

# **Chapter 9**

## **Streamlining the Human Resource Management Regime**

A Study of Changing Roles  
and Responsibilities



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# Streamlining the Human Resource Management Regime

## A Study of Changing Roles and Responsibilities

### Main Points

**9.1** We undertook this study to draw to Parliament's attention the urgent need to deal with long-standing issues and emerging challenges for human resource management in the public service.

**9.2** The current framework governing human resource management in the "core" public service is unduly complex and outdated. Administrative systems are cumbersome, costly and outmoded. The framework is ill suited to an environment that demands flexibility and adaptability — an environment that faces significant challenges in human resource management and an increasingly competitive labour market.

**9.3** Public service staffing is a major source of frustration both to managers and to employees. The system is rule-bound and inefficient. Managers need to have more authority in staffing, but they also must be more clearly accountable for their decisions. The interests of employees must be respected, but there is a pressing need to modernize and streamline the processes for staffing and related recourse.

**9.4** Concerns about "fractured responsibility" for human resource management are long-standing. Responsibility and accountability for the changes needed to simplify, streamline and strengthen the current human resource management regime need to be clearly assigned and appropriately supported. This is particularly important in areas of divided responsibility.

- In human resource management, deputy ministers — leaders of the major organizations of government — have been seen as primarily responsible for administering a centrally prescribed framework. A significant step in their role is needed. Deputies should have pivotal responsibility for developing and maintaining a healthy work environment in their departments, and their responsibilities for human resource management need to be set out formally. Deputy ministers should be clearly accountable for the way their departments perform these responsibilities.
- The Public Service Commission needs to engage in an active dialogue with Parliament about changes in its activities and in the way it carries out its responsibilities for merit protection. This dialogue should encompass legislative reform of staffing. The Commission also needs to improve its reporting on departmental performance in adhering to the provisions and principles of the *Public Service Employment Act*.
- There is a need for the Treasury Board to strengthen its reporting to Parliament on the aspects of human resource management for which it is responsible. As well, there is a need to clarify the responsibility of deputies for reporting on the quality and effectiveness of human resource management in their departments.

### Background and other observations

**9.5** The core public service is now substantially smaller than at any time since the early 1970s. It has diminished by almost 100,000 employees in the last 10 years, to about 143,000 employees by the end of 1999. Government downsizing, devolution, privatization, limited recruitment and other measures were factors in this reduction. More than 50,000 public servants have moved from the "core" public service (for which Treasury Board acts as the employer) to "separate employers" like the Canada Customs and Revenue Agency.

**9.6** Knowledge workers now constitute 55 percent of public servants (up from about 33 percent 15 years ago). They are bringing new expectations to the workplace, heightening the need for change.

**9.7** The percentage of public service employees aged 45 to 54 has almost doubled over the last 14 years, and 70 percent of executives could retire within 10 years. This is generating concern about a potential leadership crisis. Moreover, youth are underrepresented: the percentage of public servants under 35 years of age is roughly half that in the Canadian work force.

**9.8** In 1996, the Treasury Board Secretariat estimated that there were 840 separate pay rates and 70,000 rules governing pay and benefits. In 1997, there were more than 12,000 pages of instructions in the Treasury Board's personnel and pay administration manuals. It takes 119 calendar days on average to complete a closed competition in the core public service, not including added time to deal with any appeals. This is about twice as long as reported by selected quasi-public organizations. For a new position that needs to be classified, staffing takes 230 calendar days on average — almost eight months.

**In its corporate response, the government agrees on the need for a strong human resource management framework and on the importance of the health of the public service. It is more optimistic than the Auditor General on some matters, and notes recent initiatives to address some issues. In a supplementary response, the Public Service Commission indicated its continuing efforts to improve staffing systems and to engage in a dialogue with Parliament.**

## Introduction

**9.9** The women and men in the Canadian public service provide essential services to their fellow Canadians. These range from delivering benefits and approving new drugs to providing information that people rely on to make their personal and business decisions. Public servants also advise ministers of the day on issues and policy options in this wide range of matters. Canadians expect their public servants to be non-partisan, and to provide services honestly, fairly, impartially and cost-effectively.

**9.10** Canada is widely regarded as among the finest countries in the world to live and work in. Our federal public service is viewed in the same positive light by those who recognize its vital role in developing and providing the programs and services that are integral to our way of life. But people management in the public service faces major challenges, and significant concerns about the adequacy and responsiveness of the human resource management regime.

**9.11** The organizational well-being of the public service and, in turn, its capacity to deliver results depends on its ability to attract, develop and retain qualified people. Key to doing this well is an effective human resource management regime. This is particularly important at a time of major pressures within the public service, changing labour markets, and increasing demands on public servants.

**9.12** The public service seeks to recruit highly competent people with the necessary skills and qualities through a system of staffing that is non-partisan and based on merit. These principles have led to the creation of a professional career public service. They underlie the legislative and institutional framework that Parliament created to govern human resource management.

**9.13** Managers are not free to manage people any way they like. Whether in the private or the public sector, managers must operate within a framework of rules and comply with the policies, directives and guidelines of their organization. Most organizations set up human resource systems that, properly designed, help managers manage their people.

**9.14** Public servants are managed under a basic framework that dates back to 1967, when legislation set out the roles and responsibilities of government organizations involved in “personnel management.” Many studies over the past 30 years found that fundamental change was highly desirable, even essential, and recommended significant changes to the framework. Contemporary reviews have reached the same conclusions. Yet change has been limited to what has evolved within the confines of the framework, which itself remains essentially unchanged.

**9.15** The expectations of today’s public service managers call for human resource management that is flexible, responsive and timely. It is time to address the issues that have long stood in the way of significantly improving how the public service is managed.

**9.16** Through the legislation Parliament passes, it directs how the public service should be managed. Its scrutiny of the government’s budgets and accountability reports and its examination of public service issues play a vital role in ensuring the ongoing competence and capacity of the public service.

### The basic legislative framework

**9.17** The basic framework for managing people in the 20 departments and some 60 agencies that form the “core” public service comprises three pieces of legislation enacted in 1967: the *Public Service Staff Relations Act*, the *Financial Administration Act*, and the *Public Service Employment Act*. A fourth Act, the *Public Service Superannuation Act*, provides for

**People management in the public service faces major challenges.**

**The legislative framework is designed to uphold basic public service values.**

pensions for the public service of Canada. The legislative framework is designed to uphold basic public service values and to provide for the protection and monitoring of merit (see Exhibit 9.1).

**9.18** The *Public Service Staff Relations Act* introduced collective bargaining, to which about 85 percent of employees are now subject. In general, the design of the collective bargaining regime adheres to principles and processes established in law to govern relations between other employers and their employees. An important exception in the public service is the exclusion of job classification and staffing from collective bargaining.

**9.19** Since 1967, several pieces of legislation have been added to the governing framework. Notable among these are the *Official Languages Act*, the *Canadian Human Rights Act*, the *Canadian Charter of Rights and Freedoms*, the *Access to Information Act*, the *Privacy Act*, and the *Employment Equity Act*.

**The main management players**

**9.20** Today, key roles in the management of human resources in the core public service are played by Treasury Board, the Privy Council Office, the Public Service Commission and line departments. Federal public sector entities outside the “core” have greater autonomy in managing their people.

**9.21** **Treasury Board.** Under the *Public Service Staff Relations Act*, the Board acts on behalf of the government as the “employer” for the core public service. The Treasury Board is a Cabinet

committee with a number of statutory authorities in the areas of expenditure and financial management, service and innovation, information technology and human resource management. In this domain, Treasury Board ministers are concerned with maintaining a strong, competent and representative work force. Through the Treasury Board Secretariat, the Board consults and negotiates with the public service unions. The Treasury Board also has general responsibility under the *Financial Administration Act* for administrative policy and for financial and personnel management (except appointments, the domain of the Public Service Commission). Treasury Board, with the support of the Secretariat, sets out policies on such matters as job evaluation, compensation, terms and conditions of employment, training and development, labour relations, work force adjustment, pension programs, employee benefits and insurance, employment equity and official languages.

**9.22** **The Privy Council Office (PCO).** Headed by the Clerk of the Privy Council and Secretary to the Cabinet, the PCO is responsible for ensuring the satisfactory performance of the public service in support of the Prime Minister and Cabinet. This includes strategic management of senior people. The PCO provides advice and support in the selection of deputy ministers and other Governor-in-Council appointees, and in the related processes for performance review, compensation and termination. For deputy ministers, it also provides advice and support for career planning. The Clerk became the statutory Head of the Public Service in 1993, and plays a prominent role of leadership to deputy

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**Exhibit 9.1**

**Public Service Values**

**Source:** Task Force on Public Service Values and Ethics (The Tait Report)

“A public organization does not and cannot enjoy the ‘flexibilities’ of private sector organizations. It will always have to meet higher standards of transparency and due process in order to allay any fears of favouritism, whether internal or external, in performing its duties under its position of trust and in its use of public funds. For this reason, continuing measures for the protection and monitoring of the principles of merit will be needed, if public confidence in public institutions is to be maintained.”



ministers and public servants generally, by establishing strategic direction and management priorities for the public service.

### **9.23 The Public Service Commission**

**(PSC).** Under the *Public Service Employment Act*, the Commission is an independent parliamentary agent with exclusive statutory authority to appoint or provide for the appointment of “qualified persons” to and within the public service. It ensures that appointments are based on merit “as determined by the Commission.” The Commission is also responsible for conducting investigations and audits of matters under its jurisdiction and for administering the staffing recourse mechanisms provided under the Act. It operates staff training and development programs, and assists deputy heads in operating such programs. It also has responsibilities for employment equity, and handles matters assigned to it by the Treasury Board or by the Governor in Council.

**9.24 Departments.** Ministers are assigned broad powers over the organization and allocation of resources in their departments. Deputy ministers have responsibility and authority to manage the department in support of their ministers. Beyond this, deputy ministers have little statutory authority in human resource management. Instead, their authority is derived primarily from delegation instruments under which the Treasury Board and Public Service Commission delegate powers to them.

### **The many other players**

**9.25** There are many other management players. The Canadian Centre for Management Development is responsible for developing a strong management cadre. The Leadership Network is responsible for supporting network development and promoting public service renewal, and for central management of the assistant deputy

minister community. This reflects the notion that its members represent a vital corporate resource.

**9.26** Various management committees also play an important role. Most prominent are two standing committees of deputy ministers:

- the Committee of Senior Officials (COSO), which advises the Clerk on senior appointments and other human resource management priorities and issues; and
- the Treasury Board Secretariat Advisory Committee (TBSAC), which advises the Secretary of the Treasury Board on all administrative matters to be brought before the Board, including those related to “personnel management.”

