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Gouvernement
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Public Service Human Resources
Management Agency of Canada

Agence de gestion des ressources humaines
de la fonction publique Canada

Modernizing the Classification System



Annual Report

2003-2004

Canada 



Modernizing ^{the} Classification System

A n n u a l R e p o r t

2003-2004

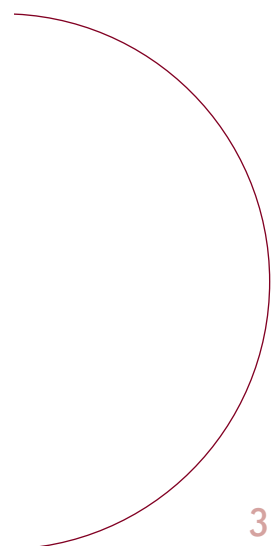
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1 The Report at a Glance – Executive Summary

Introduction

In 2002, the Treasury Board Secretariat (TBS) developed a new program to modernize classification standards and rebuild the capacity of the classification system. Subsequently, on December 12, 2003, the Prime Minister announced a restructuring of the public service and transferred the program from TBS to the new Public Service Human Resources Management Agency of Canada (PSHRMAC).¹

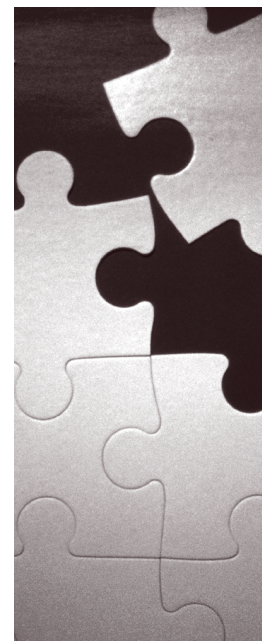
Classification means more than just a way to organize and evaluate the work of over 171,000 employees in the public service. The Government's proposed framework for human resources modernization sets out a new equation for reform, one that integrates classification with the broader goals of human resources management so that we can get the right people into the right jobs – faster. Classification is about getting these jobs right.

This second annual report highlights the considerable progress that has been made during the fiscal year 2003-2004 (03-04) toward achieving the government's vision for modernizing the job classification system. As such, it builds on and extends the information provided by TBS in the *Classification Reform Annual Update Report* published in May 2003. In addition, it outlines PSHRMAC's plans for classification reform within the context of the Public Service Modernization Act (PSMA) and the Management Accountability Framework (MAF), two key government initiatives that effectively situate classification at the very core of the process for modernizing human resources management throughout the public service.

Progress Highlights

This year, the network of partnerships that was put in place to rebuild the classification system during the fiscal year 2002-2003 (02-03), produced broad-based results both in our plans to modernize classification standards and to rebuild our system capacity.

As part of this plan, we successfully designed our first new standard to meet the needs of the Foreign Service (FS) Group in Foreign Affairs Canada, International Trade Canada, and Citizenship and Immigration Canada. This standard, approved by Treasury Board in December 2003, represents a major milestone achievement and validation for the new, incremental, standards modernization strategy and approach adopted last year.



¹ PSHRMAC was created in December 2003, as an Agency under the President of the Queen's Privy Council for Canada. The Agency was subsequently transferred to the portfolio of the Treasury Board in July 2004.

In addition to our successful work on the FS standard, we completed a draft standard for the Economics and Social Science Services (EC) Group, continued our analysis to further define the parameters for designing a new standard for the Program and Administrative Services (PA) Group, and initiated either feasibility or standards design activity to address many of the departmental requests for classification review that we received and analysed last year. We also significantly advanced our goals to rebuild classification system capacity with programs designed to support the development needs of our classification advisors and new working tools to support the classification community. An extensive new interim training program was developed, and we sponsored the first national symposium on classification ever held within the public service. In addition, existing classification standards were put on line and enhanced access to the *Position Classification Information System* (PCIS) was made available through new web-based tools that were developed and introduced this year.

These initiatives were all directed towards the development of a well managed and well functioning classification system, one that we expect will make a major contribution to the modernized management environment envisaged by both the PSMA and the MAF. In addition, our collaborative success last year in the development and application of a new monitoring framework will support effective departmental monitoring, and our progress towards the development of common accountability mechanisms will ensure PSHRMAC oversight of the efficiency, cost effectiveness and overall integrity of the system in the years to come.

In summary, with the legislative approval of the PSMA, the articulation of the MAF and the formation of PSHRMAC, this has been a year characterized by change. However, it has also been a year characterized by clear strategic direction, focused partnership efforts, and steady incremental progress in modernizing the classification system, so that managers can get the right people, in the right jobs, faster.

Looking Ahead

As we move forward, we will build on the foundation established in the past two years. Our modernization program will focus on establishing modernized classification standards for the occupational groups prioritized for reform, including new feasibility study and/or standards design initiatives for the Computer Systems (CS) Group, the Law (LA) Group, the Personnel Administration (PE) Group, the Research (RE) Group and the Ship Repair (SR) Group.

We will continue to develop enabling policy guidelines, launch increasingly targeted classification training programs and implement state-of-the-art working tools for our classification advisors, including the development of modern shared-system services. During fiscal year 2004-2005 (04-05), our planned shared system initiatives will focus on those classification services that can be provided on a transactional basis, such as generic work descriptions, organizational design frameworks and templates, and work competency profiles. Monitoring activity will remain a high priority, as will development and implementation of the new common accountability mechanisms and cost-tracking systems we plan to introduce this year.

