Employment Equity

One of the Agency's important roles is to help ensure that the core public administration reflects the increasingly diverse nature of Canadian society. Employment equity goals are based on Canadian workforce availability for four designated groups—women, Aboriginal peoples, persons with disabilities and visible minorities.

The revised policy on employment equity received final approval in 2006–2007 and will take effect in 2008. The new policy will be clearer, simpler and results-based to

support the integration of employment equity goals into all aspects of people management and business planning, and to facilitate accountability for results.

As well, a revised *Policy* and *Directive on the Duty to Accommodate* will take effect on April 1, 2008. They will replace several policy instruments, including the *Policy on Duty to Accommodate Persons with Disabilities in the Federal Public Service*, the *Human Immunodeficiency Virus (HIV) and Acquired Immunodeficiency Syndrome (AIDS) Policy*, and the *Maternity-related Reassignment or Leave Policy*.

In fiscal year 2006–2007, programs to achieve employment equity among future managers, directors and assistant deputy ministers showed significant results for Aboriginal peoples, persons with disabilities and visible minorities.

The Agency's annual report on employment equity in the Public Service of Canada is available on its website (see Appendix 3, Related Websites).

Official Languages

The people management environment in the core public administration is characterized by representative participation of Anglophones and Francophones, by policies developed by the Agency for the use of two official languages in the workplace, and by delivery of services to the public in both official languages.

In fiscal year 2006–2007, strengthened monitoring and reporting systems were put in place to more systematically assess an institution's performance and obtain more results-based information to help the Agency assist departments and agencies improve their performance.

As well, a number of new official languages tools and systems were developed and implemented, including an *Official Languages Management Dashboard* that allows personnel responsible for official languages to use the web to get an instant portrait of the official languages program in their institution. A new system allows departments to record follow-up measures taken in response to recommendations from the Office of the Commissioner of Official Languages, standing committees on official languages (the House of Commons and Senate) or the Agency.

Of particular value to managers is another new tool developed in fiscal year 2006–2007: *The ABCs of linguistic profiles at your fingertips* will enable departments to objectively and consistently identify the linguistic profiles of bilingual positions in accordance with the *Qualification Standards in Relation to Official Languages.*

The Agency's annual report on official languages is available on its website (see Appendix 3, Related Websites).

4.3.3 A Culture of Accountability

Within the overall framework provided by the introduction of the *Federal Accountability Act* in 2006, central agencies established a sharper focus on the development of monitoring and reporting systems. These systems were designed to clarify the roles and responsibilities of deputy ministers for people management, to strengthen accountability, and to increase transparency and oversight in people management operations.

New indicators were developed for the PCMAF to specify sound criteria for measuring good people management. The PCMAF will continue to evolve as a tool for analysis and an instrument of accountability to support improvements in people management across the Government.

Throughout the year, policies and programs were reviewed to ensure they had sound monitoring and reporting frameworks. Results-based management accountability frameworks were developed for major program initiatives, and new audit and evaluation functions were established for human resources management.

Increasingly, information on people management is made available to the public on departmental websites to improve access to information, ensure transparency and strengthen accountability for management results.

5. Looking Ahead

The progress made in fiscal year 2006-2007 provides the foundation for ongoing work to modernize people management in the Public Service. In the coming year, work will focus on addressing the issues and challenges identified in this report.

As outlined above, the landscape for people management in the core public administration is complex, requiring significant liaison and coordination among many players. Clarification and simplification will be key goals in fiscal year 2007–2008. Focused efforts will be directed toward a review of the roles and responsibilities of these players with a view to streamlining and improving both governance and accountability.

Another significant undertaking will be to develop risk-driven accountability frameworks to reflect the shifts in accountability for people management, away from central agencies to deputy heads in departments and agencies. The challenge remains to minimize the reporting burden associated with these frameworks, while at the same time ensuring that central agencies can provide the necessary oversight to ensure that departments and agencies are able to meet the new standards for human resources management.

Work to accomplish the goals set out in the Public Service Renewal Action Plan will continue in four priority areas. The emphasis on **planning** will sharpen as departments work to produce plans that link human resources plans to business goals.

In the area of **recruitment**, departments' efforts will focus on reflecting Canada's diversity and on hiring recent university and college graduates to meet varied work demands. Supporting initiatives, such as the new *Standards on Knowledge—Required Training* and the Government of Canada's Fellows Program to be implemented in the coming year, will further contribute to both capacity building and **employee development** as the Public Service braces for significant retirement losses over the next few years. Careful attention will also be given to initiatives related to managing talent, performance management and more effective use of employee learning plans.

