

# Chapter 22

## Development of the Universal Classification Standard

A Follow-up



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# Development of the Universal Classification Standard

## A Follow-up

### Main Points

**22.1** The Treasury Board Secretariat has made major progress in implementing our 1996 audit recommendation on the development of the Universal Classification Standard for the federal public service. This project is fundamental to the reform of human resource management, particularly for staffing and compensation. It is a monumental and highly complex undertaking that requires much time. The present system is outdated and no longer meets the requirements of today's public service and tomorrow's.

**22.2** In the last few years, the Secretariat has designed a standard intended to measure the content of diverse types of work in the public service, and has subjected it to a series of tests in departments. Since 1998, departments have been writing new work descriptions for all positions and evaluating them against the Standard. In the course of this project, the Treasury Board Secretariat has developed and issued guides and methodologies based on best practices in job evaluation.

**22.3** Despite these achievements, the government still has to address significant issues:

- The Treasury Board Secretariat needs to ensure that the new Standard is being applied appropriately before fully converting to it.
- Departments need to ensure that their work descriptions are accurate and their position evaluation results valid and adequate.
- The Secretariat needs to perform further testing, based on accurate and up-to-date evaluation data, to establish the extent to which the Standard meets its stated objectives to be universal and gender-neutral.
- The government needs to ensure that reasonable and realistic financial resources are available to convert to the new Standard.

### Background and other observations

**22.4** A classification standard is a measuring tool for determining the relative value of positions in an organization. The Universal Classification Standard, now being developed, must be capable of evaluating all positions in the public service on the basis of work content. The results will be used to establish a hierarchy of positions and the compensation that reflects their requirements.

**22.5** The Standard will apply to all Public Service employees for whom the Treasury Board is the employer, with the exception of the executive group. At August 2000, there were some 150,000 positions in 72 separate occupational groups, in some 65 departments and agencies subject to the new classification system. The development of a new classification standard has to meet the requirements of the *Canadian Human Rights Act* on equal pay for work of equal value.

**22.6** The existing classification standards do not reflect today's emphasis on serving the public and managing for results. They also do not make reference to the fact that public servants work more and more in partnership with other levels of government and the private sector.

**22.7** The development of a new classification standard was launched in 1991 as part of the Public Service 2000 initiative. In 1996, we reported serious deficiencies (May 1996 Report, Chapter 5). Pursuant to our recommendations and the findings of its own review, the government began to improve the Universal Classification Standard. This follow-up chapter is a progress report on the initiative to date.

**The Treasury Board Secretariat has responded positively to our findings and recommendations and has affirmed that progress will continue to meet the Universal Classification Standard objectives.**

## Introduction

**22.8** With the launch in 1989 of its Public Service 2000 initiative, the government was seeking to renew the public service and achieve a culture oriented more toward serving clients and delivering results. It set up a task force to review classification and job evaluation. The task force recommended in 1990 that the government develop a new job evaluation system that would be simple, universal and gender-neutral. By fall 1993, a new job evaluation system developed by the Treasury Board Secretariat was in “final draft” form. We decided that before the new system was fully implemented, we would examine whether it would enable the Secretariat to achieve its objectives. The Secretariat’s work continued, and the June 1995 version of the Universal Classification Standard became the subject of the audit we reported on in 1996.

**22.9** The 1996 audit focussed on assessing whether the proposed Standard would indeed be universal, gender-neutral, simple and cost-neutral. We concluded that while the Standard at that time was a significant improvement, that it would be universal and gender-neutral was not assured. Furthermore, writing and evaluating job descriptions remained relatively complex and costly.

**22.10** Since 1996, the Secretariat has focussed its efforts on achieving universality and gender neutrality in the design of the Standard and ensuring that this new evaluation tool is valid and reliable.

### **Why is a new classification standard needed?**

**22.11** Largely designed almost 40 years ago, the current classification system is outdated and no longer meets the operational requirements of today’s public service and tomorrow’s. A number of the classification standards no longer reflect

the nature of the work employees do or the way they do it. And no classification standard at present reflects today’s emphasis on serving the public and managing for results. Public servants work more and more in partnership with other levels of government and the private sector, and existing standards make no reference to the requirements of that work.

**22.12** Since 1991, when the project to develop a new standard began, the introduction of new technologies has changed the nature of work at all levels. Today, over half of public servants are “knowledge worker” professionals.

**22.13** As the 1990 PS 2000 task force report acknowledged, existing job evaluation systems are too complex, take too long and cost too much to operate.

**22.14** As the federal employer, the Treasury Board is subject to the *Canadian Human Rights Act*. The task force pointed out in 1990 that existing job evaluation systems did not meet the requirements of the Act, and it recommended the development of a new system that would. Moreover, decisions on major pay equity complaints in the public service heard by different Canadian Human Rights Tribunals concluded that the current job evaluation systems did not meet the guidelines on equal pay for work of equal value. In one decision, the Tribunal directed the Treasury Board to correct inequities in the job evaluation system with a new classification standard, free of gender bias. In another decision, the Tribunal dealt only with the salary component of the complaint; it deferred its decision on the gender discrimination component, in part because the government indicated that it was developing a single, universal classification standard that would be gender-neutral.

**22.15** The present classification system confines employees to the narrow limits of their job descriptions and is a considerable obstacle to redeployment of resources. Its rigidity prevents the public service from

**Largely designed 40 years ago, the current classification system is outdated and no longer meets the operational requirements of today’s public service and tomorrow’s.**

**The Universal Classification Standard is critical to reforming human resource management in the public service.**

**Developing a new standard that adequately takes into account the value of all significant characteristics of work in the public service is a huge task.**

adapting to the changing needs of programs and their clients.