Our plans for fiscal year 04-05 have been developed within the context of the role that a modernized classification system can play to advance key government initiatives associated with both the PSMA and the MAF. As we continue our work to modernize classification standards and rebuild the capacity of our classification system, we are committed to the openness, accountability and leadership integrity that not only ensures effective stewardship of our public resources but also encourages the collaborative support of all of our partners in classification reform.



2 The Roadmap: Vision, Direction, Destination

The Vision

The new direction for modernizing the classification system, approved and announced by the Treasury Board in 2002, was based on a vision for a system that will simplify the process of getting the right people into the right jobs at the right time, create pathways for the development of the leaders in the public service of the future and contribute directly to the operation of a well-structured, well-managed public service.

The Direction

To achieve this vision, a program was established to modernize the way work in the public service is described and valued and to rebuild the capacity of the classification system.

The program was organized around two key objectives: modernized classification standards and a well-functioning classification system. Directed by an integrated leadership approach and guided by sound enabling policies, the integrity of the system would be ensured through the development and implementation of an active monitoring program.

A Modern Classification System

Evaluates work in the public service effectively

Simplifies the business of classification

Reflects labour market realities

Treats men and women equitably

Directs career development and mobility

Empowers departmental managers to design organizations that foster an effective workforce and workplace

Towards Our Destination

Between May 2003 and December 2003, classification reform activity proceeded in accordance with the strategy and plans highlighted in our Classification Reform Annual Update Report, May 2003. Then, on December 12, 2003, the Prime Minister announced a restructuring of the public service and transferred the classification program to the newly created Public Service Human Resources Management Agency of Canada.

The new Agency was created to ensure that the government's agenda for renewal of human resources management throughout the public service is carried out. As such, it is expected to play a pivotal role in helping to ensure public confidence in the government's capacity to deliver cost effective, quality services to Canadians, while at the same time upholding the values of integrity, transparency and accountability.

The Public Service Human Resources Management Agency of Canada

Inspired by the intent and spirit of the Public Service Modernization Act, the Agency has established a vision for nothing less than the creation of:

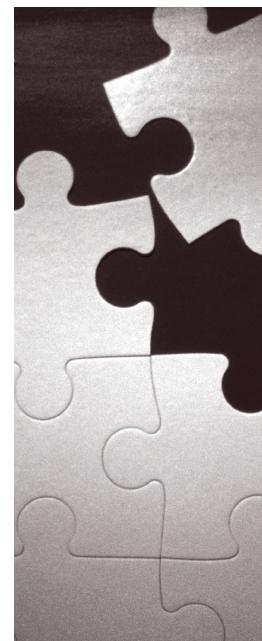
The finest public service in the world, with a workforce and workplace second to none.

The Agency has a dual role: to enable departments and agencies to meet new standards for human resources management, and to act as an oversight agency that monitors overall performance and ensures accountability for results.

In addition to modernizing the classification system, the new Agency will implement the PSMA; develop leadership and core learning programs; implement disclosure protection legislation and the new *Values and Ethics Code*; improve performance under the *Employment Equity Act* and *Embracing Change Action Plan*; advance implementation of the *Official Languages Action Plan*; assist departments and agencies to establish shared human resources systems and services; and provide effective human resource planning, monitoring, reporting and accountability.

Within PSHRMAC, the classification program will be delivered as part of the Human Resources Management Modernization (HRMM) branch.²

This new operating environment not only ensures a streamlined and co-coordinated approach toward working with departments on the implementation of the PSMA, it also positions the classification program effectively within a framework for integrated human resource management and wise stewardship of public resources. Perhaps most importantly, it underscores the importance of classification in achieving the government's goals to attract, retain, motivate and renew the workforce required to serve Canadians.



² The HRMM branch has a broad mandate to modernize the classification system, update employment policies, and manage the implementation of the PSMA.

Following the creation of PSHRMAC and the design of the new organization, the classification modernization work program was reviewed and aligned with the vision of the new Agency.

Notwithstanding the organizational changes required, the central thrust of our classification reform activities remained the same with continued focus on our previously established strategic goals.

Strategic Goals

A modernized classification system guided by sound enabling policies with direct linkages to performance management, competency development practices and compensation

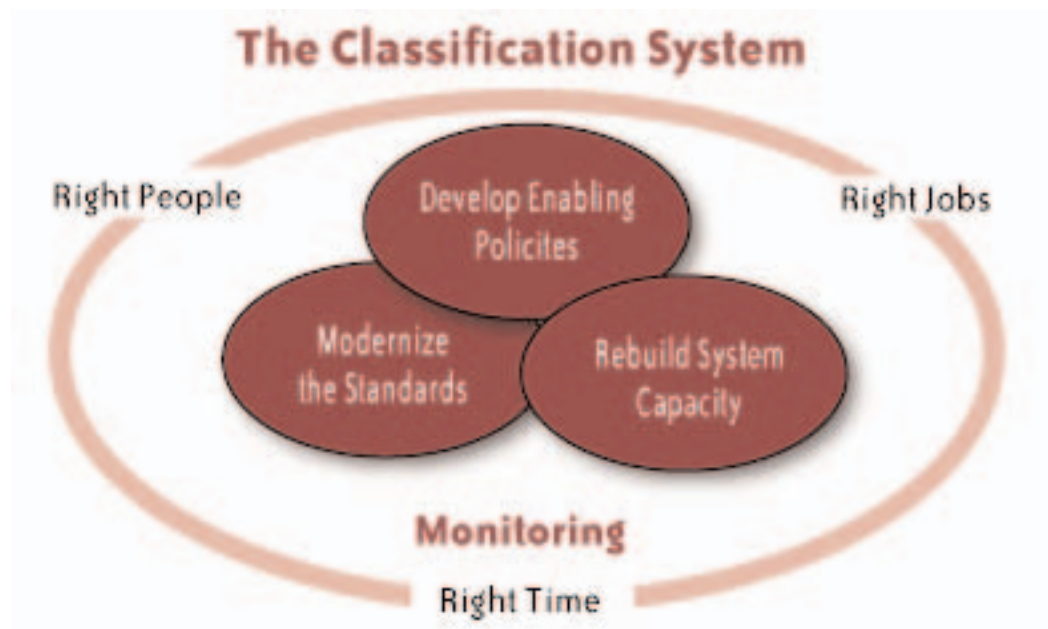
Training programs to ensure a consistently trained and qualified community of classification professionals, line managers and union representatives