**9.27** Other bodies play a role in the co-ordination, debate or review of human resource management issues, or perform administrative functions (see Appendix A). These include various standing or ad hoc bodies, and oversight institutions — the Office of the Commissioner of Official Languages, the offices of the Information Commissioner and the Privacy Commissioner, the Canadian Human Rights Commission and the Public Service Staff Relations Board, which administers the *Public Service Staff Relations Act*. They also include the 16 unions and various forums for consultation among employer, employees and bargaining agents, such as the National Joint Council and the Public Service Commission Advisory Council.

### **Focus of the study**

**9.28** We undertook this study to draw to Parliament’s attention the urgent need to deal with long-standing issues and emerging challenges for human resource management in the “core” public service (the organizations for which Treasury Board acts as the “employer”). Some of these issues may require parliamentary intervention to modernize legislation. Others are important for Parliament to

**Deputy ministers have little statutory authority in human resource management. Their authority is derived from delegation.**

**The public service has been the subject of extensive review and analysis.**

monitor to ensure that needed changes are made, given their crucial importance to the well-being of the public service and, in turn, to Canadians.

**9.29** The objective of the study was to identify problems with roles and responsibilities and related accountabilities for human resource management. We wanted to identify areas where changes are needed to enhance the capacity of the public service to serve in a rapidly changing environment, now and in the future.

**9.30** Further details are presented at the end of the chapter in the section **About the Study**.

## Observations

### A History of Concerns About the Human Resource Management Regime

**9.31** Over the years, the human resource management regime in the public service has been the subject of extensive review and analysis.

**9.32 The 1962 Royal Commission on Government Organization (the Glassco Commission).** One element of the Glassco Commission's mandate was to determine how changes in the relationships among the Treasury Board, other central agencies and line departments and agencies could help to improve efficiency, economy and service to the public. The Commission found that substantial changes in the

framework were required. Its recommendations contributed to the design of the legislative framework established in 1967.

**9.33** While many of the Commission's recommendations were adopted, those pertaining to the merit system and the Public Service Commission's role were not. Some of its concerns about the division of responsibilities for human resource management remain problematic today. For example, the Glassco Commission expressed concern about the splitting of responsibility between the Treasury Board and the Civil Service Commission (now the Public Service Commission) and the implications for accountability and efficiency.

**9.34 The 1979 Special Committee on the Review of Personnel Management and the Merit Principle** (the D'Avignon Committee). The Committee's examination was, and remains, unique among studies of the human resource management regime, because the public service unions participated fully.

**9.35** The Committee's review called for significant changes in the way human resources were managed in the public service. Like the Glassco Commission, the D'Avignon Committee had major concerns about divided responsibility, unclear accountability, the role of the Public Service Commission, and the staffing process. Some highlights of the Committee's review are set out in Exhibit 9.2.

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#### Exhibit 9.2

#### Long-standing Concerns Identified by the D'Avignon Committee

**Source:** Special Committee on the Review of Personnel Management and the Merit Principle (the D'Avignon Committee)

The Committee argued that due to the division of responsibilities between the Treasury Board Secretariat and the Public Service Commission, personnel management lacked unified policy, leadership and a "philosophy of management". In its view, "Responsibility for the function is neither clear, undivided, nor complete."

It recommended legislative changes to put staffing in the hands of the Treasury Board and departmental management, repositioning the role of the Public Service Commission to be Parliament's auditor not just for staffing but for human resource management in the broadest sense.

The Committee also argued that an effective accountability regime for personnel management did not exist and many managers were ill-equipped for managing.

**9.36 The 1979 Royal Commission on Financial Management and Accountability** (the Lambert Commission).

The Commission identified problems similar to those raised by the D'Avignon Committee. The Lambert Commission was established not to examine personnel management but to look at matters of financial management and accountability. Nonetheless, it concluded that "the management of personnel in all its aspects is as important as, if not more important than, financial management in achieving overall management of government activities."

**9.37** The Lambert Commission also pointed out that Parliament's review of personnel management was more limited than its review of financial management matters through the Public Accounts Committee. The Lambert Commission found that parliamentary oversight was limited, in part, because the responsibility and related accountability for personnel management were fragmented.

**9.38 Public Service 2000.** The D'Avignon and Lambert reviews generated no major legislative or institutional changes to the human resource management regime. Nor did the several other studies in the 1970s and 1980s that recommended fundamental changes. By 1989, given many years of failed efforts at reform, the rapidly changing environment and the new challenges facing the public service, government officials had a strong appetite for major change. Public Service 2000, a government renewal initiative, raised high expectations for reform of the legislative framework, clarification of the central agency roles and responsibilities, and simplification of personnel systems. All of this seemed possible when the government announced in late 1989 that "the complexity of the administrative regime governing the public service [had] been recognized as a serious problem for more than a decade." A major effort by senior officials followed, and legislative

amendments to modernize and add flexibility to the system were made through the *Public Service Reform Act* of 1992. However, the relatively minor changes made in the last decade have fallen short of expectations.

**9.39 Much study but little change to the basic framework.** Many other studies over this period of more than 30 years have pointed to the need for administrative, legislative and structural changes, and yet some of the key issues remain unresolved. Reluctance to tamper with the independence and role of the Public Service Commission has been a factor. (See Appendix B for a chronology of studies on human resource management.)

**An Unduly Complex and Outdated Framework for Human Resource Management**

**9.40** Over time, the public service has seen the introduction of new legislation and new institutions to reflect societal trends, new "personnel management" challenges and other pressures. The framework governing human resource management in the core public service has grown more complex. Some players have split or shared responsibilities, and accountabilities are not always clear. In 1998 a COSO subcommittee report expressed concern about the potential for confusion, conflict and duplication in the "fractured responsibility" for human resource management in the public service.

**9.41** Administrative systems are also overly complex. As recently as 1996, the Treasury Board Secretariat estimated that there were 840 separate pay rates and 70,000 rules governing pay and benefits. In 1997 there were more than 12,000 pages of instructions in the Treasury Board's personnel and pay administration manuals.

**9.42** Further, as we noted in our 1995 Report Chapter 12, after more than

**A 1998 report raised concern about the potential for confusion, conflict and duplication in the "fractured responsibility" for human resource management in the public service.**

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six years of effort and an expenditure of \$61 million a project to make better use of technology for pay administration was cancelled. This was due in part to the complexities of the pay system.

**9.43** The basic legislative framework developed and evolved in an era dominated by “command and control” thinking. Rather than an emphasis on values to be protected and results to be achieved, detailed rules and procedures were developed.

**9.44** The current public service environment contrasts starkly with that of the 1960s when systems, processes and management thinking emphasized stability and conformity. Today, circumstances, priorities and means of attaining objectives can quickly change. There is a much greater emphasis on sensible risk-taking and innovative thinking at all levels and in all dimensions of public administration, including the way public servants are managed. Managers need far more flexibility, and employees must be more adaptable. Rapidly changing concepts of people management with vastly different approaches require that supervisors and employees share decision making. Managers also need to invest more in developing key staff.

### **Pressures for Timely Action**

**9.45** The core public service now is smaller than at any time since the early 1970s. Over the last 10 years it has diminished by almost 100,000 employees. From about 240,000 employees in 1990, with a peak of about 243,000 in 1992, employment levels are now at about 143,000. Government downsizing, devolution, privatization, limited recruitment and other measures played a role in this reduction.

**9.46** In the last few years, more than 50,000 public servants have moved from the core public service to “separate

employers” (within the meaning of the *Public Service Staff Relations Act*). About 4,500 went from the departments of Agriculture and Agri-Food, Health, and Fisheries and Oceans to the new Canadian Food Inspection Agency; 3,900 moved to the Parks Canada Agency in the spring of 1999; and about 43,000 left for the Canada Customs and Revenue Agency in November 1999. Similar moves had taken place in the 1980s (and before), when organizations such as Canada Post (with about 50,000 employees) and the national museums (with about 1,000 employees) became Crown corporations.

**9.47** These agencies were created to improve service and enhance efficiency. Their top officials have more flexibility than is possible under the systems and controls in the core public service — controls such as those imposed by the human resource management framework. They are no longer subject to the *Public Service Employment Act* and the Public Service Commission’s direct authority to appoint. Nor are they subject to the authority of Treasury Board as employer.

**9.48** In the creation of the Canada Customs and Revenue Agency, the case was made that moving to agency status would bring additional flexibility to human resource management. Creating the new agency removed from the core public service a significant amount of human resource management activity. (For example, in the preceding fiscal year, before it became the Agency, Revenue Canada accounted for almost 35 percent of all appointments to and within the core public service under the *Public Service Employment Act*.)

**9.49** This has left a complex framework for managing significantly fewer people. More important, the creation of these new agencies points to the frustration with the current regime in the core public service and the difficulty of making substantial changes, despite a number of well-intentioned initiatives. The agencies have more autonomy to

manage their human resources but in the core public service, corrective action is still needed.

**9.50 Pressures for renewal and retention.** The government needs a human resource management regime supported by a framework that is flexible and responsive to the pressures in the public service and to the changing labour market. Public service managers are taking a number of measures to address these pressures, which demonstrate the importance of moving forward resolutely to make fundamental improvements.

**9.51** However, public servants feel stressed and stretched. This was evident in a 1997 study on the work habits, working conditions and health of the Executive Group in the federal public service, a leadership group that is key to bringing about desired change. The study showed that federal executives worked significantly more hours per week (52.9 hours) than members of the professional and managerial groups in the general population (43.2 hours). In addition, they generally took less than their full vacation entitlement annually; and they typically used less than half the average amount of sick leave claimed annually by public servants. The study also reported high levels of stress in the group, frequently accompanied by

physical illness (see Exhibit 9.3). These results increase the concern that many executives will choose to retire earlier than they might have otherwise.

**9.52** These and other difficulties led the Clerk of the Privy Council in 1997 to acknowledge in her annual report to the Prime Minister the signs of “malaise” in the public service. With the support of her deputy minister colleagues, she undertook *La Relève* — a public service renewal initiative. But the 1999 survey of public service employees confirms that while employees remain strongly committed to the public service, they continue to feel stretched. Fifty percent of employees indicated that the quality of their work “always” or “often” suffers because they have to do the same or more work with fewer resources.

**9.53** The core public service is becoming more “knowledge-based.” A variety of factors — technological advances and the changing nature of work, privatization of operations such as airports, the closing of armed forces bases, changes in lines of business and downsizing — have significantly changed the occupational profile of the public service.

