



# Highlights



## 2008-2009 Annual Report

October 2009

*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.*

*This Annual Report of the Public Service Commission of Canada (PSC) presents the results of its oversight of the integrity of the staffing system and non-partisanship in the federal public service during the fiscal year 2008-2009. It also reports on the delivery of PSC staffing and assessment services.*

### Context

The 2008-2009 fiscal year was the third full year of operation under the current *Public Service Employment Act (PSEA)*. Departments and agencies, and the PSC, continued to make progress in implementing the objectives set out in the PSEA, with significant achievements being made in some areas.

In 2008-2009, the public service continued to experience growth. As of March 2009, there were 208 947 people working in the 82 organizations under the PSEA, representing an increase of 4.5% from March 2008. There were 183 932 employees in indeterminate positions and 13 171 in specified period (term) positions, as well as 7 162 casual workers and 4 682 students.

### A highly delegated staffing system

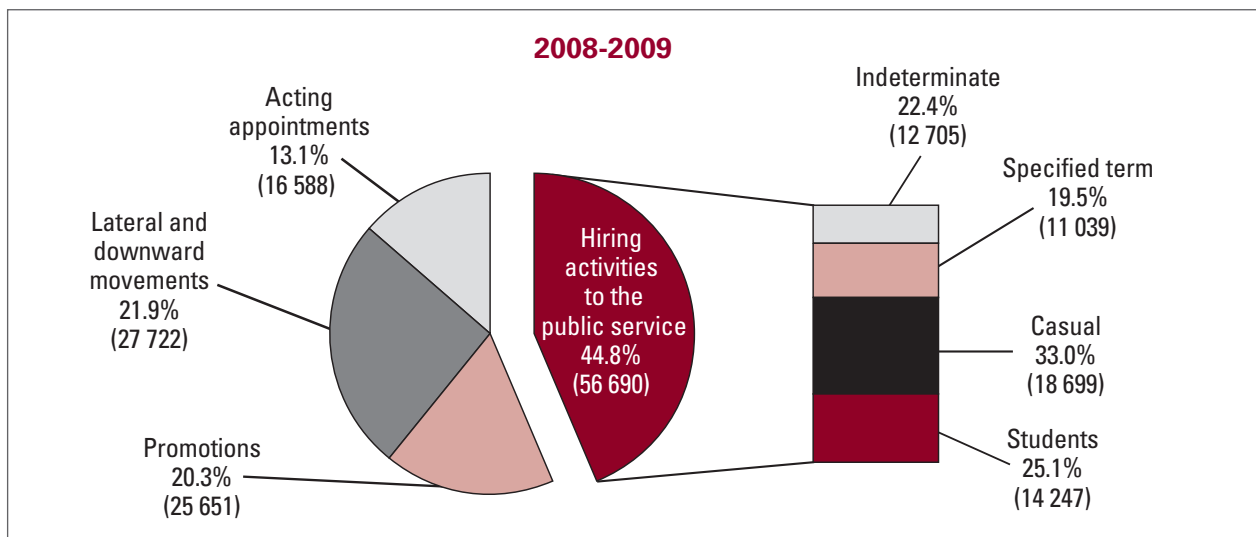
#### *Overall staffing activity*

Increases in staffing activity were seen both within the public service and in hiring from outside the public service in 2008-2009.

Organizations subject to the PSEA conducted 126 651 staffing activities, an increase of 3.7% over the previous fiscal year. Of these staffing activities, 93 705 were appointments to or movement within the public service (78 561 indeterminate and 15 144 specified period appointments).

Hiring activity to the public service totalled 56 690 in 2008-2009, an increase of 3.6% from the previous fiscal year. Indeterminate hires from outside the public service increased to 12 705 from 10 579 (an increase of 20.1%) and represented 22.4% of all new hires.

## Overall public service hiring and staffing activities



**Source:** PSC hiring and staffing activities files

While the number of student hires increased to 14 247 (up 4.8% from the previous year), the number of appointments to term and casual positions decreased slightly (by 2.0% and 3.1%, respectively).

The proportion of all hiring activity that took place within the National Capital Region exceeded that of public service employees in the region at the end of March 2009 (44.2%, compared with 42.9%).

The total number of staffing activities in the EX group has risen steadily over the last four years, from 2 038 in 2005-2006 to 2 490 in 2008-2009. These figures include indeterminate and specified period appointments to the public service, promotions, lateral and downward movements and acting appointments of four months or more. The number of staffing activities in the EX group increased by 6.2% over the previous fiscal year.

### *Management of staffing in departments and agencies*

Overall, the staffing performance of organizations was acceptable, with some examples of strong management performance. In 2008-2009, 61% of organizations had acceptable performance regarding integrated human resources (HR) and business planning, an increase of 33 percentage points from the previous year.

There was a significant increase (from 36% in 2007-2008 to 75% in 2008-2009) in the number of organizations assessed as acceptable with respect to organizational HR support systems.

Significant improvements are still required by organizations in the area of managerial accountability for results.

**Overall assessment:** The core values of merit and non-partisanship are generally being respected across the public service. Nonetheless, the PSC is concerned about early and important signs that added vigilance is required to ensure that Canadians will continue to benefit from a merit-based, non-partisan public service in the years ahead.