On-line services and working tools to support the classification community

An active monitoring program to ensure the integrity of the classification system

3 Travel Diary: Accomplishments in 2003-04

Classification program accomplishments in fiscal year 03-04 were centred on four key elements of the modernization plan: – establish modernized classification standards for occupational groups requiring reform; develop the core enabling policies and guidelines required to support successful reform; rebuild system capacity with the training programs and the working tools required to ensure a well-functioning classification system; and develop an active monitoring program that will ensure the integrity of the system.



Our accomplishments this year also reflect our significant success in establishing a culture of collaboration, as we worked to model our approach and prioritize initiatives that operationalize the values embodied in the PSMA. In particular, our standards development work provided a strong base of experience from which we plan to develop and test a model for co-development of classification solutions that will position us to work more directly with bargaining agents and line departments in the future.

Modernizing the Standards

The First Wave

The classification standards modernization plan developed in fiscal year 02-03, defined the leadership approach and operational framework within which standards activity has successfully proceeded this year.³ As part of that plan three

³ The operational approach to modernizing standards is detailed in the Progress Report section of the *Classification Reform Annual Update Report* published in May 2003. It highlights the criteria used to establish the work program priorities scheduled for FY 03-04.

occupational groups were identified as priority candidates for the first wave of classification standards modernization: the Foreign Service (FS) Group, the Economics and Social Science Services (EC) Group and the Program and the Administrative Services (PA) Group.

Working collaboratively with our partners in departmental management, functional communities and bargaining agents, a new classification standard for the FS Group was designed and approved by Treasury Board and a draft standard for the EC Group was completed. In addition, we continued our analysis to further define the parameters for designing a new standard for the Program and Administrative Services (PA) Group.

The creation of a new occupational group and classification standard was fast tracked for the Canada Border Services Agency (CBSA), and work on several other standards are in development, as detailed below. Consistent with our strategic plan for a balanced and incremental approach, each of these projects is proceeding on a timetable that reflects departmental needs, our collective capacity to implement the new standards, and the associated collective bargaining schedule.

Foreign Service (FS) Group

The design of a new FS standard to meet the needs of the former Department of Foreign Affairs and International Trade (DFAIT) and Citizenship and Immigration Canada (CIC) was completed and approved by Treasury Board in 2003. The new classification standard is based on a four-level structure and allows for full recognition of the varying types and range of work carried out at all levels of the group. The standard also allows for a dual-track career path for senior Foreign Service work. It is rewarding to note that the newly developed FS Group standard has proven itself sufficiently robust to embrace the work of the FS employees within DFAIT, who were subsequently transferred to the new department of International Trade Canada in December 2003.

Consultations on the implementation of the standard with the Bargaining Agent, the Professional Association of Foreign Service Officers (PAFSO) are ongoing and training of departments in the application of the standard is under way. PSHRMAC will provide additional implementation support once collective bargaining is complete.

Economics and Social Science Services (EC) Group

A new draft standard was designed for the EC Group, which comprises economists, statisticians, and social science support workers. The pay rates for this occupational group were harmonized during the last round of collective bargaining, which provides a basis for the development of a new classification standard. Our next steps are to test the standard, and to continue to consult with the departments and the Bargaining Agent, the Canadian Association of Professional Employees (CAPE).⁴

⁴ Approval of the new standard for the EC Group by Treasury Board is anticipated in FY 04-05.

During fiscal year 03-04, we carried out an in-depth study of the application of existing standards for the legacy Economics, Sociology, and Statistics (ES) Group and the Social Science Support (SI) Group. The study was directed towards describing precisely the types of work found in the EC Group, and how the work is structured by level, and mapping the diversity of the work associated with the ES and SI categories. The gathering of reliable data on existing needs constituted the basis on which the draft standard was designed. This crucial data-gathering process involved the participation of 9 departments and over 50 interviews with managers.