**9.54** Today, 55 percent of public servants are “white collar” or knowledge workers (those employed in the Executive

- An average of 52.9 hours per week were spent on work, with just under a third of the sample reporting over 60 hours or more.
- An average of 7.2 hours a week were spent working at home, with over 34% of those sampled reporting 10 hours or more a week on work taken home.
- The APEX sample had higher rates of interpersonal conflict, workload, responsibility for others, intellectual demand and ambiguity about job future.
- Short-term health effects were noted in a large majority of the sample. This included 92% who reported sleep-related problems, 52% who indicated frequent headaches arising from work pressures and more than 58% who indicated some form of gastrointestinal upset. In all, over 13.4% had sought some form of help.
- Long-term health effects reported by the sample included 16.4% with cardiac diseases, 8% with respiratory illnesses, 8.1% with gastrointestinal disorders, 19.4% with back problems, 5.8% with insomnia, and 3.8% with emotional problems.

**Exhibit 9.3**

**Key Findings of the APEX Study**

**Source:** Work Habits, Working Conditions and the Health Status of the Executive Cadre in the Public Service of Canada. APEX

**The public service has become significantly older.**

Group, the Scientific and Professional and the Administrative and Foreign Service categories). This contrasts sharply with about 15 years ago, when this group constituted roughly a third of the public service. The trend is expected to continue.

**9.55** In 1998, another study undertaken by several academics (Career Development in the Federal Public Service: Building a World-Class Workforce — The Duxbury Report) focussed on how knowledge workers in the federal public service perceived their career development opportunities. Approximately 75 percent of respondents indicated that they had considered leaving the public service. Key frustrations included a bureaucracy and a work atmosphere characterized by intergroup conflict and heavy workloads (see Exhibit 9.4).

**9.56** A number of steps have been taken in response to growing concerns about retaining the current work force. An example is the October 1999 creation of the COSO subcommittee on workplace well-being, chaired by the Secretary of the Treasury Board, with a mandate to develop a federal strategy and a workplan for addressing retention as a priority. The Treasury Board Secretariat also intends to use the 1999 staff survey to benchmark progress.

**9.57 A potential leadership crisis lurks in the public service’s changing demographics.** The public service has become not only significantly smaller in the last decade but also significantly older, with large numbers of impending retirements.

**9.58** In 1996, deputy ministers saw the public service as an “institution at risk”, given the projected rate of retirements and the retention problems at the executive level and in “feeder groups” (the traditional pool of candidates for executive positions). Top officials acknowledge that significant problems already exist in some professions, such as the regulatory and inspection community.

**9.59** Treasury Board data show that as a result of downsizing, limited recruitment and other changes, the percentage of public service employees aged 45 to 54 has increased in the last eight years, from below 24 percent to over 39 percent. Over the last 14 years, their proportion has almost doubled. The situation is about the same in all occupational categories except executives, where it is much worse. Close to 65 percent of executives are now in the 45 to 54 age group. Another 16 percent are over 54 years of age.

**9.60** Within a few years, retirements by those now in the 45 to 54 age group are

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**Exhibit 9.4**

**Some Findings of “Building a World-Class Workforce” (The Duxbury Report)**

**Source:** Career Development in the Federal Public Service: Building a World-Class Workforce (The Duxbury Report)

“Knowledge workers in the public service enjoy their work, are keen to learn new skills, take great pride and personal satisfaction in making a contribution to Canadian society and are prepared to take on new challenges.”

“They are, however, frustrated by a perceived lack of recognition for the work they do (both within the Public Service and from the Canadian public), by human resources management practices within the Public Service, and by various aspects of the bureaucracy. The data would suggest that these frustrations have contributed to low levels of commitment and a high propensity to consider other employment.”

“While respondents have...given considerable thought to their career goals, they feel that their immediate supervisor, their department and the Public Service have provided little support for their career development.”

“Respondents were...pessimistic about their future career prospects in the Public Service...Only 24% of the sample were satisfied with their ability to advance in the Public Service.”

expected to increase dramatically. Public Service Commission data reveal that more than one third of executives will be eligible to retire by 2002, under the current regime (almost 40 percent of assistant deputy ministers). According to the Treasury Board Secretariat as of January 1998, 70 percent of executives could retire within 10 years.

**9.61** Data on the “feeder groups” show that this pool is also older than the public service average, and may see higher departure rates in the decade to come. This will increase the difficulty of replacing large numbers of departing executives. Central agency estimates show that:

- in the primary feeder group (senior classification levels in four occupational groups in the Administrative and Foreign Service Category), which accounts for over half of promotions to the Executive Group, 56 percent are aged 45 to 54 — 17 percent more than the public service average; and
- in the secondary feeder group (senior levels in 11 other occupational groups), which accounts for almost one quarter of executive appointments, 45 percent of employees are aged 45 to 54 — six percent more than the public service average.

**9.62 Youth are underrepresented in the current public service.** The public service work force is currently older than the Canadian work force as a whole. The percentage of public servants under 35 years of age is roughly half that in the Canadian work force. The Treasury Board Secretariat forecasts that this gap will widen substantially over the next decade unless special measures are taken.

**9.63** Concerns about the potential impacts of changing demographics in the public service and about low recruitment (especially of recent university graduates) have increased the focus on recruitment. The priority given to this problem is

evident in the formation last fall of a COSO subcommittee of deputy ministers chaired by the Clerk of the Privy Council. The subcommittee’s objective is to “develop a problem statement, a federal strategy and workplan to address recruitment needs.”

**9.64 The public service also needs to meet new challenges of a changing labour market and workplace.** The challenge of competing with the private sector for skilled people has grown in recent years. Given the demographics of the Canadian labour force, the challenge can be expected to increase in the years ahead.

**9.65** The rate of growth in the Canadian labour force has declined by nearly half since the 1960s. The number of Canadians in the age group that typically enters the work force (those between 15 and 24) dropped by 28 percent in the 1980s, according to a recent study. Further, the education and skills of many seeking employment are often inadequate for the jobs that are vacant.

**9.66** Moreover, knowledge workers are bringing new expectations to the workplace. Many are becoming more entrepreneurial and more demanding. They have different career expectations, emphasizing employability rather than career-long loyalty to a single employer. These workers are better educated, more experienced with technology and more culturally diverse, and they prefer to work in self-directed teams.

**9.67** Workplaces are rapidly evolving to meet the expectations of knowledge workers. Many organizations are moving away from systems and practices that, like those of the public service, are based primarily on position. They are moving to approaches based on competency, with freer-flowing teams and organizational structures.

**9.68** More than one in three public servants who responded to the 1999 survey said they did not have an

**Priority is given to recruitment.**

**Reforms have been moving in the right direction, but underlying problems need to be addressed.**

opportunity to develop and apply the skills they needed to enhance their careers. Their supervisors or their departments did not provide the necessary assistance with career development.

**9.69** To meet the challenges of recruitment, development and retention and to ensure that it is representative of the population it serves, the public service must be seen as an attractive workplace. The employment regime must be nimble and responsive.

### **A Number of Initiatives in the Right Direction but Broader Reform Required**

**9.70** Past efforts to reform the human resource management framework have shown the difficulty of making broad changes. Our discussions with senior public servants found wide support for changing the legislative framework, particularly among human resource management specialists. However, there are concerns, notably among deputy ministers, about the practicality of pursuing such fundamental reforms.

**9.71** Reforms have been moving human resource management in the right direction, but underlying problems need to be addressed. Measures are under way to increase efficiencies and improve existing management systems and practices, although the legislative and institutional framework they support limits the changes that can be made.

**9.72** Within the current arrangement, however, roles and responsibilities can be clarified and transparency and accountability improved. If management systems are more transparent and reporting improves, Parliament will be better able to scrutinize progress in the reform of the human resource management regime.

**9.73** Some areas, such as staffing, need substantial change — even legislative change. Pursuing legislative

change will require that all pieces of the basic legislative and policy framework be examined. For example, legislative and other constraints restrict the Public Service Commission's ability to introduce, on a broad basis, the concept of "appointment-to-level," despite legislative amendments in 1993.

**9.74** A move from a "position-based" system to one based on "appointment-to-level" was first recommended more than 25 years ago. The 1993 amendments were designed to permit such a system, one that would provide more flexibility to match people to jobs. This would enhance employees' career development prospects and allow positions to be filled much more quickly than at present.

**9.75** But the 1993 amendments touched only on appointment mechanisms. They did not affect other aspects of human resource management that are position-based, such as job classification and application of the Work Force Adjustment Directive. The Commission has acknowledged that appointment-to-level cannot be broadly instituted without comprehensive changes to such fundamental aspects of the human resource management regime. This would involve legislation in addition to the *Public Service Employment Act*, and would affect policies that have been the subject of collective bargaining or National Joint Council consultations.

### **Human Resource Management Systems Are Cumbersome, Costly and Outmoded**

**9.76** The main human resource management systems are prescribed by, or closely linked to, the statutory framework. The *Public Service Staff Relations Act* sets out the collective bargaining regime (which covers about 85 percent of employees in the core public service). It specifies the matters excluded from bargaining, such as job classification and staffing. The public service staffing



system is prescribed in some measure in the *Public Service Employment Act*.

**9.77** The job classification system in place since 1967 was designed largely as a basis for establishing bargaining units for collective bargaining. The introduction of the new Universal Classification Standard required amendments to the *Public Service Staff Relations Act*, made through the *Public Service Reform Act*.

**9.78** **Current systems are overly complex, inefficient and in need of reform.** As far back as 1983, this Office reported that managers viewed existing systems — particularly the job classification and staffing systems — as key constraints to productive management.

**9.79** They are very costly to administer, as reported in 1990 in the White Paper on Public Service 2000. It noted that in 1985 there were proportionately three times as many people administering the human resource management regime as in leading private sector employers. The job classification reforms proposed at that time aimed to achieve a “significant reduction of the number of classification, staffing and pay actions, which will generate considerable savings.”

**9.80** Preliminary information from a benchmarking study done for Treasury Board Secretariat (to be published in 2000) shows that the public service has one human resource management professional for every 28 employees. One source indicates that the private sector norm is about one to 100. The study argues that the higher ratio in the public service can be attributed to both “the structure of the function” and its labour-intensive transactions.

**9.81** Despite important efforts to reform them, these systems continue to be a problem. In 1995, when the significance of the changes generated by Program Review became widely apparent, public

service specialists characterized the human resource management regime as “heavily control-oriented and prescriptive in nature.” They said it was “not responsive in timely and cost-effective ways” and was “increasingly ineffectual in responding to the current challenges.” The 1998 progress report of La Relève reflects the same view. It calls job classification “cumbersome, complicated, and a barrier to flexible career development and mobility.” And it says the staffing system is “time-consuming, inflexible, rules-bound, even litigious.”

