



Treasury Board of Canada
Secretariat

Secrétariat du Conseil du Trésor
du Canada

Canada

Policy on the Management of Executives

Published: Apr 01, 2012

© Her Majesty the Queen in Right of Canada,
represented by the President of the Treasury Board, 2012

Published by Treasury Board of Canada, Secretariat
90 Elgin, Ottawa, Ontario, K1A 0R5, Canada

Catalogue Number: BT43-163/2012E-PDF
ISBN: 978-0-660-09955-2

This document is available on the Government of Canada website, Canada.ca

This document is available in alternative formats upon request.

Aussi offert en français sous le titre : Politique de gestion des cadres supérieurs

Policy on the Management of Executives

1. Effective Date

1.1 This policy takes effect on July 16, 2007.

1.2 This version of the policy instrument incorporates updates effective April 1, 2012.

1.3 It replaces the following:

- [Organizational Authority and Classification of Executive Group Positions Policy](#), dated January 1, 2006,
- [Terms and Conditions of Employment for Executives](#), dated January 1, 1989,
- [Salary Administration Policy for the Executive Group](#), dated September 1, 2002,
- [Policy on Deployment of Executives](#), dated June 18, 1997,
- [Executive Employment Transition Policy](#), dated September 1, 1992, and
- [Directives for the Performance Management Program for Executives](#), dated April 1, 2004.

1.4 Transitional measures are as follows:

- 1.4.1 [Directive on Executive Compensation](#), Appendix C: Executives appointed from outside the core public administration prior to the effective date of this policy and its directives can be offered the provisions of section 5.2.4 (c) of Appendix C of the [Directive on Executive Compensation](#) if they meet the criteria stated therein.
- 1.4.2 [Directive on Executive Compensation](#), Appendix E: Departments in excess of their EX quotas for Special Deployments have two (2) years after the effective date of this policy to conform to the directive.
- 1.4.3 [Directive on the Performance Management Program for Executives](#): Performance ratings for executives on Interchange Canada assignments prior to the effective date of this policy are not affected by changes in this directive.

2. Application

2.1 This policy applies to the core public administration as defined in section 11 of the *Financial Administration Act*, unless excluded through specific acts, regulations or Orders in Council.

2.2 Specifically, it applies to excluded employees in the following groups and levels as specified in each directive:

- Executive (EX) Group, levels 1 to 5,
- Defence Scientific Service (DS) Group, levels 7A, 7B, and 8,
- Medical Officer (MD-MOF) Group, levels 4 and 5, and
- Medical Specialist (MD-MSP) Group, level 3.

2.3 Application of individual directives is specified in each directive and in Appendix A to this policy.

3. Context

3.1 The sound management of EX Group classification, compensation, performance and career transition is an essential component of the effective management of the public service and of the cost-effective, efficient delivery of government policies, programs and services.

3.2 The deputy head is accountable to his or her minister, to the Prime Minister through the Clerk of the Privy Council, and to the Treasury Board, for the management of executives in accordance with this policy and within the spirit and intent of the [Values and Ethics Code for the Public Service](#).

3.3 This policy reflects the principles of excellence in people management, guided by values, statutory and policy provisions, and based on the key leadership competencies responsive to evolving needs.

3.4 This policy is issued under sections 7 and 11.1 of the [Financial Administration Act](#).

3.5 Treasury Board has delegated to the Chief Human Resources Officer (CHRO) of the Treasury Board Secretariat (TBS), in consultation with the Secretary of the Treasury Board the authority to issue, implement and amend the:

- [Directive on Executive \(EX\) Group Organization and Classification](#),
- [Directive on Executive Compensation](#),
- [Directive on the Performance Management Program for Executives](#), and
- [Directive on Career Transition for Executives](#)

except where the impact of implementation would:

- Have a financial impact (i.e. instances, where departments would not be able to cover the costs of implementing changes to the Directives within existing reference levels),
- Increase total compensation for executives,

- Increase the size of the departmental EX-04 and EX-05 position baseline, or
- Increase the size of the departmental EX-05 position baseline.

3.6 Treasury Board has retained its authority for:

- Approving amendments or exceptions to this policy,
- Approving the classification standard for the EX Group and amendments if implementation would require additional funding,
- Approving amendments to directives resulting in an increase to total compensation for executives,
- Approving growth in the total size of the departmental EX-04 and EX-05 baseline and the size of the departmental EX-05 baseline, and

3.7 Additional mandatory requirements are set out in the:

- *Directive on Executive (EX) Group Organization and Classification,*
- *Directive on Executive Compensation,*
- *Directive on the Performance Management Program for Executives,* and
- *Directive on Career Transition for Executives*

3.8 This policy is to be read in conjunction with the:

- [Foundation Framework for Treasury Board Policies](#), and
- [The Policy Framework for the Management of Compensation](#).