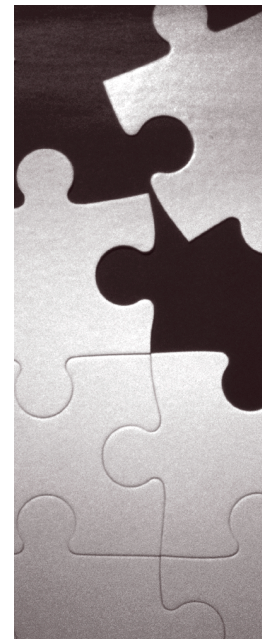
Program and Administrative Services (PA) Group

We made further progress in working with several departments that have large complements of staff in the PA Group. During fiscal year 02-03 we focussed on the compensation structure and the composition of the PA group. During fiscal year 03-04, our analysis centred on the largest departmental employers of the PA Group. This included Human Resources Development Canada, Public Works and Government Services Canada, the Department of National Defence and Correctional Service Canada. In fiscal year 04-05, we need to consult further with departments and agencies as well as with the Bargaining Agent, the Public Service Alliance of Canada (PSAC), to address issues that impede effective management and career planning. This is necessary because the PA Group touches every department and function of government. It is the largest single occupational group, comprising over 45 % of employees within the public service.

Canada Border Services Agency (CBSA)

On December 12, 2003, the Government announced the creation of the Canada Border Services Agency (CBSA), which is in the portfolio of Public Safety and Emergency Preparedness Canada. As a result of the creation of the CBSA, some employees from the Canada Customs and Revenue Agency and the Canadian Food Inspection Agency, which are separate employers, moved to the core public service for which the Treasury Board of Canada is the employer. We are working with senior management of the CBSA, the Bargaining Agent and TBS to ensure a smooth transition of these employees.

The functions performed by CBSA front-line employees have been earmarked for early review in order to deal with some unresolved classification issues for Customs Inspectors and to respond to the organizational needs of the new agency. The classification review, which is being carried out in fiscal year 04-05, on a priority basis, will address concerns with the current occupational group structure, the classification standards applicable to Border Services functions and the related compensation structure.



The First Wave Continued

In addition to the above, many of the departmental requests for classification review received in fiscal year 02-03, were analysed and incorporated into the first wave of classification standards modernization plan projects undertaken in fiscal year 03-04. It should be noted that the modernization of classification standards does not always require the development of a new standard. In some cases, the existing standard is useable and the modernization solution lies in adaptive approaches to organizational analysis and/or in making the existing standard more responsive to changing operational priorities in the departments. This is illustrated in the Fishery Officers and the Historical Research (HR) projects included in the activity summaries below.

Fishery Officers

Early in fiscal year 02-03, we were approached to assist in resolving a long-standing classification issue at Fisheries and Oceans Canada (DFO). DFO requested consideration of the creation of a new occupational group as well as development of a new classification standard for Fishery Officers.

During both fiscal year 02-03 and fiscal year 03-04, working in cooperation with DFO and the Environment Component of the PSAC, we were able to identify the underlying issues and propose a classification solution to address both DFO's needs and the concerns of the Bargaining Agent and the employees. The solution was accepted by DFO management, the union component, and the Fishery Officers, and has been implemented by DFO.

Historical Research (HR) Group

During fiscal year 03-04, we undertook a feasibility study of the HR Group, in order to respond to the concerns of management of the National Archives of Canada. The scope of the study was widened to encompass the change management issues arising from the creation of the new Library and Archives of Canada. The results of this study were used to develop options that were presented to the senior management of this organization. Options notably include proposed measures that with the continued support of PSHRMAC can be taken by the organization within the framework of its delegated authorities for human resources management.

Other initiatives are under way, or will be launched in fiscal year 2004-05, to address a broad range of human resource management issues. This may include the updating of a new HR classification standard to meet the needs of the new organization.

The HR case is illustrative of the complexity of classification reform and the need for care in reaching a solution that supports management's needs and retains the integrity of the occupational group structure.

Radio Operations (RO) Group

In fiscal year 03-04, we undertook a feasibility study to identify classification related issues and possible solutions associated with the Marine Communications and Traffic Services (MCTS) duties and functions covered by the Radio Operations (RO) group. Data was gathered and a report on the results of the business case analysis will be submitted to senior management of the Department of Fisheries and Oceans Canada and the Bargaining Agent, in fiscal year 04-05.

Disability Specialists

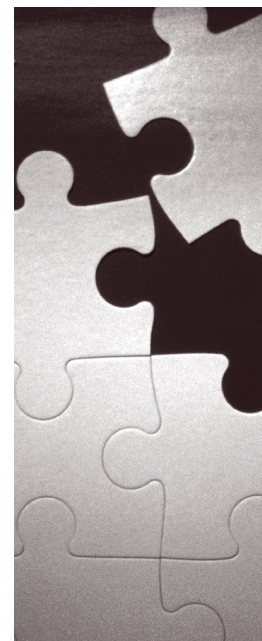
Work with Human Resources Development Canada (HRDC) on classification options for the Disability Specialists was completed in fiscal year 03-04. We will provide a report of our findings to management in fiscal year 04-05.