**9.82** Until the new Universal Classification Standard is in place, the job classification system will remain highly complex. It comprises 72 occupational groups (106 sub-groups), each with a separate job evaluation standard. The current system is not seen as equitable. Fewer than half of those who responded to the 1999 employee survey said they believe their position is classified fairly compared with others doing similar work in their organization or elsewhere in the public service.

**9.83** The collective bargaining regime has not functioned well. Collective bargaining rights were modified or suspended for periods that, taken together, amount to almost half of the two decades preceding 1997. As a first step in implementing the Universal Classification Standard, the occupational groups have been restructured from 72 to 29 for collective bargaining purposes. According to the Treasury Board Secretariat, this has had a positive effect at the bargaining table.

**9.84** The classification system and the collective bargaining process have made the staffing and pay and benefits systems more complex. There are different selection standards for different occupational groups, and separate pay ranges for the various levels in each group, as well as many terms and conditions unique to particular groups.

**Current systems are very costly to administer.**

**The Treasury Board Secretariat and the Public Service Commission have tried to make management processes more flexible.**

**9.85** There are significant pressures for change. The Treasury Board Secretariat recognizes that major changes to the collective bargaining framework are unavoidable. It recently announced the formation of an advisory body, headed by a long-time labour leader, with a mandate to examine collective bargaining and recommend changes.

**9.86** **Administrative complexity also arises from central and departmental policies.** After 1967, legislative additions to the human resource management framework increased the obligations of managers and supervisors. Employees had new avenues of complaint and redress. This increased the amount of effort spent on issues of process rather than on matters of strategic importance to departments and agencies.

**9.87** Much of the administrative burden on departments and agencies, however, arises from policies and systems developed by the Treasury Board Secretariat and the Public Service Commission in interpreting and applying the legislation for areas like official languages and staffing. These policies do not always apply to entities elsewhere in the federal public sector. Hence, for managers in the core public service the complexity and the associated costs are greater, and timely action more constrained, than for managers in other areas of the federal public sector.

**9.88** Various studies, however, have noted that departments and agencies have themselves developed policies and systems they consider necessary to ensure that their organization complies with central requirements. These have been cited as an important additional constraint on managers, and a factor in the complexity and cost of human resource management.

## **Improvements in the Right Direction**

**9.89** Throughout the 1970s and 1980s, the Treasury Board Secretariat and the Public Service Commission tried to make management processes more flexible. This was in response to the growing size and complexity of government, pressures to improve efficiency in an increasingly changing environment, and a desire to address the systemic problems identified by numerous studies. As the Secretariat and the Commission moved more toward providing direction and guidance instead of controlling transactions, they delegated substantial authority for job classification and staffing actions.

**9.90** In 1999, the Treasury Board Secretariat published “A Framework for Good Human Resources Management in the Public Service”. This framework outlines a vision for human resources and provides the basic supporting components — leadership, a work force built on values, a productive work force, an enabling work environment, and a sustainable work force. The framework also contains performance criteria and indicators as well as possible sources of information on each component.

**9.91** At the same time, the nature of monitoring, evaluation and review mechanisms and their use by the centre were evolving. Initially, departments with delegated authority were required to follow elaborate procedures and maintain detailed files for review by the Secretariat or the Commission. More recently, the Treasury Board has relied on audits and reviews carried out and reported by the departments themselves, and the Commission has begun moving in the same direction.

**9.92** While the Treasury Board’s approach to management has been evolving and the Commission has continued with efforts to reform and speed

up the staffing process, the role of the Privy Council Office has also been changing.

**9.93** In the late 1960s, the Privy Council Office began to focus increasingly on policy co-ordination and to pay closer attention to human resource management issues in the public service. By the mid-1980s, following the failure of the Lambert and D'Avignon studies to effect change, the Privy Council Office led an initiative aimed at simplifying the complex, legalistic staffing system.

**9.94** Under the Clerk's leadership, a more collective approach to management has developed that involves the Committee of Senior Officials (COSO) and its ad hoc subcommittees. This approach arose over the last decade in response to the changing circumstances that created pressures to move away from rules and to focus more on clients and results, and achieve better value for money. There has been a growing recognition of the importance of people to the achievement of results — of the fact that attaining government objectives depends in large measure on resolving human resource management issues in the public service. It is also a reflection of the fact that such issues often require action beyond the scope of any one institution.

**9.95** The most recent Speech from the Throne reaffirmed the government's intent toward the public service. It stated: "To ensure that the Public Service of Canada remains a strong, representative, professional and non-partisan national institution that provides Canadians the highest quality service into the 21st century, the Government will also focus on the recruitment, retention and continuous learning of a skilled federal work force."

**9.96** The entire community of deputy ministers has become more involved in corporate management issues. In 1989, for example, 10 task forces led by deputy ministers were formed in connection with

Public Service 2000 to examine human resource management and other issues. As well, the Clerk began to hold weekly meetings of deputy ministers to discuss key government and public service issues. More recently, a number of ad hoc committees examined issues such as values and ethics, the need to strengthen the public service's capacity for policy development, and models of service delivery. Three COSO subcommittees were created in the fall of 1999 to look at recruitment, workplace well-being, and learning and development.

### **The Staffing Process: A Major Source of Frustration**

**9.97** Prescriptive legislation and jurisprudence in staffing appeals have led to a more rigid staffing process.

Staffing is governed by the *Public Service Employment Act (PSEA)*. It assigns authority to the Public Service Commission for appointments to and within the core public service, but permits the delegation of staffing authority to deputy ministers. Deputy ministers have statutory authority for "deployments" (lateral transfers).

**9.98** The legislation is at once both flexible and prescriptive. Flexibility arises from provisions that grant discretion to the Public Service Commission. For example, the Commission may ask the Governor in Council for "exclusion approval orders", under which certain staffing actions may be exempted from the Act or specific provisions of it.

**9.99** At the same time, the Act prescribes requirements that staffing processes must meet, such as those related to the consideration of applications and the establishment of eligibility lists. Another example is the appeals process provided for in the Act, which prescribes that any "defect in the process" of selection must be considered.

**9.100** Jurisprudence in staffing appeals has complicated public service staffing.

**Under the leadership of the Clerk of the Privy Council, a more collective approach to management has developed.**

**Jurisprudence in staffing appeals has complicated public service staffing.**

**Public service managers continue to view staffing as unduly complex, inflexible and inefficient.**

The appeal process was designed to be a simple and efficient administrative mechanism for reviewing appointments. However, in 1971 the Federal Court was given a mandate to review the administrative decisions of federal boards and certain other bodies, including decisions made on staffing appeals under the provisions of the *PSEA*.

**9.101** With the passage of time, court judgments have had a significant impact. Since 1971, the appeal process has become quasi-judicial in nature, and resolving appeals can now be a lengthy process.

**9.102** Despite amendments made to the *PSEA* in 1993 to restore the Public Service Commission's discretion and powers — which court decisions had progressively narrowed over the years — these judgments have made the entire staffing system significantly more difficult to administer. Additional rules, rigidly interpreted and applied to minimize the number of appeals, have made an already rule-bound selection process slower and more cumbersome. Exhibit 9.5 provides an illustration of the consequences of one of these court decisions.

**9.103 Staffing reform is imperative.** Authority for most staffing actions has been delegated to deputy ministers and

their departmental staff for almost two decades. And in 1993, deputies acquired statutory authority for deploying staff. Yet the 1996 Consultative Review of Staffing conducted for the Public Service Commission and our own work indicate that public servants are frustrated by the staffing system.

**9.104** Many studies, including some done by or for the Commission, have recommended fundamental changes in the staffing system and the legislative framework that governs it (see Exhibit 9.6). Numerous initiatives, including the legislative changes in 1993, have been aimed at improving the system.

**9.105** Nonetheless, public service managers continue to view staffing as unduly complex, inflexible and inefficient, and many employees still are not confident that the system is fair. The 1999 survey of public service employees indicates that only 60 percent of respondents believe that the process of selecting a person for a position is fair in their work unit.

**9.106** A recent study shows that the staffing system in the core public service is slow when compared with selected quasi-public organizations, most of which also apply the principle of merit in seeking to appoint the best-qualified person. It takes about twice as long, on

**Exhibit 9.5**

**The Impact of a Federal Court Decision on Staffing**

A 1991 decision on the validity of eligibility lists required under the *PSEA* states, "Evidence tending to show that a list is based upon data which are out of date is clearly relevant to [an] inquiry [by an appeal board]. The weight to be given to that evidence and its effect are matters of fact entirely within the Board's province." This, despite the fact that under the *PSEA*, "An eligibility list is valid for such period of time as may be determined by the Commission in any case or class of cases."

The 1996 Consultative Review of Staffing documentation describes the impact of this decision: "This means that an appeal board can overturn an appointment from an eligibility list on the basis that things may have changed so much since it was established that there is no assurance that it still represents the order of merit of candidates. This would be the case even though it may be within the two-year limit for the validity of lists established by the Commission. This can be a double whammy for departments, because delays caused by the appeals process itself may result in a need to make appointments long after the list was established. It is particularly a problem in the case of large competitions which are lengthy and costly to conduct and sometimes result in multiple appeals that can take a long time to resolve."

**Source:** Consultative Review of Staffing

average, to staff a position in the core public service. This is despite numerous initiatives by the Public Service Commission to streamline and simplify the system, and many years of efforts by departments to improve their management of staffing.

**9.107** The study shows that it takes 119 calendar days on average to complete a closed competition in the core public service, not including added time to deal with any appeals. For a new position that needs to be classified, staffing takes 230 calendar days on average — almost eight months (see Exhibit 9.7).

**9.108** There is broad agreement on the need for staffing reform, and the Commission concurs. There is also broad support for the notions that the system needs to be based more on values and less on rules; that regardless of the system, accountabilities for using the discretion provided must be clear; and that the interests of everyone involved must be respected.

**9.109** The Consultative Review of Staffing foresaw the need for legislative changes to create a system based on values. It proposed guidelines that would apply nationally but be flexible and broad enough to let departments and regions develop procedures that suit their needs and conditions.

**9.110** The Public Service Commission also says that a desirable staffing system would be one that is less reliant on rules and based more on shared values. However, it believes there is room under the existing *Public Service Employment Act* to move in that direction, and that the issues need to be defined more clearly before concluding that legislative reform is necessary. During the course of our study, the Commission was undertaking another round of staffing reform in response to the findings and recommendations of the 1996 review and to other pressures. However, certain provisions in the *Public Service Employment Act* and other legislation limit how far the Commission can go in tailoring the staffing system.