**22.16** The Universal Classification Standard is critical to reforming human resource management in the public service. Without a classification standard that can serve as a strong basis for staffing, promotion and compensation, the employer will find it hard or impossible to attract and retain the best people and ensure that a competent public service continues.

**A very large and highly complex project that requires time**

**22.17** The process of developing a classification standard or a job evaluation system is not a mathematical exercise. It involves a degree of subjectivity and the use of judgment. To minimize the subjectivity and to obtain valid, reliable and credible job evaluation results, the process must therefore be rigorous, ordered and systematic. Furthermore, to ensure that the system will meet the needs of the organization and that the results will be consistent, acceptable and equitable, the development process needs to include all stakeholders: management, employees, employee representatives and regulatory bodies. Working out this process and the quality control mechanisms to support it requires a great deal of time and is essential to the success of such a project.

**22.18** A classification standard is a measuring tool for determining the relative value of positions within an organization. The Universal Classification Standard must be able to evaluate all positions in the public service on the basis of their work content. When all the positions have been evaluated, the results can be used to establish a hierarchy of positions and the salaries that reflect their requirements. This approach to determining salaries was suggested by the PS 2000 working group on compensation

with the aim of ensuring internal equity in the organization.

**22.19** The size of the organization is another factor that adds considerably to the complexity, the risks and the time involved in developing a new standard. The Standard will apply to all federal Public Service employees (*Public Service Staff Relations Act*, Schedule 1, Part 1), for whom Treasury Board is the employer, with the exception of the executive (EX) group. The more jobs there are and the more varied their work content, the more complicated and risky the process of developing a standard will be. In the public service, for example, the Position Classification Information System showed in August 2000 some 150,000 positions in 72 separate occupational groups, in some 65 departments and agencies that are subject to the new classification system. The variety of positions is vast, ranging from research scientists, nurses, program managers and policy analysts to ships' officers, electricians, secretaries, pay clerks, and maintenance workers. Developing a new standard that adequately takes into account the value of all significant characteristics of work in the public service is a huge task.

**22.20** Meeting the requirements of the *Canadian Human Rights Act* is another significant challenge. Often ignored, the requirements are based on the concept of equal pay for work of equal value. In developing a job evaluation system in a federal organization, the value of positions in predominantly female groups must be compared with that of positions in predominantly male groups, using a common standard and taking into account the four factors specified in section 11 of the Act: responsibilities, skills, effort and working conditions. The government must comply with its own legislation. In addition, a Canadian Human Rights Tribunal has decided that a gender-neutral job evaluation system is required by the Act. Given that requirement and the Tribunal's decision, the government



decided to develop a single universal standard capable of comparing positions across different groups.

**22.21** Gaining stakeholder participation and acceptance at each stage would prove to be a complex and time-consuming endeavour for the Treasury Board Secretariat. The project involved 16 different unions, each representing the specific interest of a different part of the public service.

**22.22** Compensation rates, market forces, and supply and demand of certain skill sets outside the public service may also affect the ability to reach a consensus and may not always reflect internal equity. The Treasury Board Secretariat must work to find an acceptable solution that takes into account pay equity requirements, internal equity, market forces, and affordability — difficult challenges to reconcile.

#### **Focus of the follow-up**

**22.23** This chapter discusses our follow-up of the audit we reported in May 1996, Chapter 5. We assessed the extent to which the Treasury Board Secretariat has implemented our recommendation dealing with the development and validation of the Standard. The chapter examines the development of the Standard, its important components, the methodologies developed by the Secretariat, and the application of the Standard in departments and agencies up to September 2000.

**22.24** Our follow-up work does not cover the other recommendations we made in 1996, on the issue of cost and on the simplification of the job evaluation system and the occupational group structure. We note, though, that in replacing 70-odd existing standards, the new single Standard represents a considerable simplification of the classification process.

**22.25** In the process of developing the Standard, since 1996 the Secretariat has sought the advice of the Canadian Human Rights Commission on the application of the *Canadian Human Rights Act*. The Canadian Human Rights Commission has also been investigating the extent to which the Standard is gender-neutral. We therefore excluded the Standard's gender neutrality objective from the scope of our chapter, relying instead on the Commission's work and opinion.

**22.26** This chapter focusses mainly on the validity, reliability and universality of the Standard; its testing and application and the development of supplementary tools were still under way as we were writing. Further details on the objectives and scope of our work are presented at the end of this chapter, in **About the Follow-up**.

## **Observations and Recommendations**

**22.27** The Treasury Board Secretariat has made major progress in implementing our 1996 audit recommendation on the development of the Universal Classification Standard for the federal public service. Despite problems along the way, the Secretariat has set up a process for developing the Standard that is ordered, systematic, and significantly more exhaustive than was the process prior to 1996. The major phases of the project are outlined in Exhibit 22.1.

### **Some Challenges Impacted the Project Throughout**

#### **Changes in leadership and staff during the project brought some constraints**

**22.28** Since 1996, the project has seen successive changes in leadership: two Secretaries of the Treasury Board, three Chief Human Resources Officers, and two Assistant Secretaries in charge of the project. At other levels, staffing has

**Despite problems along the way, the Secretariat has set up a process for developing the Universal Classification Standard that is ordered, systematic, and significantly more exhaustive than was the process prior to 1996.**