4. Definitions

baseline of EX-04 and EX-05 positions (*allocation ministérielle des postes*)

The total number of EX-04 and EX-05 positions approved by the Treasury Board.

deputy head (*administrateur général*)

for purposes of Schedule I of the *Financial Administration Act*, the deputy minister, and for purposes of Schedule IV, the chief executive officer or the person who occupies such a position.

executive (*cadre supérieur*)

an employee appointed to the Executive Group (EX-01 to EX-05 levels). For purposes of this directive, employees who are classified in the following groups and levels are considered to be executive equivalents: Defence Scientific Service (DS) Group, levels 7A, 7B, and 8, Medical Officer (MD-MOF) Group, levels 4 and 5, and Medical Specialist (MD-MSP) Group, level 3.

Associate Assistant Deputy Minister position (*Poste de Sous-ministre adjoint délégué*)

an EX-04 position sharing the mandate, delegated authority and accountability of an existing EX-05 position of exceptional size and complexity where both positions report to the same Deputy Head / Associate Deputy Head.

5. Policy Statement

5.1 Objective

The objective of this policy is the cost-effective and efficient delivery of government programs through the:

- Development of appropriate organizational structures designed to achieve departmental results,
- Attraction and retention of qualified and experienced executives,
- Management of executives' performance,
- Recognition and valuing of executives' contributions, support of their aspirations and potential, and
- Facilitation of executive career transition.

5.2 Expected results

The expected results of this policy are:

- Departments designed to ensure efficiency, effectiveness and affordability and aligned to deliver their mandates.
- Relative value of work determined in a consistent manner across the core public administration.
- Departments with the capacity to attract and retain qualified and experienced executives.
- Compensation, performance management of executives and career transition issues managed in an equitable, consistent, transparent manner in accordance with this policy and directives.
- Executives informed through the establishment of performance agreements of what is expected of them and their performance managed to achieve departmental mandates.
- Executive career transitions consistently managed with a common approach to address HR issues.

6. Policy Requirements

6.1 Deputy Head (responsibility)

As applicable, in accordance with Appendix A (Application Table), deputy heads are responsible for:

- Determining the departmental organizational structure and executive resourcing requirements through ongoing human

- resources planning,
- Managing organizational design issues and the classification program for the EX Group,
- Consulting with the Office of the Chief Human Resources Officer (OCHRO) of the Treasury Board Secretariat (TBS) to determine any new EX-04 and EX-05 baseline, to develop proposals for increases to their departmental EX-04 and EX-05 baseline, and at the outset and throughout a career transition process that can potentially result in an executive leaving the core public administration,
- Where such programs exist, identifying rotational pools or developmental programs for executives for which acting pay will not be available and informing employees of the elements of any such programs,
- Establishing a review committee, or mechanism, to ensure equity and consistency in the assessment of executive performance across the department,
- Determining the appropriate career transition process and formally notifying executives of their status,
- Informing executives of this policy,
- Providing adequate governance processes, strategies, expertise and capacity for the implementation of this policy and its directives, and
- Seeking Treasury Board approval to exceed the authorities described in this policy and directives if exceptional circumstances warrant it.

6.2 Deputy Head (authority)

As applicable, in accordance with Appendix A (Application Table), deputy heads personally authorize and cannot sub-delegate the following:

- Classification of EX-01 to EX-05 positions in accordance with the *Executive Group Position Evaluation Plan* except for administrative classification actions that have no impact on the evaluation of the position or do not change its reporting relationship,
- Creation of Associate Assistant Deputy Minister positions at the EX-04 level in accordance with the definition described in the Policy and the criteria described in the Appendix B of the Directive on Executive (EX) Group Organization and Classification,
- Special deployments for executives,
- Increases in salary beyond five (5) percent upon appointment/acting appointment (excluding appointment /acting appointments for MD- MOF-04 and 05 and MD-MSP-03),
- Lump sum payments upon appointment (excluding appointment /acting appointments for MD- MOF-04 and 05 and MD-MSP-03),
- Lump sum payments upon appointment from outside the public service that are payable at the beginning of the executive's second year and based upon successful completion of agreed-upon commitments (excluding appointment for MD- MOF-04 and 05 and MD-MSP-03)
- Accumulation of vacation leave credits at the same rate as the executive had prior to joining the core public administration, (excluding MD-MOF-04 and 05, MD-MSP-03)
- Use of the 130 days sick leave credits for special circumstances (excluding MD-MOF-04 and 05, MD-MSP-03)
- Exceptional leave with pay that exceeds five (5) accumulated days per year (excluding MD-MOF-04 and 05, MD-MSP-03)
- Special leave without pay (excluding MD-MOF-04 and 05, MD-MSP-03)
- Education leave, with or without an allowance, (excluding MD-MOF-04 and 05, MD-MSP-03),
- Extension of acting appointments beyond one year (excluding MD-MOF-04 and 05, MD-MSP-03),
- Increases in salary up to 10% of the salary maximum for non-executives acting in executive positions,
- That duties of an executive's second position for which salary comes from the Consolidated Revenue Fund does not impair an executive's effectiveness in his/her regular position,
- Performance awards for executives,
- Performance Management Program letter of attestation, and
- Executive career transition agreements negotiated with an executive.