To strengthen the **human resources infrastructure**, emphasis will be placed on developing tools to transfer employee records rapidly as employees change departments, expanding the use of fast-track staffing and developing generic job descriptions to facilitate classification for key occupational groups. A targeted initiative to reduce wait times for access to second-language oral testing will also be undertaken.

As part of Public Service renewal, the Public Service will continue to advance toward the goals of fully realizing flexibilities in staffing, modernized labour–management relations and employee development enabled by the PSMA. Obstacles encountered and emerging issues will need to be considered and dealt with in order to accelerate these Public Service-wide change processes crucial to improved, cost-effective program and service delivery by departments and agencies. In this context, policy renewal initiatives will continue, with policies related to employee performance management, labour relations, employment equity and duty to accommodate to be reviewed in fiscal year 2007–2008.

Up-to-date legislative frameworks are also essential to support the Government's people management and related business goals. Over the coming year, implementation of the *Public Servants Disclosure Protection Act* will be a key component of a long-term strategy to

firmly embed values and ethics in the organizational culture of the Public Service. Other frameworks to be reviewed include the *Public Service Superannuation Act*. As part of this review, the need to improve the existing approach to phased retirement of public servants will be assessed.

With more than a quarter of public servants eligible to retire by 2012, the business of people management has never been more critical. Over the coming year, the commitment to renewing human resources management will deepen and accelerate as we work towards a renewed, effective and efficient Public Service delivering solid, professional advice to ministers and high-quality service to Canadians.

Appendix 1

List of Departments and Agencies under Schedules I and IV of the *Financial Administration Act*

Financial Administration Act (R.S., 1985, c. F-11)
SCHEDULE I
(sections 2 and 11)

THE CORE PUBLIC ADMINISTRATION

Department of Agriculture and Agri-Food

Department of Canadian Heritage

Department of Citizenship and Immigration

Department of the Environment

Department of Finance

Department of Fisheries and Oceans

Department of Foreign Affairs and International Trade

Department of Health

Department of Human Resources and Skills Development

Department of Indian Affairs and Northern Development

Department of Industry

Department of Justice

Department of National Defence

Department of Natural Resources

Department of Public Safety and Emergency Preparedness

Department of Public Works and Government Services

Department of Social Development

Department of Transport

Treasury Board

Department of Veterans Affairs

Department of Western Economic Diversification

Appendix 1 - Continued

Financial Administration Act **(R.S., 1985, c. F-11)**
SCHEDULE IV
(sections 3 and 11)

THE CORE PUBLIC ADMINISTRATION

Assisted Human Reproduction Agency of Canada

Atlantic Canada Opportunities Agency

Canada Border Services Agency [2005, c. 38, par. 144(4)(*b*)]

Canada Border Services Agency [SOR/2005-58]

Canada Emission Reduction Incentives Agency

Canada Industrial Relations Board

Canada School of Public Service

Canadian Artists and Producers Professional Relations Tribunal

Canadian Dairy Commission

Canadian Environmental Assessment Agency

Canadian Forces Grievance Board

Canadian Grain Commission

Canadian Human Rights Commission

Canadian Human Rights Tribunal

Canadian Intergovernmental Conference Secretariat

Canadian International Development Agency

Canadian International Trade Tribunal

Canadian Radio-television and Telecommunications Commission

Canadian Space Agency

Appendix 1 - Continued

Canadian Transportation Accident Investigation and Safety Board

Canadian Transportation Agency

Communication Canada

Competition Tribunal

Copyright Board

Correctional Service of Canada

Courts Administration Service

Director of Soldier Settlement

The Director, The Veterans' Land Act

Economic Development Agency of Canada for the Regions of Quebec

Energy Supplies Allocation Board

Hazardous Materials Information Review Commission

Immigration and Refugee Board

Indian Residential Schools Truth and Reconciliation Commission Secretariat

International Joint Commission (Canadian Section)