**Exhibit 22.1**

**Major Phases and Key Activities of the Universal Classification Standard**

<b>Design Development</b>
<ul style="list-style-type: none"> <li>• Work information gathering: November 1996 to December 1997             <ul style="list-style-type: none"> <li>– Samples of 737 positions</li> </ul> </li> <li>• Design development and informal testing of the Standard: January to August 1998</li> </ul>
<b>Validation of the Standard</b>
<ul style="list-style-type: none"> <li>• First validation of the Standard version 1.0: July to December 1998             <ul style="list-style-type: none"> <li>– Sample: 5,000 positions across 56 departments</li> <li>– Writing and evaluating job descriptions of these 5,000 positions in departments</li> <li>– Qualitative and quantitative analyses</li> </ul> </li> <li>• Revision of the Standard version 1.0 and release of the Standard version 1.1: January to April 1999</li> <li>• Second validation of the Standard version 1.1: April to July 1999             <ul style="list-style-type: none"> <li>– Evaluation of the same sample of 5,000 work descriptions (some revised) in a controlled environment</li> <li>– Qualitative and quantitative analyses</li> </ul> </li> <li>• Revision of the Standard version 1.1 and release of the Standard version 2.0: July to October 1999</li> <li>• Application of the Standard to all positions in the public service: ongoing since August 1999</li> </ul>
<b>Quality Assurance Initiatives</b>
<ul style="list-style-type: none"> <li>• Development of an analytical framework to improve quality: January and February 2000</li> <li>• Workshops with departments to ensure the consistent application of the Standard: February to May 2000</li> <li>• Release of supplementary technical bulletins and guides: July 2000</li> <li>• Audit of work descriptions of 1,000 positions: September 2000 – ongoing</li> <li>• Qualitative assessment of application of 1,000 positions: October 2000 – ongoing</li> <li>• Periodic assessment of the Standard’s application: to come</li> </ul>
<b>Development of Preliminary Weights</b>
<ul style="list-style-type: none"> <li>• Development of weighting tools and scenarios: June 1999 to December 1999</li> <li>• Release of preliminary weights: February 2000</li> <li>• Impact analyses of the preliminary weights: ongoing</li> </ul>
<b>Transition</b>
<ul style="list-style-type: none"> <li>• Conversion planning</li> <li>• Development and implementation of communication and change management strategies</li> <li>• Compensation policy and pay structure</li> <li>• Collective agreements</li> <li>• Conversion</li> </ul>

**Source:** Treasury Board Secretariat documentation

been largely by secondment, with significant turnover on the core team. With changing staff came different views on what constituted a reasonable and satisfactory standard. This added complexity to the project's management and led to numerous changes in the schedule.

### **Funding process did not follow normal processes for projects of this size**

**22.29** The funding process followed for the development of the Standard did not sufficiently take into account the size, complexity and importance of such a project. As with other major projects like Modernization of Comptrollership and the Financial Information Strategy, we expected that adequate funds would be granted to departments and the Secretariat to properly deliver this project. The Treasury Board Secretariat established a "loan" fund of some \$60 million to help departments with the costs of training, writing work descriptions, and evaluating jobs. However, departments that used this funding have to pay it back within three years. Departments have largely had to fund the project from their existing budgets and resources. Since the project has taken longer than anticipated and involved significant time and effort of line managers and employees as well as human resources staff, its financial impact to date has likely been underestimated and will be difficult to account for accurately.

**22.30** In our opinion, the approach to funding this project has represented an ongoing risk to its successful completion. The scope of our follow-up did not allow for auditing the full costs of developing and validating the Standard and applying it in departments. However, the Secretariat has told us that the direct incremental cost of the organizational unit at the Secretariat who developed the Standard has been about \$20 million since 1996. Some 40 departments of various sizes have reported costs that total some \$35 million up to June 2000.

### **Timelines that proved to be unrealistic have compromised progress**

**22.31** From the start, the Treasury Board Secretariat imposed on itself a schedule that greatly underestimated the nature and complexities of a project like the development of the new Standard, which it planned to have ready by 31 March 1999. The Canadian Human Rights Commission has expressed concern to the Secretariat since early 1998 about the pace at which aspects of the Standard have been developed and applied.

**22.32** Throughout the project, and as we were writing this chapter, the tight deadlines have caused departments major difficulties in evaluating positions, as they tried to avoid compromising the quality of the results while meeting the deadlines.

### **An uneven consultation process**

**22.33** One of the difficulties in developing the Standard has been the varying degrees to which stakeholders have been consulted, particularly employee unions and the Canadian Human Rights Commission. From late 1995 until early 1998, the Treasury Board Secretariat held meetings with all stakeholder groups together, and their participation and co-operation made it possible to consider their concerns and advance the project effectively. In mid-1998, however, when the initial design was complete and the project was moving to the next phase, the Secretariat considered that this process was no longer effective and it reduced the level of consultation to separate meetings with each stakeholder group. The Secretariat has stated that the same topics were covered in its meetings with every stakeholder group. However, we believe that the change to separate meetings left each group with no confidence that it had a grasp on all facets of the project and unaware of the concerns of other stakeholder groups. It also left stakeholder groups with questions and concerns about the transparency of decisions. Since

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**Given the risks and the potential implications for the Standard's chances of success, we told the Secretariat in October 1998 that we were concerned about the project's tight timelines and the reduced level of consultation.**

mid-1999, however, consultations have improved and have been more open.

**We advised the Secretariat of our concerns in 1998**

**22.34** Given the risks and the potential implications for the stakeholders' co-operation, the project's viability, and the Standard's chances of success, we formally expressed our concerns to the Secretariat in October 1998 about, for instance, the project's tight timelines and the reduced level of consultation. The Secretariat responded that it believed the change in consultation was appropriate, given the stage the project had entered, but indicated that it recognized the need for subsequent consultation. In our view, the Secretariat's decisions seemed to be guided mainly by its desire to meet the 31 March 1999 deadline for converting all positions to the new Standard. As experience later demonstrated, the timelines were unrealistic, and full consultation was critical for the project to proceed smoothly.