Applied Science and Engineering (AP) Group

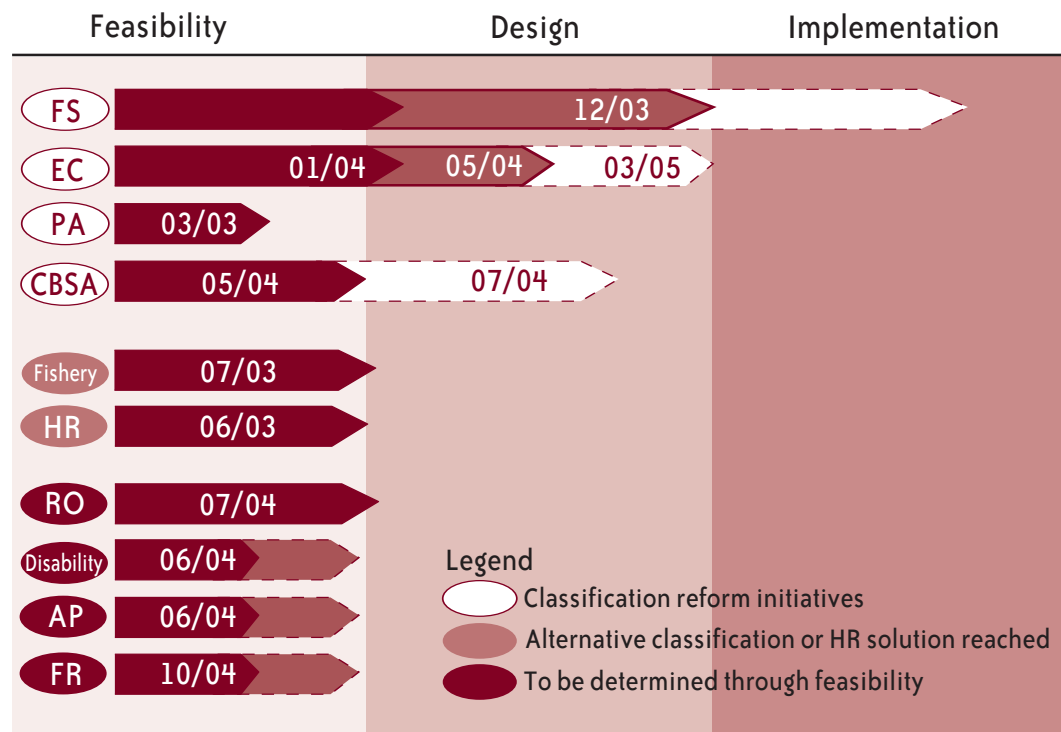
During fiscal year 03-04, we worked with the Bargaining Agent, the Professional Institute of the Public Service of Canada (PIPSC) and with management representatives of the departments that are the principal users of the AP Group, on the question of whether the current configuration of this group is effective. A number of possible options have emerged from these discussions. Once the preferred option has been identified and fully endorsed by the parties, we will proceed to initiate the approval process.

Firefighters (FR) Group

A feasibility study for classification reform of the FR Group is underway in conjunction with the Department of National Defence, the main employer of the group. The purpose of the study is to identify options and related human resources solutions that address their classification issues. Potential solutions to these issues need to take into consideration that the FR employees are part of the Operational Services (SV) occupational Group. Therefore, any action on the FR standard cannot be pursued in isolation. In fiscal year 04-05, we will continue to work together to assess options and identify potential solutions to these classification issues.



Summary of Standards Modernization Activity Fiscal Year 03-04



The Executive Group Classification

The Leadership Network (TLN), now a branch of PSHRMAC, is responsible for Executive Group Organization and Classification Policy and the classification of all EX 4/5 positions within the public service.

During fiscal year 03-04, a TLN taskforce was formed to update the Executive Group Position Evaluation Plan. With the cooperation, support and partnership of many departments and agencies including the HRMM sector within PSHRMAC, the new plan is nearing completion and will be published in 2004. Revisions include new or revised benchmarks to better reflect the role of Executives in today’s public service. Additionally, job families have been restructured to emphasize the responsibility the Executive Group has for serving Canadians

The Next Wave

In addition to the standards modernization activity underway, and a review of the clusters of work emerging in the public service, we expect to add five new feasibility study and/or design initiatives to our plan for fiscal year 04-05 and fiscal year 05-06. We currently anticipate that this activity will be related to the standards for the Computer Systems (CS) Group, the Law (LA) Group, the Personnel Administration (PE) Group, the Research (RE) Group and the Ship Repair (SR) Group. As in the past, our plans remain sufficiently flexible to accommodate special needs and/or priorities that may emerge. This includes requirements such as those that emerged this year with the creation of the CBSA or those anticipated in fiscal year 04-05, related to government initiatives that may impact the Financial Services (FI) Group.

Policy Leadership

Guidelines for Change

All major reform initiatives require the support of a sound policy framework expressed through carefully articulated guidelines that can be easily applied across the public service. Policy activity in fiscal year 03-04 was successfully directed toward initiatives that clarify the roles and accountability of groups and individuals responsible for managing classification, and that establish the policy foundation for the monitoring program that was implemented this year.

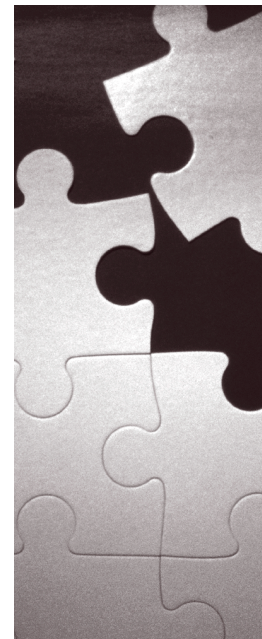
The Classification and Organization Design Framework

The Classification and Organization Design Framework is a basic cornerstone of the People Component of the Management Accountability Framework (PCMAF) in getting the right people in the right jobs, at the right time, in a well-structured, well-managed public service. Classification and organization design maximize the effectiveness of human resources and the delivery of the organization's business objectives. This year the Classification and Organization Design Framework was articulated for the first time and aligned with the other components of the MAF. This work will contribute to the overall objective of horizontal integration and harmonization of all human resources policy frameworks.