**There is broad agreement on the need for staffing reform.**

Since as far back as the 1962 report of the Glassco Commission, the public service staffing system has been a source of frustration. While the Glassco Commission endorsed the continued use of the “merit principle” in staffing the public service, in its view the “merit system” (the rules, regulations, policies and procedures designed to implement the principle) “frustrates the attainment of the principle.”

The Commission added, “...in its name many absurd procedures are tolerated; the system has become an end in itself, overriding the need to ‘get the job done’; and all too frequently it has engendered such delays in the attempt to get the ‘best’ man that his loss to a more nimble employer was ensured.”

The D’Avignon Committee’s 1979 report echoed Glassco’s findings. It found “excessive and inflexible regulations and a slavish adherence to universally applied regulation in the name of merit at the expense of efficiency and effectiveness.” It noted that the staffing system was viewed by managers as slow, inflexible and inefficient; viewed by unions as misguided and inequitable; and seen by many employees as frequently failing to ensure that their qualifications were fairly and objectively assessed.

In 1990, the Public Service 2000 staffing task force argued that the rigidity of the staffing system was the result of prescriptive legislation and a failure to recognize that human resource management faces competing objectives and therefore cannot be guided by prescriptive rules. It advocated legislative changes to transform the staffing system “into one in which managers have the responsibility to use their judgement within a framework of general policies and guidelines and are subsequently held accountable for the staffing process and their staffing decisions.”

**Exhibit 9.6**

**The “Merit Principle” or the  
“Merit System”**

**The Clerk has devoted a lot of time to human resource management issues.**

**9.111** There is a pressing need to modernize and streamline the processes for staffing and recourse in the public service.

**The Role of the Clerk of the Privy Council in Co-ordinating Necessary Change**

**9.112** The Clerk of the Privy Council and Secretary to Cabinet has emerged as the visible leader of the public service, particularly over the last decade with the addition of the statutory title Head of the Public Service.

**9.113** As Head of the Public Service, the Clerk is in a position to assess its needs and answer for its performance. The Clerk can provide the visible leadership that is essential in any modern organization where morale and individual commitment are the keys to attracting and keeping a motivated work force.

**9.114** The Clerk's strengthened leadership role and the statutory

responsibility to report annually on the public service are positive developments. The deputy ministers we met acknowledged that the Clerk's increased involvement in human resource management issues was positive. It had led deputies to greater involvement themselves and had given them a better understanding of the issues.

**9.115** Over the last several years, the Clerk has devoted a lot of time to human resource management issues. For example, the renewal initiative La Relève was begun to address what the Clerk had described in 1997 as a "malaise" in the public service.

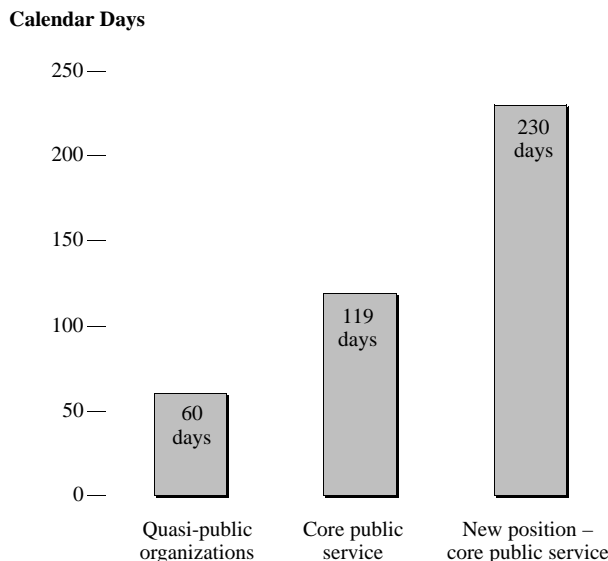
**9.116** La Relève called for departments, central agencies and others, including the community of human resource management specialists, to develop action plans for the renewal of the public service. A committee of deputy ministers chaired by the Clerk reviewed those plans. Exhibit 9.8 portrays some of the points on which a consensus was seen as emerging. These plans are important and will support positive change, but they do not address some underlying structural issues that need to be resolved.

**9.117** COSO (the Committee of Senior Officials) has existed for many years. Chaired by the Clerk, it now comprises 12 deputy ministers, including the Secretary of the Treasury Board and the President of the Public Service Commission. Although initially its role was to advise the Clerk on the selection of deputy ministers and on their performance, its mandate for human resource management has evolved considerably.

**9.118** Since the 1980s, COSO has also become involved in advising the Clerk on public service renewal and on a range of strategic human resource management issues. For example, in 1987 a COSO subcommittee was formed to identify and report on the values governing the public service. And more recently, a subcommittee examined the state of the

**Exhibit 9.7**

**Average Time to Staff a Position Through an Internal (Closed) Staffing Process**



Source: Consultative Review of Staffing

community of public service specialists in human resource management. Among other strategic functions, it now provides corporate oversight of the identification and development of senior executives at the assistant deputy minister level. COSO is supported by the Privy Council Office, which has a small Management Priorities and Senior Personnel Secretariat. Its ad hoc subcommittees, which number from five to seven at any given time, draw on personnel in central agencies and line departments when needed.

**9.119** In addition, over the last couple of years, deputy minister “champions” have been named to examine and report to COSO on various key issues. These champions lead the search for solutions, and represent to central agencies and COSO the interests and concerns of

specific segments of the work force to whom they provide ongoing leadership. Some of the topics examined by champions are the management of human resource issues in the community of scientific and technical personnel across the public service; management of the community of specialists in human resource management; and management of regulatory and inspection personnel.

**9.120** In effect, as a subset of the community of deputy ministers, COSO has become a forum to determine the corporate direction on human resource management issues. It demonstrates the collective approach to managing human resources in the federal government. But responsibility and accountability for streamlining and simplifying the existing regime — for engaging Parliament in the

**La Relève: Key points of emerging consensus**

- strategic human resource planning is an essential element of business planning and will depend on the availability of much better data;
- a comprehensive recruitment and retention strategy is required;
- workplace health needs urgent attention;
- pride in the public service needs to be addressed, and employee contributions need to be better recognized;
- compensation is a major issue;
- women continue to be underrepresented in the Executive Group;
- all equity groups are underrepresented at all levels;
- the needs of administrative support staff should be addressed;
- barriers to mobility (within and between departments, regions, jurisdictions and functions) need to be broken down;
- a learning culture needs to be developed;
- the approach to management of human resources needs to be updated;
- leadership, commitment and sustained effort are needed.

There is a demand for public service leaders to:

- strike a reasonable balance between work and personal lives for themselves and their employees;
- visibly embody a commitment to change and improvement in the management of people;
- fully integrate people issues into the organization’s business plan;
- account for the state of employee motivation and capacities while holding employees accountable for the results of their work.

**Exhibit 9.8**

**Some Key Messages From  
La Relève**

**Source:** La Relève:  
A Commitment to Action

**Many senior committees address different aspects of human resource management in government.**

changes that are needed in the governance structure and in supporting systems and practices — has not been clearly assigned.

**9.121** The Treasury Board Secretariat also has a senior advisory committee of deputy ministers (TBSAC) to ensure that the perspective of line departments is brought to bear on human resource management and other administrative matters submitted to the Treasury Board. The Secretary of the Board uses TBSAC as an advisory body for all Treasury Board issues of consequence. TBSAC is currently composed of 12 deputies, six of whom are also COSO members. It is supported by top officials of the Treasury Board Secretariat, and staff responsible for particular agenda items. Some matters are directed only to TBSAC or to COSO, others to both or to meetings of all deputies. Officials indicate that COSO focusses on strategic human resource issues that are often broader than the management issues referred to TBSAC.

**9.122** Thus, many senior committees address different aspects of human resource management in government. The committees have different memberships and different reporting frameworks but comprise mostly deputy ministers. The way both the overall organization and the senior committees are structured — the fractured responsibility — makes it difficult to address the underlying issues of accountability.

**9.123** Responsibilities in the public service are divided in several ways: between elected and appointed officials; among central agencies; and between central agencies and line organizations. No single body — not the Treasury Board Secretariat, Privy Council Office, COSO, TBSAC, nor the Public Service Commission — has overall responsibility for the legislative and institutional framework underlying the human resource management agenda. Indeed, through the years, responsibility for human resource

management has grown much more complex.

**9.124** Another matter for which none of the players has clear, undivided responsibility and that hence is difficult to manage is the strength of the community of human resource management specialists. It is acknowledged that this group has been vital to meeting the major management challenges of the last decade.

**9.125** During the 1960s and 1970s, the Public Service Commission and Treasury Board Secretariat actively managed this group of “personnel administrators.” As departments assumed greater responsibility for their own affairs, this began to change.

**9.126** At least as far back as the early 1990s, it was widely acknowledged by many that a more strategic approach was needed to address known problems around the qualifications and experience of many in the community, and its overall capacity. Yet there is still real concern that necessary action has not been taken. Addressing these problems has now become a top corporate priority.

**9.127 Responsibility and accountability for the changes needed to simplify, streamline and strengthen the current human resource management regime need to be clearly assigned and appropriately supported. This is particularly important in areas of divided responsibility.**

### **The Role of the Deputy Minister in Managing the Department**

**9.128** Some departments are very large. For example, Human Resources Development Canada has about 23,000 employees. Given the size, complexity and diversity of the public service, the management regime has evolved so that departments now are expected to manage their own employees. In doing so, they must work within the legislative and central policy frameworks. Yet the deputy minister has very little



statutory authority for human resource management (other than, since 1993, the authority to deploy staff — that is, to transfer them laterally). Instead, the Treasury Board and the Public Service Commission delegate responsibilities for specific functions to deputies, who delegate them in turn to subordinate officials. The range of departmental management's human resource management responsibilities includes recruiting, remuneration, deployment, development, motivation, promotion, and managing relationships. Central policies govern most of these matters, and central agencies are involved in them.

**9.129** There is a general consensus that some functions of human resource management are best carried out corporate-wide. Current examples of this approach include collective bargaining, the design of job evaluation systems, and managing initial entry into the public service and into the ranks of the Executive Group. But people agree that most human resource activities should be carried out in departments, and that central agency involvement should be minimized and based on clear need. Some officials argue that departments should be responsible for aspects of collective bargaining.

**9.130** The once centrally managed and controlled approach has evolved significantly over the last three decades. Central agencies have grappled over the years with how the functions delegated to departments should be monitored and controlled and how accountability should work. This continues to be an issue — staffing is but one illustration.

**9.131** Deputies themselves recognize the need to give higher priority to human resource management. A COSO subcommittee in 1998 stressed the crucial role of deputies in promoting the necessary change in management culture. It said that deputies need to “walk the talk” of responsible leadership, to pay sustained attention to human resource

management, and to hold their managers accountable for their performance in managing people. The responsibility and accountability of deputy ministers for many aspects of human resource management remains diffused and indirect.