**In 1996-97, the Secretariat established a rigorous method and several quality control mechanisms for collecting comprehensive, valid and reliable information on a wide range of job content.**

**Improving the Standard's Design**

**The Secretariat followed an exhaustive method of data collection**

**22.35** To ensure that the Standard could measure the value of all work done in the public service, the Secretariat needed a very good understanding of the breadth of that work. This understanding was critical to determining the elements the Standard would need to be universal, and the scales needed to measure their value. The Secretariat designed two samples of positions to collect information about the current work in the public service, based on criteria intended to reflect the wide diversity of positions and to take into account the requirements of the *Canadian Human Rights Act*.

**22.36** The two samples comprised a total of 737 positions that, according to the Secretariat, reflected a combination of

key jobs and positions of various types. The Secretariat considered that they provided a good illustration of the variety of work in the public service while also taking into account positions held predominantly by males and those held predominantly by females.

**22.37** The final composition of these two samples resulted in part from a consensus negotiated among various stakeholders. This approach to defining the samples, while reflecting the Secretariat's desire to meet stakeholders' expectations, was an approach based on judgment and we would expect the Secretariat to have taken into account the risks of using a sample arrived at in this way. While the sample covered a wide range of jobs, the documentation we reviewed did not show to what extent it covered the full range, or which jobs were left out. Given that its design was based on these samples, we did not have sufficient assurance to conclude that the new Standard could capture and evaluate all job content in the public service. In response to our concerns, the Secretariat told us it would remain diligent and would capture the missing job characteristics, if any, during the next stages of the Standard's development.

**22.38** In 1996-97, the Secretariat established a rigorous method and several quality control mechanisms for collecting comprehensive, valid and reliable information on a wide range of job content. The data collection method was tested first in a pilot project to verify the effectiveness of the collection tool itself, the collection process, and the training kit for those who would be collecting the data.

**22.39** The Secretariat interviewed the incumbents of 737 positions in two samples, at 114 work sites across Canada. During this phase, the Secretariat set up quality control mechanisms to ensure that the information supplied by the

incumbents was up-to-date and complete, and reflected the actual work.

### **The new information was used to improve the Standard's design**

**22.40** Working with departments, unions, and consultants who were specialists in job evaluation, the Secretariat conducted a critical review of all components of the version of the Standard we had audited in 1996. It continued to improve the Standard's design, using the results of its review and the analysis of the data collected on job content. Several versions of the Standard were produced, each with successive in-depth modifications to both its design and its components.

**22.41** Between February and mid-May 1998, the Secretariat conducted informal tests of the modified Standard in a small sample of about 250 jobs in seven departments that had volunteered to participate. The Secretariat used the results as a basis for a number of changes. It also decided that it was time to undertake a formal validation in a sample of positions throughout the public service.

### **Validating the Standard was the weak link**

**22.42** The objective of validating the Universal Classification Standard was to verify its validity, reliability, universality and gender neutrality when applied to a representative sample of jobs in the public service. Given the scope and complexity of the task and its impact on the success of the project, we looked for indications of the level of accuracy, reliability and validity in the job evaluation results that departments and agencies provided to the Secretariat to validate the Standard. We expected that the data used for validation purposes were up-to-date and met the requirements of the Secretariat's guidelines.

### **The 5,000-position sample used for validation had serious limitations**

**22.43** We expected that the Secretariat would have developed a methodological framework that described the assumptions underlying the sampling, recognized the limits of the sample and, where necessary, determined the impact of those limits on the analysis of the job evaluation results. We saw only limited documentation of the sampling approach. The Secretariat could provide information on the size, general characteristics and purposes of the sample but not on the assumptions used in sampling and their impact.

**22.44** In March 1999, following its assessment of the appropriateness of the sampling method, Statistics Canada concluded that the sampling method was essentially based on judgment and had produced a sample that could not be shown to be representative of the full diversity of jobs in the public service; and that analyses based on such a sample could be misleading. Some officials of the Secretariat concurred.

**22.45** The sample contained some 2,700 different jobs, accounting for some 5,000 sampled positions. The most common and key jobs were selected in large numbers. This, in effect, limited the diversity of the positions in the sample, resulting in reduced assurance that it represented the full range of work characteristics in the public service. We agree with Statistics Canada that the results of validation based on such a sample cannot be extrapolated in a statistically reliable way to the current public service positions. At a minimum, decision makers should understand the limitations of these samples in their deliberations.

### **The Secretariat guides and methodologies reflect the state of the art**

**22.46** The May 1998 Standard, Version 1.0, was the first version validated. To ensure that departments would apply its Standard as consistently and precisely as

**Several versions of the Standard were produced, each with successive in-depth modifications to both its design and its components.**

**Statistics Canada indicated that the results of validation of the selected sample of positions could not be generalized to all current public service positions.**

**The Secretariat gave departments and agencies a project management framework that identified critical success factors and performance indicators.**

possible, the Secretariat provided a number of tools for them to work with the Standard and become familiar with it. For example, it developed methodology guides to enable departments to write their work descriptions and evaluate them in accordance with the intent of the elements in the Standard. It also developed a methodology for developing model work descriptions to speed up the exercise and provide for consistent descriptions and evaluations of similar or identical positions across departments. These tools are based on best practices and reflect the state of the art in job evaluation.

**22.47** The Secretariat gave departments and agencies a project management framework that identified critical success factors and performance indicators. It also provided sources of information from which both the departments and the Secretariat could verify the way they carried out and managed the exercise.

**22.48** The Secretariat also set up an organizational infrastructure to give departments the necessary support for applying the Standard and to follow the progress of the job evaluation exercise. Training and information sessions were held for a number of participants. In order to obtain valid and reliable data, the Secretariat made it compulsory for departments and agencies to apply its methodologies and procedures in the validation.