The Classification System and Delegation of Authority Policy

The *Classification System and Delegation of Authority Policy* guidelines pertaining to work description writing, evaluation and occupational group allocation were developed during the fiscal year 03-04. These guidelines provide information, advice and best practices to Deputy Heads and departmental staff for the application of the *Classification System and Delegation of Authority Policy*. Once implemented, the policy and guidelines will strike the appropriate balance between PSHRMAC leadership and oversight and the needs of departments to exercise their accountability for classification. The new policy and guidelines will be issued in fiscal year 04-05. We will also review the grievance policy with a view to ensuring its alignment with this new classification policy and guidelines.

The primary objectives for the development of these guidelines were to create tools that defined clear accountabilities, identified and supported the management of risk and met departmental objectives of efficiency, effectiveness, flexibility and practicality. As well, much attention was paid to the inclusion of *gender-neutral approaches* to work description writing and job evaluation procedures. The guidelines were developed through consultation with the classification community and we are confident that they will serve Deputy Heads well in the management of their classification programs.



Guidelines For Reclassification

In December 2003, the government placed a temporary freeze on reclassifications in the public service. When the freeze was lifted in February 2004, the government announced that a new classification framework based on accountability, increased transparency and policy adherence would be implemented. To increase transparency the government directed departments to post reclassification activities on Web-sites that would be available both internally to public servants and externally to the general public. To support policy adherence, the government announced that PSHRMAC would exercise central oversight through regular government-wide reviews of reclassification. To this end, policy guidelines were developed in consultation with departmental representatives. These guidelines provide a framework within which the new classification policy takes affect and under which Deputy Heads exercise their delegated authority for reclassification.

Qualification Standards

The *PSMA* transferred accountability for the development and maintenance of qualification standards to PSHRMAC from the Public Service Commission (PSC). As there is a direct correlation between competencies, qualification standards, occupational group definitions and classification standards it is necessary to review or revise these standards when occupational groups are restructured or revised. As well, the design of a new classification standard requires the review of the corresponding qualification standard. In fiscal year 03-04, PSHRMAC initiated a program to build the capacity required to effectively assume this responsibility in December 2005.

Rebuilding System Capacity

Supporting the People that Make Classification Work

The new approach to modernizing classification, adopted in 2002, recognized that to successfully accomplish classification reform, the existing classification system must be strengthened. The program therefore included a focused plan to support the people that make classification work by providing training and development for classification professionals, by developing effective working tools, and by implementing an active monitoring framework that would ensure the integrity of the overall system itself.

Training and Development

Curriculum Development

A crucial element in rebuilding system capacity is to ensure that classification specialists have the competencies required to respond to the needs of line managers. In our 2003 Annual Report we indicated that we would continue to deliver and update existing training programs and that we would deliver new training curricula, in phases, over the next few years.

Specifically, our work plan called for the development of two main deliverables: an interim training program that would be offered to organization and classification officers during the period leading to the implementation of the new curriculum, and the development of a competency profile for classification officers that would serve as the basis for the creation of the new training curriculum.

Interim Training Program for Organization and Classification Advisors

The interim training program for classification advisors was completed in March 2004. It consists of four courses: a ten day course *Introduction to Organization and Classification*; a five day course on *Organization Analysis and Design* and two courses of two days each, one on Writing a *Classification Rationale* and one on *Specialized Topics*.

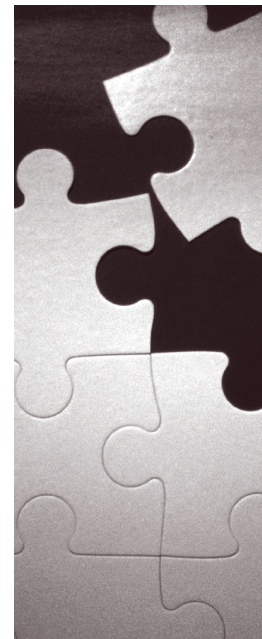
To supplement the formal program, a series of practical two to three hour learning events were also created. In fiscal year 03-04, learning events were offered on: an *Introduction to the Classification Monitoring Framework*, *Preparing a Business Case for an Organization and Classification Program* and *Client Service*.

Identifying the Competencies

An essential starting-point for the creation of a new curriculum for organization and classification officers was the development of a profile that would identify the competencies that organization and classification advisors must possess in order to perform at the highest standard.

In fiscal year 03-04, a steering committee and a joint interdepartmental working group were formed to co-ordinate the consultative process held with operational managers and members of the classification community across the country and to oversee development of the profile. In February 2004, a detailed and comprehensive guide, *Training and Learning Competency Profile for Organization and Classification Advisors* was completed and published.

In addition to providing a solid base upon which we can build our training and learning curriculum, the competency profile serves to illustrate and underscore the complexity and the importance of the work of organization and classification advisers within the Public Service.



The Training and Learning Competency Profile for Organization and Classification Advisers comprises three sections. The first section provides a perspective on the role of the organization and classification adviser within the public service; the second section defines and describes the three activity levels that correspond to logical stages in an organization and classification career; and the third section, deals with the seven competencies identified as indispensable to meeting the expectations of operational managers and agencies. It defines these competencies and lists behavioural indicators for each of them. The completed curriculum for organization and classification advisers will offer a module for each level.

On-Line Tools

Improving Access

During fiscal year 03-04, classification standards were put on-line and related occupational group definitions updated. In addition, new electronic web-based tools were developed to provide departments with enhanced access to the *Position Classification Information System* (PCIS). With these new tools, classification advisers can now make more informed classification decisions ensuring relativity across the public service. The tools may also be used to assist departments to analyse classification data and generate reports that will provide information in a consistent way across departments.