**9.132** The concern about accountability is not new. The full scope of deputy ministers' responsibility for the “health” of their organizations needs to be clarified before this concern can be overcome. It is possible to operate through the delegation of responsibilities, but accountability for them and for the department's ongoing capacity to deliver desired results must be demonstrated consistently and with a measure of transparency. As the White Paper on Public Service 2000 argued in 1990, the public service as a whole depends on effective accountability, applied consistently to deputy ministers. It stated, “The missing link all along has been effective accountability...Many of the [necessary] accountability measures...already exist to one degree or another. But they are being applied indifferently...Effective accountability for the Public service as a whole...very largely depends on effective accountability for Deputy Ministers.”

**9.133** The federal government has attempted in the last decade to focus more on results, and to improve performance management and assessment for deputies. This has included an attempt to deal with concern that, in the assessment of deputies' performance, the weight given to human resource management was unclear, particularly for matters such as staff morale. This effort included giving direction to deputies on *La Relève* and, according to officials, enhanced performance agreements and accountability frameworks. An attempt has been made to strengthen the performance assessment process for managers at lower levels as well.

**9.134** Over the last three years, public service renewal has been a top priority for

**Deputies recognize the need to give higher priority to human resource management.**

**It is crucial that new responsibilities and deputies' accountability for acting on them be set out clearly.**

**The role that is appropriate for the Public Service Commission has been the subject of a great deal of study.**

deputies. As we have noted, they support the recent emphasis on renewal and human resource management. They believe that their increased involvement has exposed them more to issues whose resolution is important to the achievement of government objectives.

**9.135** However, changing a culture and correcting other weaknesses in human resource management will require a focus on the long term, and ongoing commitment. Succeeding will be more difficult given the significant rate of turnover among deputy ministers. Of the 28 deputies who signed the *La Relève* document *A Commitment to Action* in October 1997, only 16 remained by December 1999, and three of those were heading different organizations.

**9.136** Excellence in human resource management needs to remain a continuing priority across the public service, supported by a coherent and clearly defined structure. Human resource planning needs to be a key component of departmental business plans. Accountability must be effective so the needed changes can be made throughout the management and supervisory ranks.

**9.137** The role of deputies needs to take a significant step to institutionalize the move away from a system that has seen them as primarily responsible for administering a centrally prescribed framework. They need to be seen as having pivotal responsibility for developing and maintaining a healthy work environment in their department by making human resource management an integral part of departmental planning, and their performance needs to be assessed on that basis.

**9.138** The underlying philosophy should be that deputies have the authority to act at their own discretion in all areas except where the centre has chosen to prescribe policy, and those areas should be limited to the minimum essentials. It is crucial that new responsibilities and

deputies' accountability for acting on them be set out clearly.

**9.139** **The responsibilities of deputy ministers for human resource management, as leaders of the major organizations of government, need to be set out formally in the context of their overall management responsibility. Deputies need to be clearly accountable for the way their departments perform these responsibilities.**

### **The Role of the Public Service Commission**

**9.140** The Public Service Commission is a parliamentary agent — independent from Cabinet and required to report directly to Parliament. The Commission has exclusive statutory authority for “appointments” to and within the public service, and related responsibilities for recourse. It also has responsibilities for training and for employment equity, and handles other matters as assigned by the Treasury Board or by the Governor in Council.

**9.141** The role that is appropriate for the Public Service Commission has been the subject of a great deal of study, particularly its relationship to the Treasury Board as the employer. For example, the Glassco Commission urged that its role in staffing be confined to certifying initial appointments. The Lambert Commission and the D’Avignon Committee argued similarly that responsibility for staffing ought to be in the hands of “the employer” and departments. D’Avignon proposed that the Public Service Commission act as a parliamentary auditor, not for staffing alone but for human resource management in a broader sense.

**9.142** However, the government has not accepted these changes. The Public Service Commission continues to carry out its multiple responsibilities: as Parliament’s agent in preserving a non-partisan, professional public service; as a central agency of government in

training and other matters; and as a service delivery agency in providing services, expertise and regional presence.

**9.143** Since the enactment of the *Public Service Employment Act*, the Commission has delegated authority to deputies for most staffing actions. It has also worked to make the staffing system more efficient and to respond to issues as they arose, while maintaining the merit principle. Despite these efforts, including the legislative reforms of 1993, dissatisfaction with the staffing process persists. To address these and other concerns, in 1996 the Commission began consultations with stakeholders and undertook further reforms, which officials advise include a strengthened approach to accountability.

**9.144** Its consultations led the Commission to propose withdrawing from various operational roles not central to its core mandate of protecting the merit principle. It would delegate further responsibility to departments over a time span agreed to with individual deputies, and would focus on the various dimensions of its oversight responsibility. The Commission pointed to the potential for conflict in finding itself “increasingly present at tables comprising the very officials whose staffing decisions it may be adjudicating, reviewing or auditing.” Accordingly, as a matter of principle, it could not “optimally oversee its delegated authorities while being part of the system of program administration itself.”

**9.145** In 1999, after consulting on its proposals with deputy ministers, unions and others, the Commission reported a broad consensus on the importance of merit as a fundamental value to be safeguarded and on the “critical and unique independent role” of the Commission. How the Commission’s oversight role would change and whether its operational role would be restricted were to be examined further. The Commission advises that there is a consensus that it should not withdraw

entirely from its operational role at this time.

**9.146** It is imperative that the Commission, as an independent agent of Parliament, discuss with parliamentarians any changes it may consider necessary in its role. In this instance, the Commission’s proposals were raised in its 1998–99 Annual Report and, in December 1999, the Commission invited discussion by writing to the clerks of the House of Commons Natural Resources and Government Operations Committee and the Senate National Finance Committee. The dialogue has yet to take place.

**9.147** In its reports to Parliament, the Commission needs to reflect its performance in carrying out its responsibilities, particularly those carried out directly for Parliament. The Commission’s reports do not sufficiently address what it is doing to ensure the protection of merit, what its plans and expectations are, and how well the public service and individual entities have adhered to the provisions and principles of the *Public Service Employment Act*. The Commission’s reports often contain information that, while useful, deals less with its own core mandate than with broad issues of human resource management.

**9.148** There appears to be broad support for a public service based on merit, and agreement that the Public Service Commission has a vital role to play in protecting the merit principle. It needs to clearly set out how it does this so that Parliament will have the necessary assurance that merit is protected. Also to be resolved is the extent to which the Commission should be involved in operational or service delivery roles that are not central to the protection of merit.

**9.149** Important in the dialogue with Parliament will be a discussion of the need for legislative reform of staffing. It is generally agreed that the existing system is overly complex and inefficient. There is broad support among officials, and

**It is imperative that the Commission discuss with parliamentarians any changes in its role that it may consider necessary.**

**The Treasury Board has reduced its control over departmental actions by issuing broad policy guidelines.**

**The Board and its Secretariat are accountable for the overall functioning of the system.**

Commission backing, for a staffing system that would be based more on values and tied less to rules and procedures — a system where deputies and their managers would exercise more authority and be more clearly accountable for their performance. The Commission has begun to actively engage departments in building such a system.

**9.150 The Public Service Commission needs to engage in an active dialogue with Parliament about changes in its activities and how it carries out its responsibilities for merit protection. This dialogue should encompass legislative reform of staffing. The Commission needs to improve its reporting on departmental performance in adhering to the provisions and principles of the *Public Service Employment Act*.**

### **The Role of the Treasury Board and its Secretariat**

**9.151** The Treasury Board has much of the legal responsibility for managing the core public service. In human resource management it has almost all of the statutory authority, with the notable exception of the powers assigned to the Public Service Commission. Adjusting to significant and increasingly rapid change and recognizing the need for more management flexibility in departments, the Treasury Board and its Secretariat have been moving away from a “command and control” philosophy and detailed central controls.

**9.152** The Treasury Board’s strengthened focus on “managing for results”, and its shift to a more strategic role, have led it to increase its delegation of responsibilities to deputies and to streamline policies and systems. The Board has also reduced its control over departmental actions by issuing broad policy guidelines instead of rules. In making its decisions, it has placed greater

emphasis on the specific operating environment of each department. The Board aims to provide a common management framework, one flexible enough to fit the specific circumstances of individual departments and agencies in the core public service.

**9.153** The changes in central controls have meant that the Treasury Board and its Secretariat have significantly less information about the details of departmental performance. And, over time, it has become increasingly difficult for them to monitor departmental performance and provide information to Parliament on the many administrative matters for which they have legislative responsibilities. Thus, they rely more on departmental self-assessments of performance.

**9.154** Under current arrangements, although they have delegated certain authority to deputy ministers and deputy heads, the Board and its Secretariat are responsible for ensuring that deputies are held to account for the way they exercise that authority.

**9.155** The Board and its Secretariat are accountable for the overall functioning of the system. The Board retains authority to establish policies on personnel management. In its responsibility to act as the employer for the core public service, it negotiates with public service unions through its Secretariat. Accordingly, the Board is accountable for the effectiveness of the overall management framework and for the specific policies, systems and provisions of collective agreements that it approves.

**9.156** Performance reports to Parliament from both the Treasury Board Secretariat and individual departments provide very little information on how they carry out their responsibilities for human resource management. There is little information on their expectations for the coming year and subsequently on their achievements.

**9.157** There is a need for the Treasury Board to strengthen its reporting to Parliament on the public service human resource management matters for which it is responsible. As well, there is a need to clarify deputies' responsibility for reporting on the quality and effectiveness of human resource management in their departments.

## Conclusion

**9.158** We undertook this study to identify the changes in roles and responsibilities and related accountabilities for human resource management that are needed to enhance the public service's capacity in a rapidly changing environment. We also wanted to inform Parliament about progress in resolving long-standing concerns about the effectiveness of the framework that governs human resource management in the core public service.

**9.159** An efficient and effective public service is essential to the well-being of the nation. Canada's public service faces significant pressures and challenges in human resource management, including a changing labour force and increasing competition for skilled workers. Action to ensure that a healthy and strong institution can serve Canada and Canadians is of crucial importance.

**9.160** Steps to address these pressures will need to deal with some of the long-standing issues that underlie the current complex, cumbersome regime of human resource management. What is needed is a flexible and responsive system that supports and sustains continuous improvement.

**9.161** The public service has been able to pull together in periods of crisis, such as its downsizing in the second half of the 1990s, to achieve the results sought by government. But this does not mask the basic inefficiency of the system, or the

fact that some long-standing tensions remain that inhibit effective streamlining and modernization of the regime to provide for ongoing adjustment and adaptation.