**Conditions in departments were not conducive to successful validation**

**22.49** We visited eight departments and examined the way they evaluated their positions from March 2000 to the end of September 2000. Our interviews and our review of documentation revealed the following:

- In some departments we visited, senior management gave hesitant support to the application of the new job evaluation system because of the prevailing scepticism about the viability

of the project and the new values embodied in the Standard.

- Most of the departments we visited were not ready to apply the Standard during 1998. For instance, some departments and agencies had not reviewed the classification of their positions to make sure it was valid before using the Standard. Nor had they checked the accuracy of their classification data banks and identified all generic jobs to reduce the workload in writing job descriptions. As a result, some departments had difficulty applying the Standard while at the same time making sure the classification status of their positions was current.

- The timetable imposed on departments caused them serious problems and compromised the quality of the data bank on which the Secretariat based its analyses:

- Many departments were unable to offer all the necessary training in writing work descriptions and evaluating positions.
- In many cases, the work descriptions were not reviewed by supervisors and employees to ensure that they were accurate and complete.
- Most departments we visited were unable to review the position evaluation results systematically for consistency and accuracy before sending them to the Secretariat.
- A number of departments deplored the fact that the timetable underestimated the learning curve needed to master the Standard.

**22.50** Testing a new job evaluation plan of this scope in so many organizations requires a structured, well-defined framework. The Secretariat provided such a framework that outlined expected results. In reviewing the progress reports,

**The Secretariat counted on a sound validation process in departments to guarantee adequate results.**

we noted that departments described the activities, processes and procedures they had set up but not the extent to which they achieved the desired results. The Secretariat counted on a sound validation process in departments to guarantee adequate results. In our opinion, the Secretariat needed to take additional monitoring steps to ensure that position evaluation results were reliable.

### **Results of the evaluation of the 5,000-position sample were not reliable**

**22.51** We learned in our interviews conducted from March to the end of September 2000 that, to the best of their knowledge, departments generally had applied the Secretariat's directives and methodologies in writing work descriptions and evaluating jobs. However, evaluation committees in several of the departments we visited reported that some job descriptions they had evaluated were incomplete or of poor quality. All departments we visited indicated that the results of the 5,000 positions they sent to the Secretariat could not be considered reliable or accurate and required extensive review.

**22.52** In December 1998 the Secretariat conducted detailed analyses of several aspects of the Standard, without full knowledge of the poor quality of data from departments. In our opinion, this first validation exercise had important limitations and could not be used to demonstrate adequately that the Standard was universal. However, we observed that the Secretariat used the results of these analyses to improve the reliability and validity of several elements in Version 1.0 of the Standard.

**22.53** The Secretariat introduced corrective measures in January 1999, targeting the aspects of the Standard that presented the greatest difficulties. It significantly revised seven elements of the Standard and produced supplementary guidance on its application. A new version

of the Standard, Version 1.1, was published in March 1999.

### **The Standard benefited from a second validation**

**22.54** It is considered best practice to undertake several validations in order to obtain sound results. The Secretariat carried out a second validation to verify whether the changes incorporated in Version 1.1 of the Standard had improved its reliability. That is, could the Standard be interpreted and applied consistently in a number of different situations across the public service?

**22.55** The second validation was deliberately conducted in a central and controlled environment, with the participation of 250 managers and employees selected for their sound knowledge and their experience in using the Standard. Experts on the Standard and on gender neutrality were available on-site to provide clarification, when necessary. While the profile of the people selected and the support provided were appropriate to test the validity of the Standard — whether the Standard measures what it is supposed to measure — it was not adequate for testing the Standard's reliability. This type of ideal environment, not representative of the normal environment of the public service, would likely remove factors that could negatively affect the reliability of the Standard and could skew the validation results.

**22.56** The second validation used the same 2,700 jobs accounting for the 5,000-position sample with work descriptions that had had a number of deficiencies. Although departments said they had the opportunity during the second validation to revise those work descriptions, all incumbents and their managers could not verify their accuracy and completeness. In addition, the departments themselves were still learning the Standard.

**22.57** The Secretariat performed a thorough qualitative and quantitative

**All departments we visited indicated that the results they sent to the Secretariat for the 5,000-position sample could not be considered reliable or accurate and required extensive review.**

**Some departments were concerned about the consistency and reliability of interdepartmental ratings.**

**In our opinion, based on the work the Secretariat had done, it should have more strongly qualified its statement and not concluded that the Standard met the objectives.**

**The Secretariat developed a rigorous and exhaustive model for analyzing the evaluation results, and it undertook activities to improve the quality of application.**

analysis of the revised evaluation results, using outside consultants, to assess the universality of the Standard Version 1.1. This led to added minor improvements, and Version 2.0 was released (Exhibit 22.2).

**22.58** In March 1999, the Secretariat considered that the Standard was not perfect but was “good enough” to be released, given that most of the planned “functionality” had been tested and proved to be working. In August 1999, the Secretariat said it had strong evidence to indicate that the Standard had achieved its objectives of universality and gender neutrality. In our opinion the Secretariat could not demonstrate this convincingly, given the weaknesses of the 5,000-position sample, the poor quality of the data and work descriptions, and the “ideal test bed” in which the second validation was conducted. In our opinion, based on the work the Secretariat had done, it should have more strongly qualified its statement and not concluded that the Standard met the objectives.

**22.59** In September 2000, the Secretariat did qualify the results of the validation more prudently. It indicated that the Standard was a vast improvement over previous classification systems and that it had significantly improved reliability while reinforcing the design goals of universality and gender neutrality.