Law Commission of Canada

Library and Archives of Canada

Military Police Complaints Commission

NAFTA Secretariat — Canadian Section

National Farm Products Council

National Parole Board

Office of Infrastructure of Canada

Office of the Chief Electoral Officer

Office of the Commissioner for Federal Judicial Affairs

Office of the Commissioner of Lobbying

Office of the Commissioner of Official Languages

Office of the Co-ordinator, Status of Women

Office of the Director of Public Prosecutions

Office of the Governor-General's Secretary

Office of the Public Sector Integrity Commissioner

Office of the Superintendent of Bankruptcy

Offices of the Information and Privacy Commissioners of Canada

Patented Medicine Prices Review Board

Prairie Farm Rehabilitation Administration

Privy Council Office

Public Appointments Commission Secretariat

Public Health Agency of Canada

Public Service Commission

Public Service Human Resources Management Agency of Canada

Public Service Staffing Tribunal

Registry of the Public Servants Disclosure Protection Tribunal

Royal Canadian Mounted Police

Royal Canadian Mounted Police External Review Committee

Royal Canadian Mounted Police Public Complaints Commission

Specific Claims Tribunal

Staff of the Supreme Court

Appendix 1 - Continued

Statistics Canada

Transportation Appeal Tribunal of Canada

Veterans Review and Appeal Board

Appendix 2

Management Accountability Framework

The Management Accountability Framework (MAF) was developed to provide managers in the Public Service with a clear list of management expectations within an overall framework for high organizational performance. The MAF consists of 10 elements encapsulating the key expectations for modern Public Service management.

The People Component of the Management Accountability Framework (PCMAF) provides a common structure for assessing human resources management in departments and agencies. It centres on key workforce and workplace outcomes and associated measures. The outcomes are a fair, enabling, healthy and safe workplace, and a productive, principled, sustainable and adaptable workforce.

The PCMAF provides a solid foundation on which managers at all levels, including deputy heads and human resources professionals, can build their own accountability regimes providing for quality human resources management, and assess their organization's business and human resources outcomes.

Ten Elements of the MAF

- Public Service Values
- Governance and Strategic Directions
- Policy and Programs
- People
- Citizen-Focused Service
- Risk Management
- Stewardship
- Accountability
- Results and Performance
- Learning, Innovation and Change Management

People Component of the Management Accountability Framework (PCMAF)

Departments and agencies have the people, work environment and focus on building capacity and leadership to assure success and a confident future for the Public Service of Canada.	
Workplace A workplace that is fair, enabling, healthy and safe in order to provide the best service to Canadians. **Fair** The workplace exhibits fair employment and workplace practices and effective labour relations. **Enabling** The workplace exhibits clear direction, collaboration, respect and support for employees' linguistic rights, diversity and personal circumstances to enable them to fulfil their mandate. **Healthy and safe** The workplace is a healthy and safe physical and psychological environment.	**Workforce** A workforce that is productive, principled, sustainable and adaptable in order to provide the best service to Canadians. **Productive** A committed workforce with the size, mix of skills and diversity of backgrounds to competently perform its duties. **Principled** The workforce is reflective of Canada's population, is respectful of Canada's official languages and performs its duties guided by the values and ethics of the Public Service. **Sustainable** A workforce that is renewable and affordable over time. **Adaptable** A workforce that is versatile, innovative and engages in continuous learning.

Appendix 3

Related Websites

The following websites provide additional information on subjects and reports referenced in this report.

Canada Public Service Agency

http://www.psagency-agencefp.gc.ca/index-eng.asp

- Annual Report on Official Languages
- Annual Report on the *Policy on Prevention and Resolution of Harassment in the Workplace*
- Annual Report on the *Policy on Internal Disclosure of Information Concerning Wrongdoing in the Workplace*
- Employment Equity in the Public Service of Canada, Annual Report to Parliament
- Human Resources Management in the Public Service of Canada, Annual Report to Parliament
- *Integrated Planning Guide*
- Public Service Renewal
- Key Leadership Competencies
- *Policy on Learning, Training and Development*
- Prime Minister's Advisory Committee on the Public Service: Report to the Prime Minister, March 2007

Canada School of Public Service

www.myschool-monecole.gc.ca

Public Service Commission of Canada

www.psc-cfp.gc.ca

Treasury Board of Canada Secretariat

www.tbs-sct.gc.ca

- Labour Relations and Compensation Operations
- Management Accountability Framework
- Pensions and Benefits

Appendix 3 - Continued

Privy Council Office

www.pco-bcp.gc.ca/premier.asp

- Annual Report to the Prime Minister on the Public Service of Canada