The PSC is increasingly concerned that the integrity of the appointment system is being undermined by the cumulative effects of organizational practices that do not adequately adhere to the guiding values of fairness, access, transparency and representativeness. The PSC found individual cases in 2008-2009 where either merit was not respected or there was insufficient evidence to determine whether merit was respected. The PSC also observed the emergence of new challenges with respect to the non-partisan character of the public service that require more attention.

## A non-partisan federal public service

### *Political candidacy*

In 2008-2009, the PSC received 54 new requests for permission to seek nomination as, or to be, a candidate in an election; this represented a 20% increase from last year, when 45 new requests were received. As in the previous year, municipal election requests represented the majority (76%) of new candidacy requests.

### *Investigations into improper political activity*

The PSC completed 17 investigations into allegations of improper political activity. In most cases, the investigations concluded that individuals had run as candidates in elections without seeking the necessary permission from the PSC.

Two investigations were completed in response to allegations of political activity not related to candidacy, one of which was founded.

## Areas of special interest

### *Official languages*

In 2008-2009, 70.1% of those appointed to organizations subject to the PSEA identified English as their first official language and 29.9% indicated French. These percentages have remained relatively unchanged over the past four years.

Of the 23 744 appointments to the public service, 71.6% were staffed as unilingual (i.e. English or French essential, French essential or English essential) and 26.9% were staffed as bilingual imperative.

Of the 62 878 indeterminate appointments made to and within organizations under the PSEA in 2008-2009 (excluding acting appointments) 2 160 (3.4%) were appointments resulting from bilingual non-imperative processes. Of these, 403 appointees were entitled to language training in order to meet the language requirements of their position within two years of appointment,

as provided by the *Public Service Official Languages Exclusion Approval Order* (the Order). Given the PSC's monitoring and efforts to enhance the awareness of organizations and the increased vigilance of deputy heads, the number of cases exceeding two years and not compliant with the Order continued to decrease. On March 31, 2009, there were 69 such cases, whereas on March 31, 2005, there were 892.

### *National area of selection*

As of December 2008, all full-time term positions of six months or more and all indeterminate jobs that are advertised through external appointment processes are open to candidates across the country and Canadians living abroad, whereas just 19% of such jobs were open across Canada in 2004.

More Canadians are taking advantage of the expanded access to jobs. In 2008-2009, most regions experienced a slight increase in the percentage of applications from other regions; the exception is Saskatchewan, where 80% of applications were from other regions, compared with 66% in 2007-2008. Preliminary analysis of appointment data suggests that the goal of enhancing access to jobs is being met.

### *Employment equity*

In 2008-2009, PSC analysis shows continued progress for three employment equity (EE) groups — Aboriginal peoples, members of visible minorities and women — whose appointment rates from externally advertised processes are greater than their respective workforce availability (WFA). However, the public service is not attracting sufficient numbers of persons with disabilities to externally advertised positions, and their recruitment rate continues to be lower than their WFA.

The PSC has developed a new methodology for determining the recruitment rates for all EE groups, except women, in externally advertised processes. The new methodology shows that appointment rates of visible minorities from externally advertised processes are much better than previously estimated and have increased steadily, from 15.6% in 2006-2007, to 17.3% in 2007-2008, to 18.8% in 2008-2009.

The PSC is still concerned about the “drop-off” of EE group members from the application to the appointment stage. It will work with other organizations to better understand the contributing factors and address any barriers.

Given the importance of accurate and reliable statistical data on EE groups, the PSC is working with stakeholders to achieve a common methodology for measuring and reporting on representation in both appointments and the public service population.

## Issues of concern

### *Time to staff*

While improvements are being made as experience with the current regime grows, the PSC is concerned that the average time to staff still remains higher than it was prior to the current Act.

The average time required to staff advertised indeterminate positions increased slightly from 22.8 weeks for the period of January 2000 to December 2003 to 24.1 weeks for the period of April 2006 to September 2007. For the period of October 2007 to September 2008, the average time to staff had decreased to 23.5 weeks as organizations started to adapt to the new staffing regime.

The PSC believes that there remains considerable potential within the existing legislative and policy framework for organizations and individual managers to reduce the time required to staff. Reductions of up to 30% in time to staff may be possible, provided managers have the HR support, information and tools they require and adopt a strong project management approach.

### *Temporary workforce*

In its 2006-2007 Annual Report, the PSC raised concerns related to the recruitment of permanent hires through the temporary workforce. In 2008-2009, not only did the trend persist, but casual employment was increasingly used as a source of permanent hires.

In 2008-2009, PSC statistics show that there has been some improvement in the area of indeterminate hires, with the proportion of public servants with no prior experience in the public service increasing from just over 16% in 2000-2001 to 35% in 2008-2009.

However, the PSC is concerned about the proportion of new indeterminate hires with prior experience as casual hires in the public service. In 2009-2010, the PSC will further examine the trend and its implications and consider what more needs to be done.