### **Improving the Application of the Standard**

#### **Additional quality assurance measures after validation**

**22.60** In reviewing position evaluation results submitted up to January 2000, the Secretariat and departments noted several potential anomalies. The Secretariat developed a rigorous and exhaustive model for analyzing the position evaluation results, and it undertook activities to improve the quality of application of the Standard. The goal was to diagnose the causes of the potential

anomalies and decide on appropriate corrective action.

**22.61** According to the Secretariat’s records, about half of the departments and three unions participated in workshops offered by the Secretariat and designed to review some 30 occupational groups. Following the workshops, the Secretariat issued further technical guidance to clarify the Standard and provide for its consistent interpretation. In our opinion, the Secretariat needs to consider expanding this process to the remaining occupational groups, given that the objective is universality.

#### **Departments took seriously the need to improve the quality of the position evaluation results**

**22.62** Our interviews with departments, our review of the files showing how the Standard had been applied after the evaluation of the 5,000-position sample, and the responses to our short questionnaire administered in September 2000 showed increased efforts to pursue and improve the application of the Standard. For example:

- In most cases the training activities were continued.
- Most departments told us they had applied the methodologies developed by the Secretariat to write and evaluate work descriptions. Some said they had developed other tools, adapted to their own needs, that had not necessarily been validated by the Secretariat. But they considered that in doing so they had observed the same principles.
- Although the level of mastery of the Standard has improved, interpreting it consistently in departments is a constant challenge because of the high turnover among members of departmental evaluation committees.
- All departments told us that because of the many changes to the Standard and the anomalies that surfaced, they have carried out a critical review of the work



## Factors and Elements of the Universal Classification Standard 2.0

**Responsibility Factor measures responsibility for people, ideas, and things.****Elements:**

1. **Information for the Use of Others** measures the extent and impact of responsibility for information that is used by others.
2. **Well-being of Individuals** measures direct responsibility for supporting the health and development of individuals and for helping them to function better in their environment and in Canadian society. This responsibility includes protecting them from harm and providing for their welfare.
3. **Leadership of Human Resources** measures responsibility for leading people who are working to achieve the goals of the Public Service of Canada.
4. **Money** measures responsibility in the work for the stewardship and comptrollership of financial resources. The responsibility falls into three areas: planning and controlling, acquiring funds, and spending funds. The element values these responsibilities according to the worker's latitude to take action and make decisions within the federal policies, guidelines, and regulations that govern the management of funds.
5. **Physical Assets and Products** measures direct responsibility for the custody, use, production, maintenance, repair, protection, and disposal of physical assets used, and products created, in doing the work. It also measures responsibility for making arrangements for facilities, equipment, and materials for conferences and events. Both purpose and impact are measured.
6. **Ensuring Compliance** measures the responsibility in the work for making decisions about compliance with government-accepted standards, guidelines, regulations, and legislation and for taking appropriate action to foster and enforce such compliance.

**Skill Factor measures what employees need to know or be able to do in order to perform the assigned work.****Elements:**

7. **Job Content Knowledge Application** measures the depth and breadth of the knowledge required to perform the work. Knowledge includes concepts, methods, practices, principles, procedures, processes, techniques, and theories. Knowledge can be acquired through training, education, or experience, or it can be the result of a natural ability.
8. **Contextual Knowledge** measures the degree to which the work requires knowledge of people, organizations, external circumstances, and legislation and regulations.
9. **Communication** measures the skills required in the work to convey and receive messages. Both communication in (receiving) and communication out (conveying) are measured.
10. **Motor and Sensory Skills** measures the proficiency that the work requires in controlling body movements and in using the senses to make distinctions.

Exhibit 22.2 (cont'd)

<b><i>Effort Factor</i> measures the mental and physical exertion required by the work.</b>
<b>Elements:</b>  11. <b><i>Intellectual Effort</i></b> measures the mental exertion associated with solving the problems encountered in the work. Both intensity of effort and constraints on resolving problems are measured.  12. <b><i>Sustained Attention</i></b> measures the effort required by the work to focus one or more of the senses. It also measures the sensory effort to remain attentive, sometimes to things that do not appear to be changing. Both intensity of effort and degree of distraction are measured.  13. <b><i>Psychological/Emotional Effort</i></b> measures the mental exertion required to cope with psychologically demanding work. Both intensity of effort and degree of control are measured.  14. <b><i>Physical Effort</i></b> measures the amount of physical exertion required by the work. It recognises the effort involved in both movement and stillness. Both the intensity of effort and duration (amount of time) are measured.
<b><i>Working Conditions Factor</i> measures the physical and psychological conditions under which the work is performed, and their potential effects on the health of employees.</b>
<b>Elements:</b>  15. <b><i>Work Environment</i></b> measures the exposure to disagreeable psychological and physical work environments. Both the psychological environment and the physical environment of the work are evaluated.  16. <b><i>Risk to Health</i></b> measures the exposure to unavoidable mental and/or physical risks or hazards to health resulting directly from the performance of work. This element captures only those risks remaining after the application of normal safety precautions.

Source: Universal Classification Standard, UCS 2.0, Factors and Elements, Treasury Board of Canada, Secretariat, October 1999.

descriptions written and the position evaluation results since validation began.

- Departments took into account the supplementary guidance that the Secretariat provided for interpreting the Standard. In response to our questionnaire, all departments said they have used the tools the Secretariat provided between February and August 2000, even though they arrived late in the review process. According to departmental representatives, in September 2000 there was still a lot of work to be done to integrate the changes required by the supplementary guides.

- In September 2000, the majority of departments we visited indicated varying degrees of satisfaction with the quality of their work descriptions and the accuracy

of the evaluation of positions they consider finalized. The others preferred not to express an opinion but described the measures they have put in place to ensure sound results. Some departments were concerned about other issues, such as the consistency and reliability of interdepartmental ratings.

