



Highlights



Public Service Commission 2006-2007 Annual Report

October 2007

The Public Service Commission (PSC) is an independent agency reporting to Parliament, mandated to safeguard the integrity of the public service staffing system and the political neutrality of the public service. In addition, the PSC recruits qualified Canadians from across the country.

Our Annual Report presents the results of the Public Service Commission's (PSC) oversight of the integrity of the staffing system and non-partisanship in the federal public service during fiscal year 2006-2007.

This was the first full year of operation under the modernized *Public Service Employment Act* (PSEA). Departments and agencies have made progress in using the opportunities the PSEA offers and have acquired experience with some of its newer features. Full implementation of the PSEA requires ongoing efforts to transform the staffing and recruitment culture.

Unfinished business and ongoing challenges of *Public Service Employment Act* implementation

■ For a fully functioning staffing regime, managers will need better tools, better information systems, guides, training

and support to take responsibility for their staffing and recruitment. The success of complete PSEA implementation will depend in large measure on ensuring that managers are able to play the role expected of them.

- The PSC is encouraged to note that 88% of organizations have developed human resources (HR) plans that cover a substantial portion of their population. However, moving forward, departments and agencies must continue working to link their plans to staffing strategies and actions.
- Change in the regime also depends on leadership from deputy heads so individual managers can support corporate strategies such as pursuing employment equity goals or using collective approaches for recruiting their workforce.
- Capacity in the community of HR professionals remains a concern. In departmental reports to the PSC, gaps

in HR capacity issues were the most frequently cited barrier to developing HR plans, implementing policies, and monitoring and controls.

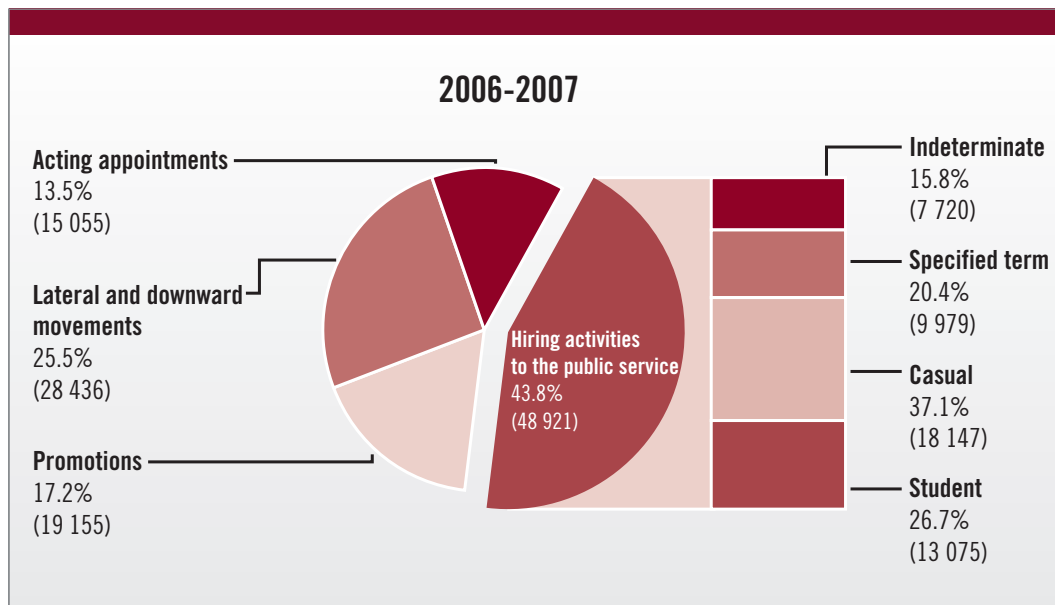
Overall staffing activities

- This report covers the staffing activities of 80 organizations with 180 986 employees and 6 946 casual workers as of March 31, 2007. This represents a growth of 1.7% over March 31, 2006.
- Overall, organizations conducted 111 567 staffing actions during 2006-2007 of which 80 345 were appointments to or within the public service (65 775 indeterminate and 14 570 specified term), 13 075 were students and an additional 18 147 were for casual employment. This represented an 11% increase in staffing activity over the previous fiscal year.

- The public service continues to be an attractive place to work, and there are many more qualified applicants seeking public service employment than there are vacant positions to offer them.
- In 2006-2007, millions of Canadians visited the PSC's jobs.gc.ca Web site. More than 260 000 individuals submitted over 1.07 million applications in response to 5 671 advertisements posted on the site. Approximately 50% of applicants reported having a university degree. This indicates no shortage of interest in public service jobs.