### *Use of private firms*

The PSC is concerned that private firms are being used to hire temporary workers outside the terms of the PSEA. The repeated use of contractors over an extended period can run counter to the guiding values. In 2009-2010, the PSC will take a closer look at temporary help services within the context of the PSEA and adherence to the appointment values.

### *Student bridging*

The PSC's *Audit of the Federal Student Work Experience Program and subsequent appointments through bridging mechanisms*, released in May 2009, found that, overall, the program is working reasonably well. However, over one third of bridging appointment processes reviewed did not respect the PSC's Appointment Policy. More rigour is also needed in the documentation supporting bridging decisions in order to ensure that legislative and policy requirements, as well as the appointment values, are respected.

### *Non-advertised appointment processes*

Deputy heads need to monitor and document the use of non-advertised appointment processes more closely to ensure respect for the core and guiding values.

Nevertheless, the PSC estimates that, in 2008-2009, the percentage of non-advertised processes appears to have decreased from the year before, from 40% to 37%. It also estimates that 84% of acting appointments of four months or more were made through non-advertised processes.

## Continuous improvement of Public Service Commission functions

### *Oversight*

In the fall of 2008, following the Horizontal Strategic Review of Human Resources, the PSC asked an Independent Review Committee to evaluate its oversight function. The Committee concluded that the PSC's approach to oversight was appropriate, but that some calibration was required in the quality and amount of monitoring.

The Committee also concluded that simply enhancing PSC oversight, in isolation, would not be enough. It noted that full implementation of the PSEA would require renewed engagement and a concerted effort by deputy heads, managers, HR specialists and bargaining agents.

The PSC has accepted the Committee's 18 recommendations and has put in place an action plan to address them over the next two years.

### *Investigations*

In 2008-2009, the PSC received 410 new requests to investigate allegations related to appointment processes. The PSC also determined that 109 requests were suitable for investigation. Fifty-six investigations completed were related to external appointment processes, with 15 files resulting in a founded determination and corrective actions applied. Seventeen allegations were related to fraud in an appointment process, with 6 cases resulting in a founded determination and corrective actions applied. Two requests, from a deputy head, were related to delegated internal appointment processes, one of which was founded and referred back to the organization to determine the appropriate corrective action.

In the last fiscal year, nine investigations of delegated internal appointment processes by deputy heads were reported to the PSC, six of them founded. The PSC is concerned that deputy heads may not be using their authority to investigate internal appointment processes to the extent expected. If it is determined that problems exist within an internal appointment process and the department or agency

involved did not take any action to examine the problems, the PSC can and will conduct an audit under section 17 of the PSEA. In 2008-2009, the PSC provided information to delegated organizations and bargaining agents in order to explain this new approach, and these efforts will continue in 2009-2010.

### *Appointment Policy*

In 2008-2009, the PSC began a review of its Appointment Policy. The review is focussing on identifying issues and determining whether there is a need for statutory or policy solutions; whether policies and policy support tools are consistent with PSEA requirements and with appointment values; and whether policy guidance is concise and clear. The review is to be completed by December 2009.

### *Political activities and non-partisanship*

In light of the experience gained in the last three years, the PSC has undertaken to streamline its approach to approving municipal candidacy requests. In addition, demographic changes and technological innovations, combined with particular cases brought to the attention of the PSC in the last year, highlight the need for a broad dialogue on the theme of non-partisanship in the 21<sup>st</sup> century.

### *Staffing and Assessment Services*

The PSC continued to support organizations with their delegated appointment authorities in 2008-2009. It provided a core group of centralized services, including automated tools, systems and services that supported collective needs, such as post-secondary recruitment and student programs.

## Preparing for the five-year review of the *Public Service Employment Act*

The PSEA includes a requirement to review the Act and its administration and operation five years after it comes into force. This five-year period will elapse on December 31, 2010.

In preparation for the five-year review, the PSC will be taking stock of the implementation of the PSEA. It will be undertaking a comprehensive assessment of its roles and responsibilities, including the PSC appointment policy framework and the effectiveness of the PSC's service delivery model.

Three issues have also been identified for detailed analysis: merit, non-partisanship and recourse. For example, the PSC found signs in 2008-2009 that the new definition of merit in the PSEA requires, at both the individual and system levels, a more sophisticated approach to applying the core and guiding values and weighting the values in different circumstances. The PSC will be examining this issue further and exploring approaches to support managers and organizations in this regard. In addition, the current PSEA introduced "informal discussion." Early findings suggest that this mechanism is being used, and the PSC will continue to examine its overall contribution to staffing and recourse.

This work is expected to be completed by December 2010 and will culminate in a special report to Parliament.

## A public service for the 21<sup>st</sup> century

In February 2009, the Prime Minister announced changes to HR governance to better deliver policies and services and foster more effective HR management. The PSC's role as guardian of merit and non-partisanship was reconfirmed.

A dynamic and strong public service is more important than ever. Safeguarding the values of merit and non-partisanship provides the foundation necessary for maintaining a public service that strives for excellence and for addressing new challenges in the years ahead. To support deputy heads with their delegated appointment authorities and to ensure a professional, merit-based, non-partisan public service — these are the ongoing commitments of the PSC to Parliament.