As well, we have been working with departments to establish a common web site so that reclassification activities may be posted on-line. The development of this site, which will be available both internally and for access by the general public, responds to the government's desire to deliver services to Canadians in an environment of increasing openness and transparency. We expect to launch the new web site in early fall fiscal year 04-05.

Shared Services Initiatives

In fiscal year 04-05, we will explore proposals to develop generic work descriptions that that can be evaluated and used to ensure relativity across departments. This will address not only the limited classification capacity that exists in many departments but will also create the foundation to achieve economies of scale through the provision of classification transactions using a shared services system.

Working with the Human Resources Council, we will begin work on generic work descriptions for the Computer Systems (CS), Financial Services (FI) and the Personnel Administration (PE) occupational groups. We will also issue policy guidelines on work description writing that will reinforce the trend toward shorter work descriptions and the strategic use of a generic approach.

Proposal by the Human Resources Council for an Interdepartmental Generic Work Description Initiative

After seeking input from departments on their current and planned future use of generic work descriptions, the Human Resources Council (HRC) opened discussions to assess the potential for an interdepartmental initiative to develop, produce, classify and electronically store generic work descriptions, for use by all departments.

While all stakeholders will have to invest in such an initiative, the benefits from improved efficiency, increased consistency, simpler processes and improved client service will be a signal contribution to the classification program.

Over the next five years, we envision a shared services network that provides human resources management services such as organizational design frameworks and templates, generic work descriptions, modernized classification standards, competency profiles and qualification standards. The network will also provide information on programs that will ensure the development of a consistently trained and qualified community of classification professionals, line managers and bargaining agents.

Developing Community Support

“Classification 2003: Commitment, Capacity, Community”



Classification 2003

Engagement	Commitment
Capacité	Capacity
Collectivité	Community

Bienvenue

Welcome



In fiscal year 02-03 when classification reform was announced, a new leadership approach was also defined; one that would embrace consultation, collaboration, a strong network of partnerships and the support of many champions.

In fiscal year 03-04, we actively sought opportunities and initiatives to expand our network of relationships and to strengthen the shared vision and collaborative approach that will serve to advance our collective goal to modernize classification. Our first national classification symposium was one such initiative.

The Organization and Classification Sector (OCS) sponsored its first national symposium entitled

“Classification 2003: Commitment, Capacity, Community”, from June 11-13, 2003, at Gray Rocks, Mont-Tremblant, Quebec.



The event drew approximately 230 representatives from the classification community both from the National Capital region and from across the country. The participants included classification advisors, line managers, the Association of Organization and Classification Professionals (AOCP), the Association of Classification and Organization Consultants (ACOC), bargaining agents, and separate employers.

In addition to providing a forum to unite and inspire the community itself, the event generated constructive ideas, observations and suggestions on the most challenging aspects of the classification business, providing an invaluable contribution to the strategy for modernizing the classification system.

Monitoring the Classification System

Ensuring System Integrity

Ensuring the integrity of the classification system through an effective monitoring program remained one of our highest priorities in fiscal year 03-04. Although Departments are responsible for monitoring the health of the classification system within their organization, PSHRMAC is responsible for supporting the departments and monitoring the overall situation across the public service.

A Classification Monitoring Framework

During fiscal year 03-04, a new *Classification Monitoring Framework* was developed and subsequently tested in a pilot project with Natural Resources Canada. The framework performed well and provides Deputy Heads with an excellent tool to align departmental monitoring programs with the active monitoring approach. The new framework will be available for performance reporting in the fall of fiscal year 04-05. Its adoption by all departments will effectively support our role to ensure the integrity and effectiveness of the classification system in the public service.

During fiscal year 03-04, we also carried out a monitoring project with the Office of the Privacy Commissioner of Canada and we initiated two corporate relativity studies.

The Office of the Privacy Commissioner of Canada (OPC)

The Office of the Auditor General (OAG) completed an audit of OPC that included observations on the classification program. The OAG Report recommended that the OPC seek central agency advice on decisions that were not in accordance with the government's classification policies.

In fiscal year 03-04, we assisted the OPC in addressing the classification observations in the Report. We developed a methodology for the review of classification decisions and for identification of corrective actions to be taken. We also provided support to deal with emerging classification requirements.

A review of additional classification decisions was undertaken to ensure that the current program is in accordance with classification policies and is sustainable in the future.

Throughout this process, consultations with various stakeholders such as the Public Service Commission, The Leadership Network and the TBS Labour Relations Group were held on a regular basis

Classification recommendations will be presented to the Privacy Commissioner of Canada for implementation on all the positions identified by the OAG.

As well, in the final phase of this project, a review of a number of additional positions will be undertaken. This review is scheduled for completion in fiscal year 04-05.



Relativity Studies

The corporate relativity studies undertaken in fiscal year 03-04 were intended to review how classification standards are being applied across the public service and to provide insight to departments and PSHRMAC on program and monitoring process requirements. The two occupational groups selected for study, the CS Group and FI Group, are represented in all departments.

Based on the study results, we were able to determine that in general the CS classification standard rating plan is being applied as designed. However, for the FI Group, determinations were limited due to the status of existing data. Nonetheless, in both cases, the studies provided helpful information on the present use of the groups across the public service.