Executive appointments

- In 2006-2007, there were 2 265 appointments to and within the executive cadre (includes new hires, promotions, lateral and downward movement and acting appointments). This number represented an 11.1% increase over 2005-2006 EX



- There was an increase in indeterminate hires from 5 090 to 7 720 over the last fiscal year. Approximately 40% of all hiring happened in the National Capital Region.

staffing activity. Most of this increase is due to a 27.8% increase at the EX-1 level. The number of EX-3 appointments decreased by 15.9% and the staffing activity in the remaining EX levels remained relatively unchanged.

Overall, the PSC continues to have confidence in the strength of staffing in the public service and the foundation of merit as the basis for hiring. Despite the overall strength of the regime, the PSC identified a number of issues that require attention.

Permanent recruitment via the temporary workforce

- The PSC remains concerned about the amount of movement from casual to permanent employment. The PSC completed two system-wide studies during the year. The first looked at the prior public service employment of 86 017 new indeterminate employees hired between April 1, 1998 and March 31, 2006.
- The results showed that more than 80% of new permanent employees had some prior public service employment (75% had been either casual workers or term employees).
- The second study looked at all casuals hired from April 1, 1995 through March 31, 2005 and tracked these individuals through March 31, 2006 to determine what proportion of these individuals subsequently became employed under the PSEA.
- The main findings of the second study were that 41% of casual workers were subsequently employed (within one year) under the PSEA. Of these, 58% were appointed to an indeterminate position. In the National Capital Region over half (51%) of casual workers became employed under the PSEA on a term or permanent basis.
- The PSC is concerned about reliance on casual workers and term employees as a source for permanent recruitment. Temporary work may not appeal to potential recruits who are looking for permanent jobs. Recruitment from the

temporary workforce can create the impression that external recruits need not apply. Temporary hiring is also not adequate as a source of recruitment to meet the long-term needs of an organization or of the public service.

- The PSC will follow up with individual deputy heads and central agencies to determine what further collaborative efforts are needed to make sure that there is not a continued over-reliance on the temporary workforce for recruitment. Next year's Annual Report will report on progress made by departments in managing the balance.

Employment equity

- Three of the four employment equity (EE) groups (women, persons with disabilities and Aboriginal peoples) continue to exceed their rates of workforce availability.
- There remains a gap for visible minorities between their workforce availability and their representation in the public service. While overall recruitment rose, recruitment for visible minorities has shown a marked drop from 9.8% in 2005-2006 to 8.7% in 2006-2007. If the recruitment rate of visible minorities does not increase, the gap in representation will only be aggravated.
- The PSEA contains provisions which enable organizations to take actions to improve representation, such as including employment equity in the merit criteria by identifying EE objectives as current or future needs of the organization and expanding or restricting the area of selection for EE groups. Our assessment in 2006-2007 indicated that organizations are not using these provisions to their full extent.
- The PSC continued its research and analysis to better understand and address the "drop-off" in the percentage of visible minorities between application and appointment. Initial research did not

indicate any problems existed at the initial stage of screening conducted by the PSC's Internet-based Public Service Resourcing System. The PSC will conduct further research in 2007-2008 to track the performance of EE group members in subsequent screening, assessment and selection stages of the recruitment process conducted by departments and agencies.

- There was an encouraging increase of 70% in entry appointments of visible minorities to the Executive Group over the previous year. This demonstrates that concerted efforts by both the PSC and departments and agencies in monitoring and using special recruitment strategies, such as the pre-qualified pool established in 2005-2006, can produce significant results.

Movement within the public service

- The level of job movement in the public service increased to 40% in 2006-2007, up from 35% in 2005-2006 and 30% in 2004-2005. In certain occupations and departments and agencies, this level of movement reached well over 50%.
- The Personnel Administration (PE) group (76%) and the Executive (EX) group (58%) are experiencing particularly high levels of movement.
- A real challenge over the next few years will be managing succession and transitions as new employees enter jobs.

Ensuring non-partisanship

A tradition of professionalism and political neutrality has defined Canada's public service for almost 100 years. The PSC continues to find little direct political influence in the staffing system.

Political activities

- As part of its role in protecting political impartiality in the public service, the PSC reviews candidacy requests from public

servants. With its coming-into-force on December 31, 2005, the PSEA extended the PSC's responsibilities to municipal elections. This year's volume of requests is almost five times higher than in 2005-2006. Of the 95 candidacy requests received by the PSC in 2006-2007, 70 were for permission to be a candidate in a municipal election.

- During the year, the PSC found a number of cases of non-compliance with the PSEA's provisions on political activities. The Act is clear that public servants must receive permission from the PSC before becoming a candidate in an election. In 2006-2007, 26 employees had either declared their candidacy for elections or had been acclaimed or elected prior to receiving PSC permission. Of these 26 cases, 22 were for municipal elections.