- All but two of the departments we visited believed that the quality control mechanisms they have put in place over recent months provide them with a high level of assurance that the position evaluation results they consider finalized are valid and reliable.

**Departments call the Universal Classification Standard a promising job evaluation tool**

**22.63** We asked each of the departments we visited to indicate, based on the knowledge and experience they acquired in using the Standard, if this job evaluation tool had enabled them to value all positions. The six departments that responded directly to this question replied in the affirmative. They said that the Standard can properly value the full range of work in the department. The other two departments made no direct assessment. Some departments expressed concerns about the value of some specific jobs under the Standard and the compensation offered in the external labour market.

**The Secretariat is taking further steps to ensure the Standard's adequate application**

**22.64** In our interviews with all stakeholders, including the Canadian Human Rights Commission, and in comments received from some unions, a concern has emerged about the ability of the Treasury Board Secretariat to demonstrate that departments have adequate quality control mechanisms in place and have applied the Standard appropriately and produced valid position evaluation results.

**22.65** As we were writing this chapter, the Secretariat had already started initiatives to ensure the Standard's adequate application. For instance, the Secretariat commissioned an audit of work descriptions of 1,000 positions. The audit is intended to examine the apparent degree to which departments have adhered to the Secretariat guidelines and also to assess the position content validity of the work descriptions. In addition, the Secretariat was developing a methodology for a qualitative assessment of the Standard's application; this was in the preliminary stages. This is aimed at examining the consistency and

appropriateness of the Standard's application within particular occupational groups.

**22.66** In our opinion, it is critical for the Secretariat to have confidence in the quality of position evaluation results with the Standard, for all occupational groups.

**22.67** The Secretariat is also planning to perform periodic assessments of the Standard's application in departments. These assessments are intended to identify, through quantitative analyses, indicators of the adequacy or potential anomalies of the position evaluation results before the conversion. The Secretariat is planning to conduct further qualitative analyses based on these indicators.

**An opportunity for the Secretariat to demonstrate to what extent the Standard achieves its objectives**

**22.68** The Secretariat's initiatives we have described are necessary and relevant to fill the gaps identified by the two validation exercises. In our opinion, the Secretariat has a great opportunity to conduct robust testing and to demonstrate convincingly to stakeholder groups the extent to which the Standard meets its objectives.

**Weighting the Standard's Elements**

**A preliminary weighting scheme was developed**

**22.69** In fall 1999, while the departments were evaluating positions, the Secretariat was developing the weighting scheme for the Standard.

**22.70** Weighting is the percentage assigned to each element in a classification standard to establish the relative importance of all the elements in order to reflect the organization's objectives and values. These values must be free of gender bias in order to comply

**The Secretariat commissioned an audit of the work descriptions for 1,000 positions.**

**The Secretariat has a great opportunity to conduct robust testing and to demonstrate convincingly to stakeholder groups the extent to which the Standard meets its objectives.**

with the requirements of the *Canadian Human Rights Act*.

**Converting the existing classification of positions to the new system will inevitably cause disruption, no matter how perfect the new system may be.**

**22.71** Given the sensitive and subjective nature of the exercise, to establish the weighting the Secretariat set up an ordered and systematic process that enabled it to obtain the views of all the stakeholders, from various perspectives. For example, it created a forum for a group of current and former senior officials and employees where they could discuss the importance of each element in the Standard and then to establish the hierarchy of elements that they thought best reflected public service values. The design team also produced a ranking based on the intent of the Standard.

**22.72** Based on interim data, the Secretariat then developed a number of scenarios for weighting the elements of the Standard to determine the hierarchy that would be most acceptable to all stakeholders. Initially, criteria for this decision included several variables, among them the requirements of the *Canadian Human Rights Act*, the impact of the position evaluation results on the organizational structure, and the degree of organizational disruption implied.

**22.73** Through consultation with departments, unions and the Canadian Human Rights Commission, the Secretariat was trying to achieve a balanced scheme that would assign a value to all work in the public service, unlike the weighting scheme proposed in 1996.

**22.74** The Secretariat recognizes that before approving a final weighting scheme, it must conduct the necessary analyses using current data that are reliable and accurate. It will do so once the departments have finished evaluating all their jobs. We would support this course of action.

## The Challenges Ahead

### **Converting the existing classification of positions to the new classification system will be a critical challenge**

**22.75** Position classifications will be converted to the new classification system from an imperfect, outdated system designed on the basis of values and principles of work organization that are almost 40 years old.

**22.76** Conversion means that all employees in the future will be able to easily compare the value of their positions, which they could not always do before. However, comparing the value of positions under the new Standard with their value in the existing system could produce misleading results. No one has a precise idea of the magnitude of errors and anomalies in the present classification of positions. The last internal audit of classification was performed over 10 years ago. Even then, many jobs were found to have been misclassified.

**22.77** Converting the existing classification of positions to the new system will inevitably cause disruption, no matter how perfect the new system may be, and this is even more predictable in an organization the size of the public service. The Standard will introduce new values, and the results will lead to changes in the organizational hierarchy.

**22.78** The conversion will involve costs that are difficult to determine now with any certainty. A number of issues that will affect the costs of conversion still need to be resolved, such as negotiations with unions and establishment of the pay structure. At present, we do not know if the Secretariat has a compensation policy that defines the relative importance of internal equity, external equity, individual or group performance pay or other pay incentives and defines the relationships among them. Establishing a compensation policy from the perspective of strategic human resource management will be a

critical and essential element in successfully implementing the new system.