6.3 Monitoring and reporting requirements

6.3.1 Within departments

Consistent with the policy requirements above, deputy heads are responsible for monitoring adherence to this policy and its directives within their department.

6.3.2 By departments

- 6.3.2.1 In addition to parliamentary reporting required for the *Estimates and Departmental Performance Reports* (DPR), and any other reporting requirements, as required by legislation, departments are required to provide to OCHRO:
 - Classification decisions, including changes to titles, relating to EX-04 and EX-05 positions within 60 days of such actions being taken,
 - Annual reports on PMP, and
 - A copy of all career transition agreements signed by both parties.
- 6.3.2.2 In addition to the above, departments are required to:
 - Enter classification decision data in the Position Classification Information System (PCIS) as soon as classification decisions are authorized, and
 - Ensure the proactive disclosure of information about the reclassification of encumbered positions.

- 6.3.2.3 Based on analysis of the above-noted information and information available from other sources found in various corporate electronic systems and risk analysis, OCHRO can require departments to provide additional information for the purposes of assessing compliance and evaluating management practice.
- 6.3.2.4 All the above information and its analysis can be included in the Management Accountability Framework (MAF) process.

6.3.3 By the Office of the Chief Human Resources Officer, TBS

- Monitoring ongoing departmental compliance with this policy and its directives,
- Reviewing and analyzing departmental monitoring reports relevant to this policy and directives to assess the manner in which classification decisions are made and the effectiveness of the *Executive Group Position Evaluation Plan*,
- Analyzing Scorecard results and providing feedback or direction for improvement, and
- Reviewing the policy and its associated directives, and their effectiveness at the five-year mark of implementation of the policy. Where substantiated by risk-analysis, OCHRO can also ensure an evaluation is conducted.

7. Consequences

7.1 A variety of negative or positive consequences can apply with regard to compliance with this policy and directives.

7.2 If the department is not in compliance with this policy, the Chief Human Resources Officer can request the deputy head to comply with this policy.

7.3 If no action is taken by the deputy head, the Office of the Chief Human Resources Officer can take other measures, such as increase the level of oversight by asking for additional or more frequent reporting and/or request special audits or reviews, or asking Treasury Board to alter or revoke delegated authorities related to this policy.

7.4 Departmental performance with respect to this policy contributes to the overall assessment of the deputy head's performance and is considered in the annual Management Accountability Framework (MAF) exercise.

8. Roles and Responsibilities of Other Government Organizations

8.1 The Office of the Chief Human Resources Officer of the Treasury Board Secretariat is responsible for:

- Developing the classification standard for the EX Group,
- Issuing notification and instructions for the implementation of salary increases for executives and PMP budgets,
- Authorizing deputy heads to proceed with payment of performance awards when the requirements have been met

9. References

9.1 Other relevant legislation and regulations:

- [Canadian Human Rights Act](#)
- [Public Service Employment Act](#)
- [Public Service Employment Regulations](#)
- [Public Service Labour Relations Act](#)
- [Public Service Superannuation Act](#)
- [Employment Equity Act](#)
- [Official Languages Act](#)
- [Government Employees Compensation Act](#)
- [Public Service Rearrangement and Transfer of Duties Act](#)

9.2 Related policies and publications:

- [Policy on Classification System and Delegation of Authority](#)
- [Occupational Group Definitions](#) (for determining occupational group allocation of positions)
- [Executive Group Position Evaluation Plan](#) (classification standard for the EX Group)
- [Guide to Writing Work Descriptions for the Executive Group](#)
- [Reports of the Advisory Committee on Senior Level Retention and Compensation](#)
- [Key Leadership Competencies](#)
- [Policy on Interchange Canada](#)
- [Policy on Terms and Conditions of Employment](#)

10. Enquiries

10.1 Please direct enquiries about this policy to your departmental headquarters. For interpretation of this policy, departmental headquarters should contact:

Executive Management Policies,
Office of the Chief Human Resources Officer

Appendix A

Application Table

Group and Level ^[1]	Directive on Executive Compensation			Directive on the Performance Management Program for Executives	Directive on Executive Group Organization and Classification	Directive on Career Transition for Executives
	Salary Appendix B	Non-Salary Appendix C	Special Deployment Appendix E			
EX-01 to EX-05	Applicable	Applicable	Applicable	Applicable	Applicable	Applicable
DS-7A, 7B, 8	Applicable	Applicable	Not Applicable	Applicable	Not Applicable	Applicable
MD-MOF-4, MOF-5	Not Applicable	Not Applicable	Not Applicable	Applicable	Not Applicable	Applicable
MD-MSP-3	Not Applicable	Not Applicable	Not Applicable	Applicable	Not Applicable	Applicable

Footnotes

Footnote fn1

Excluded employees only in these groups and levels

[Return to footnote \[1\] referrer](#)