**9.162** The legislative and institutional framework governing human resource management has grown more complex, while retaining most of the basic features developed in the 1960s. Changes in the administrative framework have not kept pace with the magnitude of change in the workplace and the work force and in organizational requirements. Numerous studies over the last several decades have pointed to the need for fundamental changes in the regime of human resource management. Many of the concerns raised by these studies have gone unresolved, despite the considerable efforts of officials. While the core public service has become smaller, the weight and complexity of the human resource management regime have not lessened.

**9.163** An opportunity exists now, as the public service begins to hire and groom a new generation of public servants in response to the large number of retirements anticipated during this decade. It is urgent that some of the long-standing structural and systemic issues be addressed quickly. Of particular priority is the reform of staffing, which is unduly slow and cumbersome and not sufficiently responsive to new realities.

**9.164** Responsibilities within the core public service have evolved considerably. In particular, delegation to deputy ministers has increased significantly and managing human resources involves a more collective approach under the leadership of the Clerk of the Privy Council. If this approach is to prove effective in overcoming historical difficulties, it is essential that responsibilities be clearly assigned, appropriate resourcing and streamlined supporting structures and practices be put in place, and a full accounting of results be given. It is essential that deputies be

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clearly accountable for human resource management — for a healthy workplace and a highly competent work force. This will improve the accountability of managers and supervisors at all levels for their planning, decisions and actions. An enduring commitment to achieving the necessary cultural change is imperative.

**9.165** Reporting to Parliament on performance in human resource management needs to improve significantly. To exercise its stewardship for this aspect of government operations, Parliament needs to get better information on how systems perform and how senior managers discharge their responsibilities. There is a pressing need for the Treasury Board Secretariat and the Public Service Commission to strengthen reporting to Parliament on their respective responsibilities for human resource management.

**9.166** The Public Service Commission has undertaken a number of reviews to assess how it can fulfil its mandate more effectively. An important part of its mandate requires it to act on behalf of Parliament to ensure the protection of a non-partisan system of merit in the public service. The Commission needs to engage in active dialogue with Parliament on how it balances its different responsibilities and whether changes in its role are desirable.

**9.167** The government needs to give attention to simplifying the current legislative and administrative framework for human resource management, increasing the transparency of the regime's operations and engaging Parliament in making the changes that this will require.

**Government's response:** *We agree on the importance of a strong human resource management framework and the attention the Auditor General has drawn to it. As indicated in the chapter, the Government of Canada recognized the importance of the health of the public service to building a higher quality of life for all Canadians,*

*in the October 1999 Speech from the Throne.*

*We are considerably more optimistic than the Auditor General on such matters as collective and individual deputy minister responsibility, accomplishments in staffing reform, and the flexibility inherent in the current legislative framework. Several other recent initiatives effectively “modernize” human resource management without requiring legislative change. The simplification of job classification and the follow-up to the employee survey are two examples. In addition, work is under way at the COSO subcommittees on Recruitment, Workplace Well-Being, and Learning and Development to identify action items and specific areas where progress on recruitment, retention and learning can be made in the short, medium and long terms.*

*Ensuring that tomorrow's public service continues to meet the needs of Canadians is a present challenge for all of us, and must remain our common goal in any evaluation of human resource management systems. The Auditor General's recognition of this challenge is an encouragement.*

**Public Service Commission's supplementary response:** *In addition, the Public Service Commission would like to underline that in order for Canadians to have confidence in the competence and representativeness and the non-partisan nature of their public service, a high standard of transparency and equity in staffing processes is required. Thus, efficiency, while unquestionably important, forms part of a larger balance of values. For our part, we are seeking to strengthen the staffing system by putting emphasis on the values that lie behind the rules. In so doing, we have benefited from consultations with several key stakeholders, including employee representatives, and have signalled our desire to engage in a dialogue with Parliament.*



## About the Study

### Objective

The objective of the study was to identify problems with roles and responsibilities and related accountabilities for human resource management, and changes needed to enhance the current and future capacity of the public service to serve ministers and the Canadian public in a rapidly changing environment.

### Scope

The scope of this study was the human resource management regime in that part of the federal public sector referred to as the “core” public service, — for which the Treasury Board, acting on behalf of the government, is the employer. This includes 20 departments and some 60 agencies that are also subject to the authority of the Public Service Commission.

The study focussed on the structures governing human resource management — that is, the legislative framework and the roles and responsibilities of key players such as the Treasury Board and its Secretariat, the Public Service Commission, the Privy Council Office and line departments.

Federal public sector organizations excluded from the scope of the study were the “separate employers” under the *Public Service Staff Relations Act*, as well as the military and Crown corporations. The study did not examine the interaction between “the employer” and management, and the public service unions.

In addition to an extensive review of documentation, and reliance on earlier work of the Office, this study involved interviews and discussions with deputy ministers and other senior officials, including the heads of human resources in large departments. We also interviewed several former senior officials.

### Study team

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## Appendix A

# A Summary of the Roles and Responsibilities of Some of the Many Players in Human Resource Management in the Public Service

The players whose roles are discussed in the chapter are the Treasury Board and its Secretariat, the Privy Council Office under the direction of the Clerk, the Public Service Commission, departments and their deputy ministers, and the two key deputy ministerial committees — the Committee of Senior Officials (COSO) and the Treasury Board Secretariat Advisory Committee (TBSAC). There are numerous others that influence the management of human resources in the core public service. Some are briefly described below.

### The National Joint Council (NJC)

The Council is a “consultative” body comprising representatives of the Treasury Board (acting as the “employer” for the core public service), a number of “separate employers,” and bargaining agents. Its recommendations must be approved by the appropriate executive body of government. Established before the advent of collective bargaining, the Council is a forum for regular consultation on issues bearing on the efficiency of the public service and the well-being of its employees. The NJC deals with matters on which consultation is more efficient across the public service than at each bargaining table. These matters may include any benefit or condition of work that applies service-wide. Examples include travel, relocation, isolated post allowances, foreign service, work force adjustment, and benefit plans like health care and disability insurance. When the Council agrees to “consult” on a matter it is understood that, on approval, the matter either will be deemed to constitute a part of collective agreements or will result only in recommendations to the employer.

### Bargaining Agents

Currently, 16 unions certified by the Public Service Staff Relations Board are authorized to represent particular groups of public servants in collective bargaining. The Public Service Alliance of Canada represents the largest number of public servants (approximately 116,000) and the Professional Institute of the Public Service of Canada represents another 31,000. No other bargaining agent represents more than 6,000 federal public servants, and most represent fewer than 1,000.

### The Public Service Commission Advisory Council

Created in 1998, the Advisory Council provides a forum for Commissioners and senior Commission staff to discuss and consult on issues related to the *Public Service Employment Act*. The Council includes a representative of each of the public service bargaining agents and more than a dozen representatives of federal departments and agencies, with a Treasury Board observer. Meetings of the Council and its Steering Committee are co-chaired by a representative of the unions and of the departments. The Council has a number of working groups dealing with current issues such as mobility, recourse and merit.

### Association of Professional Executives of the Public Services of Canada (APEX)

The Association represents the interests of executives and promotes management excellence and professionalism in the federal public service. It tracks current and emerging issues of concern to its members, gathers members’ views and represents them to government decision makers. Membership in the Association is voluntary.

### The Public Service Staff Relations Board

The Board is a quasi-judicial statutory tribunal, responsible for administration of the *Public Service Staff Relations Act*. Its responsibilities include such matters as determining bargaining units, unfair labour practices, certifying and



decertifying of bargaining agents, adjudication of rights disputes (grievances not resolved satisfactorily in the employee's department) mediation services for grievances, complaints and collective bargaining disputes, and generally providing an administrative structure in which the rights and responsibilities of the employer and employees in the federal public service may be exercised and/or enforced.

## **The Commissioner of Official Languages**

The Treasury Board is responsible for providing a policy framework to ensure that departments and agencies meet the requirements of the *Official Languages Act*. The Commissioner is an ombudsman, responsible under the *Official Languages Act* to protect:

- the rights of members of the public to communicate in either official language with federal institutions and to receive services from them as provided for in the Act and its regulations;
- the right of federal employees to work in the official language of their choice in designated regions; and
- the right of English-speaking and French-speaking Canadians to equal opportunities for employment and advancement in federal institutions.

Official language requirements must be established for positions in the public service, and the ability of public servants to meet them must be assessed. The Commissioner's office conducts audits and studies of performance in departments and agencies and investigates individual complaints. It makes recommendations for corrective action, appealing to the Federal Court on behalf of complainants when all other recourse has been exhausted.

## **The Privacy Commissioner of Canada**

The Privacy Commissioner is an ombudsman, appointed by and accountable to Parliament, who monitors the government's collection, use and disclosure of the personal information of individuals, and its handling of individuals' requests to see their records. The *Privacy Act* gives the Commissioner powers to investigate individual complaints, to launch his own complaints, and to audit compliance with the Act.

## **The Information Commissioner**

The Commissioner deals with complaints from people who believe they have been denied rights under the *Access to Information Act*. The Commissioner is an independent ombudsman with investigative powers, who mediates between complainants and government institutions. The head of a government institution may, in certain circumstances, refuse to disclose a record that contains plans related to the management of personnel or the administration of the institution. This does not apply to decisions made in exercising a discretionary power or an adjudicative function that affects the rights of a person.

## **The Canadian Human Rights Commission**

The Commission was established as an agency reporting to Parliament to administer the *Canadian Human Rights Act* and deal with related complaints. An example of the latter is the 1999 pay equity decision, which found that the job classification and evaluation system in the federal public service was discriminatory on the basis of gender, and thus in contravention of the Act. The Commission is also mandated to ensure that the requirements of the *Employment Equity Act* are met by all federal departments and agencies as well as Crown corporations and federally regulated private sector companies. To that end, the Commission conducts audits of these entities.

## **The Canadian Centre for Management Development**

The Centre was created in 1988 under an order-in-council, and became a departmental corporation under legislation passed in 1991.

Under its Act, the Centre's objectives include:

- encouraging pride and excellence in the management of the public service and fostering among managers a sense of the purposes, values and traditions of the public service; and
- helping to ensure the growth and development of managers and ensuring that they have the skills and knowledge required to manage staff effectively, including leadership, motivational and communications skills.

The minister responsible for the Centre is the Prime Minister. The Centre is managed by a President, having the rank and status of a deputy minister, under the direction of a board of governors. The board comprises up to 15 governors, including the Clerk of the Privy Council as the ex officio chair, and equal numbers of persons who are employed in the public service and persons who are not. The former include, as ex officio members, the President of the Centre, the Secretary of the Treasury Board, and the President of the Public Service Commission.