Movement of public servants to and from exempt staff status

- Responding to parliamentary interest in cases identified in last year's Annual Report, the PSC undertook an audit of the movement of public servants between the public service and ministers' offices.
- The audit identified a need to establish Treasury Board policy and clarify PSC guidance for the movement of public servants to and from ministers' offices. The Treasury Board Secretariat needs to improve its monitoring of this movement, so that it is undertaken in a transparent manner and upholds the principle of political impartiality.

The Public Service Commission as a service provider of choice

- Although most of the services that the PSC provides are now optional for departments, demand remained high in 2006-2007.
- By providing a wide range of services, the PSC is committed to becoming a service provider of choice for departments and agencies as well as job seekers.

- The PSC administers specialized recruitment programs for the federal public service, targeting students and post-secondary graduates. In its two Post-Secondary Recruitment (PSR) campaigns in 2006-2007, the PSC received 31 686 applications from 16 785 individuals.
- In 2006-2007, 453 individuals were appointed through the PSR program (includes appointments from the Management Trainee Program, the Accelerated Economist Training Program and the Financial Officer Recruitment and Development and Internal Auditor Recruitment and Development Programs), of whom 384 were hired for indeterminate positions.
- Based on reports from departments and agencies to the PSC in June 2007, these 384 new employees represented almost 20% of post-secondary recruitment.
- In 2007-2008, the PSC will continue to expand the scope of the PSR program by examining various options to enhance the participation of federal government departments and agencies.
- To help manage large volumes of applications, the PSC provides departments access to the Public Service Resourcing System, its automated Web-based recruitment and screening tool. The PSC also works with departments to establish pre-qualified pools and inventories of candidates to support common hiring needs.
- As part of its service transformation project, the PSC will tailor its services to address the differing needs of organizations and expand its services in areas where a demand has been clearly identified, such as support for collective staffing.

National area of selection

- In response to concerns expressed by Canadians and parliamentarians about access to job opportunities, in 2005 the

PSC announced a phased-in, measured approach to expanding its policy requiring a national area of selection for appointment processes open to the public.

- Canadians from across the country are now eligible to apply for more positions. Introduced in April 2006 in the National Capital Region, phase one of the expansion increased the proportion of jobs open nationally for Canadians from 19% to 29%. With the expansion undertaken in phase two in April 2007, this proportion is expected to rise further, to 55% of all jobs open to Canadians across all regions for all officer level occupations.

Assessment and testing

- In 2006-2007, overall testing volumes increased significantly from the previous year. These increases occurred in most testing categories, including managerial/ leadership assessments, occupational tests and second language evaluations.
- In 2006-2007, the PSC continued to experience an increase in requests from departments and agencies, and conducted more reading, writing and oral interaction tests than the previous year.
 - Reading: up 3.5% (from 26 319 to 27 244);
 - Writing: up 3.2% (from 28 950 to 29 887); and
 - Oral interaction: up 5.9% (from 22 963 to 24 327).
- Regarding Second Language Oral Interaction Testing, the PSC is taking steps to reduce wait times. These include:
 - increased resources for oral interaction testing;
 - a strategy for prioritizing incoming service requests; and
 - the establishment of new service standards.

Official languages

- Hiring for bilingual positions can be done on an imperative or non-imperative basis. In non-imperative situations, the person appointed is exempted for two years from meeting the language requirements of the position, allowing them time to learn the second official language. This exemption period can be extended under exceptional circumstances governed by the *Public Service Official Languages Exclusion Approval Order*.
- The PSC is encouraged to note that in 2006-2007, organizations reduced the number of cases that do not respect the provisions of the Order when initial exemption periods have expired. The 2005-2006 Annual Report cited a total of 892 non-compliant cases as of March 31, 2005. The total fell to 218 as of March 31, 2007, an improvement of 76%.
- Many opportunities exist for both unilingual and bilingual Canadians to join the public service. Seventy-one point seven percent (12 478) of new appointees to the public service in 2006-2007 identified English as their first official language and 28.9% (5 068) identified French as their first official language. This ratio has remained stable over the last five years.

Conclusion

- The new PSEA is a key enabler of the renewal goals that the government has set. Fifteen months of experience with the new Act show a need for departments and agencies to continue developing innovative approaches within the legislative framework and to ensure an approach based on strengthened planning, continuous learning and increased use of information for decision-making.
- For full PSEA implementation, more work needs to be done on the supporting infrastructure (including improving HR planning, capacity and information).
- The PSC looks forward to working together with deputy heads, their managers and the HR community as we continue to fully implement the PSEA, make the necessary cultural change and ensure the effective modernization of the public service.