### Conditions for success

**22.79** A lot of work has been done so far in departments to implement the Standard in order to convert their jobs to it. At the end of our follow-up in September 2000, we asked the eight departments we visited, and some unions, what they believed could be the Standard's key conditions for success. According to them, success would depend on conditions such as the following:

- due regard given to the results of the gender neutrality assessment of the Standard conducted by the Canadian Human Rights Commission, and the update and consolidation of all the tools developed by the Secretariat or specific occupational communities to ensure that the Standard is complete, free of gender bias and universal, and provides for consistent and adequate interpretation of all elements of the Standard;
- consultation and agreement with departments on the timelines needed to ensure that the work is done well. Several departments and unions believe they need more time, given the nature and the impact of such a project on the whole public service. Many indicated that there is still a lot of work to be done to ensure that positions evaluation in departments produces adequate results;
- monitoring by the Secretariat of the Standard's application in departments, and solid testing based on valid data to demonstrate persuasively the degree to which the Standard's objectives are achieved;
- ability of managers to demonstrate to employees that the Standard has been applied consistently in their department and across departments and for all occupational groups;

- determination of acceptable pay levels that enable departments to recruit and retain competent people, and minimization of the number of positions with salary protection upon conversion. This is needed to hold organizational disruption to a manageable level; and

- leadership by the Secretariat with a clear communications plan and strategy for managing change. This will help to enlist departments and unions in the critical buy-in of the new system and ensure that the impact on individuals and the organization is well understood.

**22.80** We believe that the effective and efficient completion of the Universal Classification Standard project requires that reasonable and realistic financial resources be approved and allocated. We expect the Secretariat and departments to report the full cost of this project.

**22.81** **The Treasury Board Secretariat should continue to verify that the departments and agencies are implementing the Standard appropriately, that work descriptions are accurate and complete, and that evaluation results are valid and defensible. Departments should continue with diligence and on a reasonable timetable to evaluate or revise all of their job descriptions.**

**22.82** **The Treasury Board Secretariat should perform all necessary analyses based on a valid sample and on accurate, up-to-date data to establish whether the Standard has reasonably achieved its objectives. If it has not, the Secretariat should take the necessary corrective measures.**

*Treasury Board Secretariat's response:*  
*The Treasury Board Secretariat agrees with and accepts the recommendations in the chapter. Monitoring of departmental application results will continue. We are confident that our increasingly robust qualitative and quantitative testing methodologies will continue to reinforce confidence in the Universal Classification*

**Among the key conditions for the Standard's success are determining acceptable pay levels that enable departments to recruit and retain competent people and minimizing the number of positions with salary protection upon conversion to the Standard.**

*Standard as a job evaluation plan that measures all work in the public service and appropriately respects the Canadian Human Rights Act. This testing will also continue after implementation to ensure that the Standard continues to meet the needs of the public service as they change over time.*

## Conclusion

**22.83** The development of a new Universal Classification Standard has made a great deal of progress since May 1996. There is no doubt that as a job evaluation tool, the Standard is an enormous improvement over the existing classification system. The process the

Treasury Board Secretariat has followed is significantly more rigorous than we observed in our 1996 audit.

**22.84** The departments we visited strongly support the Standard. However, they recognize that they need to do more work to ensure that results are of good quality before they fully implement the new system.

**22.85** In our opinion, the Secretariat needs to conduct further rigorous testing to demonstrate to stakeholder groups the extent to which the Standard has achieved its objectives. It needs to continue conducting thorough and systematic analyses, based on valid and reliable data.



## About the Follow-up

### Objectives

The objective of our chapter was to assess the extent to which the Treasury Board Secretariat has implemented our 1996 recommendation (Chapter 5, May 1996 Report) that addressed the development and validation of the Standard.

Our other 1996 recommendations for simplifying the job evaluation system and the occupational group structure were not covered by our follow-up.

### Scope

We reviewed the important documentation used in developing and validating the design of the Standard and participated as observers in committees set up by the Secretariat at various stages of the project.

Between March and June 2000, we studied how eight departments had applied the Standard. We selected eight departments that differed in mission, size and composition. They represented about 40 percent of jobs in the public service and just over 80 percent of occupational groups. We held structured interviews and reviewed progress reports supplied by departments to the Secretariat, as well as other relevant documentation.

We also participated in discussions of technical and operating issues with such stakeholders as the Canadian Human Rights Commission (CHRC), the unions, and pay equity experts.

Finally, in September 2000 we used a short questionnaire to update our observations on the eight departments we visited.

### Criteria

The criteria used in this audit took into account the government's objectives for the Universal Classification Standard and were drawn from the best practices in the field of job evaluation:

- the method used for collecting information on job content in public service jobs is valid, reliable, credible and free of bias, with appropriate quality control mechanisms to permit the collection of information on all significant job content, including work associated with women's work that is often overlooked;
- the sample of jobs used to gather information on job content is adequate and credible, with adequate gender representation;
- the various components of the Standard are reviewed to ensure that they can effectively capture and properly value all the significant job content found in the public service, including that associated with women's work. This should include ensuring that:
  - all components of the Standard are clearly defined and measure unique aspects of work to the extent possible;
  - the progression from minimum to maximum value in each element is clear; and

- illustrations intended to assist raters provide a reasonable spectrum of job content, do not undervalue work performed by women and are consistent with the definitions and the desired progression in value;
- the weight allocated to each element is appropriately distributed to permit the valuation of all jobs, including work performed by women, on a fair and equitable basis while giving proper recognition to the objectives and values adopted for the public service and the reform; and
- thorough testing, on a valid sample, of the validity, reliability and gender neutrality of the Standard is carried out with adequate quality control measures and, if necessary, review and additional testing before implementation.

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