In developing the programs and studies of the Centre, the President is required to take government policies into consideration, along with public service management training needs and priorities as determined by the Treasury Board.

## **The Leadership Network**

The Leadership Network was created by order-in-council in June 1998 to maintain the momentum of the public service renewal initiative, La Relève. It is included in the portfolio of the Prime Minister. The Head of The Leadership Network receives functional direction from the Committee of Senior Officials (COSO). It has three specific areas of responsibility:

- to facilitate the collective management of the community of assistant deputy ministers (ADMs) as a corporate resource (this includes providing career counselling and advisory services related to entry into the ADM ranks, assignments, personal and career development strategies, and learning and promotion opportunities);
- to facilitate internal communication and dialogue on renewal by promoting, developing and supporting networks of leaders at all levels in the public service (for example, networks of middle managers and of federal regional officials); and
- to help consolidate La Relève successes, share lessons learned and foster change initiatives of departments and agencies, functional communities and regions.

## **Federal Regional Councils**

In the early 1980s, Regional Councils were formed primarily to facilitate co-ordination of federal economic programs at the regional level. These have evolved considerably, particularly in the last several years, and play a role at the regional level in communication and information sharing, in administrative and human resource management matters, and in liaison with provincial counterparts. Today, there is a Council of senior federal officials in each province. Their roles and the extent of their development vary, and continue to evolve. They now serve as sounding boards for proposed central agency policies. Most have established human resource management subcommittees to deal with work force adjustment and other issues. For example, some regions have created interdepartmental assignment programs, career centres, mentoring and middle managers' programs.

## **The Human Resources Council**

The Council is mandated by the heads of human resources in departments and agencies to contribute to determining strategic direction for the management of human resources in the public service. It provides leadership on the renewal

and development of the human resources community and on the development of innovative solutions to human resource management issues. The deputy minister “champion” who acts as spokesperson on human resources at senior management forums looks to the Council for advice, as do others such as the Chief Human Resources Officer of the Treasury Board Secretariat. The Council (formed in 1992 as the Personnel Renewal Council) comprises about 20 officials, including 12 heads of personnel and non-voting, ex officio representatives of the central agencies and other bodies. The members who are heads of personnel represent the interests of all departments and the human resource management community. Ex officio members represent the Treasury Board Secretariat, the Public Service Commission, the Privy Council Office, the Canadian Centre for Management Development, The Leadership Network, the Human Resources Learning Advisory Panel and the Human Resources Community Secretariat (the latter two are described below). The Council relies for funding primarily on contributions by departments and agencies. Its members lead or participate in numerous other committees or working groups.

### **The Human Resources Community Secretariat**

At 31 March 1998, the human resources community in the public service consisted of approximately 7,000 full-time staff (down from about 11,000 in 1990). Some 2,500 were human resource management specialists, supported by about 2,400 clerks and 1,300 administrative officers working in areas such as pay and benefits administration and staffing. A Human Resources Community Secretariat (HRCS) was formed in 1998 to play an advocacy role for the human resources community and to pursue implementation of the community’s La Relève action plan. HRCS is a joint initiative of the Human Resources Council, the Treasury Board Secretariat and the Public Service Commission. It operates under the leadership of the Treasury Board Secretariat’s Chief Human Resources Officer.

### **Learning Advisory Panels**

Learning Advisory Panels were created as a result of a recommendation by the Treasury Board Secretariat Advisory Committee. The purpose of such panels is to focus on the learning needs of specific public service communities, such as the policy or the communications communities. A Learning Advisory Panel for the Human Resource Community was formed in 1997 to help guide the development of this group’s corporate learning agenda. It comprises about a dozen senior officials with human resource management responsibilities in departments and central agencies. It is supported by a working group of more junior officials.

### **Advisory Committee on Senior Level Retention and Compensation**

This Committee (the Strong Committee, named after its chair) comprises seven private sector senior executives. It was established in 1997 for a term of three years, to provide independent advice to the President of the Treasury Board on retention and compensation issues for executives, deputy ministers and other Governor-in-Council appointees in the federal public sector. The Committee is charged with providing reports (to be made public by the Minister) setting out a long-term strategy to meet senior-level human resource management needs, compensation strategies and principles, and recommendations on overall management. This includes such matters as human resource policies and programs, terms and conditions of employment, classification and compensation issues, including rates of pay and rewards and recognition.

## Appendix B

### Federal Government and Other Studies Related to Public Service Human Resource Management, 1967–2000

1967 Royal Commission on Bilingualism and Biculturalism, which led to the adoption of the *Official Languages Act* and related public service policies.

1968 Advisory Group on Executive Compensation, created in 1968 to advise the Prime Minister on compensation and related matters. This committee was the forerunner of the current Strong Committee on executive compensation and retention.

1970 The Royal Commission on the Status of Women in Canada, which made recommendations on equality of opportunity for women in the public service.

1974 “Employer–Employee Relations in the Public Service of Canada”. The Finkelman Report proposed legislative change to the *Public Service Staff Relations Act* and the *Public Service Employment Act*. A Special Joint House Committee on Employer–Employee Relations in the Public Service that studied the report in detail endorsed many of its findings.

1974 “Problems for Personnel Management in the Public Service”. A report on managers’ concerns about public service personnel management.

1975 “A Study of Compensation in the Public Service of Canada”. A report by a departmental task force of Treasury Board on classification and compensation issues.

1976 “Native People and Employment in the Public Service”. A study by the Public Service Commission on employment of native people in the public service.

1979 “Classification in the Canadian Public Service”. A Treasury Board Secretariat study of problems related to high levels of misclassification and inadequate accountability for classification decisions.

1979 “Special Committee on the Review of Personnel Management and the Merit Principle”. The D’Avignon Committee outlined significant issues related to the human resource management framework in the public service and called for a clarification of roles and responsibilities, including changes to the central government machinery.

1979 “Royal Commission on Financial Management and Accountability”. Although the Lambert Commission focussed mainly on financial management, it raised many issues related to the personnel function in government departments.

1981 “Report of Study Group on Improved Personnel Administration in the Public Service” by Treasury Board Secretariat, assessed the “health” of the personnel community in the public service.

1981 “Royal Commission on Conditions of Foreign Service” highlighted problems with the management of Foreign Service personnel.

1982 “Classification Reforms for the 1980s: A Policy Review of the Classification System” by the Treasury Board. Study of the classification system, its ability to serve line managers and the impact of the *Canadian Human Rights Act*.

1984 “Ethical Conduct in the Public Sector”, a report by the Task Force on Conflict of Interest. The report led to the adoption of conflict-of-interest and post-employment guidelines for public servants.

1984 Commission of Inquiry on Equality in Employment, an examination of affirmative action programs in the public service and the need to eliminate workplace barriers.

1984 Privy Council Office Task Force on the *Public Service Employment Act*, which was mandated to recommend changes to staffing and employment policy.

1984 “Efficiency and Effectiveness of Staffing Study”, by the Public Service Commission, a study initiated as part of the Commission’s efforts to improve staffing delivery.

1984 “Report of the Special Committee on Participation of Visible Minorities in Canadian Society” led to the adoption of employment equity programs in the public service.

1986 “Cost/Benefit Analysis of Centralizing the Classification System”. A study of alternatives undertaken by the Treasury Board Secretariat, in response to issues raised by the Public Accounts Committee about the high levels of misclassification and managers’ lack of accountability for classification decisions.

1987 Committee on Governing Values, a committee of deputy ministers that led to the development of a “service philosophy” and was a precursor of PS 2000.

1990 “Beneath the Veneer”, a report by the Task Force on Barriers to Women in the Public Service, recommended solutions to barriers encountered by women. This report was followed up in 1995 by another study, “Looking to the Future: Challenging the Cultural and Attitudinal Barriers to Women in the Public Service”, which indicated that some progress had been made but much remained to be done.

1990 Reports by the deputy minister task forces on Public Service 2000, seven of which examined aspects of human resource management. These led to the White Paper on Public Service 2000: The Renewal of the Public Service of Canada.

1995 “The Way Ahead for Human Resources Management in the Public Service”, a paper prepared by the Personnel Renewal Council on setting new directions for the management of people in the public service.

1996 “A Strong Foundation — The Report of the Task Force on Public Service Values and Ethics”, one of several reports on contemporary public service management issues by task forces led by or comprising deputy ministers. Other reports examined topics such as “Strengthening Our Policy Capacity.”

1996 “Report of the Consultative Review on Staffing”, a report for the Public Service Commission that examined changes needed in the staffing process to meet current and emerging needs.

1997 The La Relève Task Force, created by the Clerk of the Privy Council in 1997 to advance recommendations on renewing and rejuvenating the public service; reported later that year. This led to the Privy Council document “La Relève: A Commitment to Action.” The Task Force was subsequently integrated into the operations of The Leadership Network, which produced a La Relève Progress Report in 1998.

1997 “Work Habits, Working Conditions and the Health Status of the Executive Cadre in the Public Service of Canada”, a study by the Association of Professional Executives of the Public Service of Canada (APEX) on the impact of working conditions and the working environment on the health of public service executives.

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Streamlining the Human Resource Management Regime:  
A Study of Changing Roles and Responsibilities

1997 “Workforce of the Future: Valuing Our People” an examination of the evolving federal public service workplace based on consultations with about 500 employees, primarily administrative support staff. The majority of its recommendations could be implemented by individual managers working with their employees.

1998 Advisory Committee on Senior Level Retention and Compensation, or the Strong Committee. Its mandate is to provide independent advice to the President of the Treasury Board concerning executives, deputy ministers and other Governor-in-Council appointees. The Committee has dealt with developing long-term strategies for human resource management, including compensation strategies.

1998 “Partnering for People”, report of the COSO subcommittee on the human resource community. It outlined deficiencies in the management and capacity of the human resource management specialist community, and in human resource management more broadly.

1998 “Facing the Challenge — Recruiting the Next Generation of University Graduates to the Public Service”, a Public Service Commission survey of university students about their career choices. The survey indicated a low level of interest in working in the public service.

1999 “Building a World Class Workforce — Career Development in the Federal Public Service” (The Duxbury Report). The report presented the results of a study of career development as perceived by knowledge workers in the federal public service.

1999 “Turning Results Into Action — Public Service Employee Survey 1999”, a survey of federal public servants on a variety of issues, from compensation to career development.

2000 “The Comparative Analysis of Modern Human Resources Management Regimes in Canada”, a study prepared for the Treasury Board Secretariat to benchmark human resource management practices in the federal public service with best practices. To be published later in 2000.