Future Monitoring Plans

Monitoring activity during fiscal year 04-05 will be focused on small departments and agencies to provide an assessment of the classification program within these organizations. In addition, we will review the on-going reclassification activity of departments to determine if existing approaches are sufficient. To ensure the integrity of both the classification system and the staffing process these activities will be jointly pursued by PSHRMAC and the PSC.

4 Keeping an eye on the mileage

Accounting for the Cost of Standards Modernization

Effective accountability and performance measurement are cornerstones of the classification program. As we work to modernize the standards and rebuild the capacity of our classification system, we are committed to openness, transparency, visibility and effective stewardship of public resources.

To ensure effective accountability to all of our stakeholders and to enable comprehensive performance measurement, a project was initiated during fiscal year 03-04 to strengthen financial reporting. Specifically, the project was designed to develop a new methodology to enhance the system and procedures required to collect and report on the costs related to the design and implementation of new classification standards.⁶

Cost Components

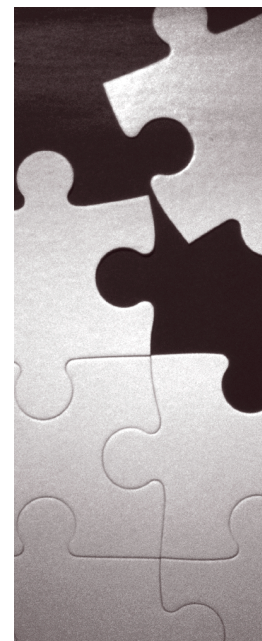
Standards modernization costs are and will be incurred by central agencies such as PSHRMAC, the Treasury Board of Canada Secretariat, Public Works and government Services Canada, and the departments and agencies that have employees in the occupational groups under review. The costs are associated with the planning, design, development, implementation, and conversion to a new occupational standard. At each phase of a reform project, other costs occur, including change management, communications, training, and information technology support. The majority of costs are for staff and professional services. Information technology software support, travel, and communications products represent a minor portion of costs for standards modernization.

The proposed cost methodology that was developed is designed to capture PSHRMAC project costs, departmental costs, training, and the costs of converting employees to the salary levels associated with implementing a new standard.

Classification Costs fiscal year 03-04

To capture the costs associated with the standards modernization work already underway, we recorded the costs incurred by PSHRMAC and TBS as well as the funds requested by PWGSC to effect changes to the pay system to prepare for the implementation of new classification standards. We also identified the funds spent by the two departments involved for the development of classification standards for the FS occupational group and the EC occupational group. These costs are summarized in the Tables that follow.

⁶ PSHRMAC also initiated a project to develop a Performance Measurement System. The system is being designed to measure the results achieved by the organization in four areas, one of which is classification. As part of this system a new Time Reporting System (TRS) was introduced in March 2004. This system has the ability to anchor cost collection of staff time, the component that represents the majority of costs associated with standards modernization work.



Standard Modernization Costs

Table V.1

FS Occupational Group

	Salaries \$K	O & M \$K	Total \$K
PSHRMAC	215	128	343
TBS	112	-	112
Departments DFAIT	1,053		1,053
CIC	8	-	8
Total	1,388	128	1,516

EC Occupational Group

	Salaries \$K	O & M \$K	Total \$K
PSHRMAC	308	54	362
Departments	61	-	61
Total	369	54	423

General System Preparation Costs

Table V.0

	Salaries \$K	O & M \$K	Total \$K
PSHRMAC	84	-	84
TBS	1,944	465	2,409
PWGSC	468	781	1,249
Total	2,496	1,246	3,742

Next Steps

During fiscal year 04-05, we expect to complete consultations with departments on the proposed new methodology. As well, we will work to expand the approach beyond classification to capture the costs of implementing the broader Human Resources Management Modernization agenda, including the implementation of the new PSMA.

5 Farther Horizons: The Future of Public Service Classification

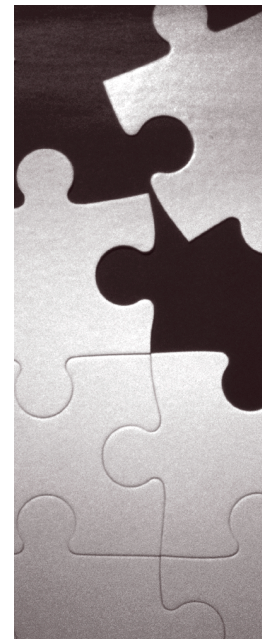
Taking Stock

In our Annual Report last year, we described a three-year plan to simplify and modernize the classification system and to support the people who make it work. In fiscal year 02-03, the first year of the plan, our focus was on designing the conceptual frameworks and strategies required to modernize the classification system and on identifying priority candidates for standards reform.

This year we focused on modernizing the classification standards that are most out of date and on developing the core methodologies, enabling policies, training and on-line tools required to enable us to effectively operationalize our strategic goals and program objectives. These have provided a blueprint for the standards modernization, capacity building and monitoring activities successfully completed this year.

In addition to the above, we continued to research the classification approaches of other countries, looking for best practices that could be applied to Canada, including a consideration of ways to ensure pay equity within occupational groups. We also contributed to a comprehensive study on the compensation trends in the public service, including a consideration of the long-term impacts of our current approach to the modernization of the classification system.

As we look ahead to the third year of our plan, we will continue to work with our stakeholders to ensure that Canada has a modern classification system, with direct linkages to performance management, competency development practices and compensation. Indeed, such a system is a prerequisite if the wide-ranging changes brought about by the PSMA are to become a permanent part of the public service Human Resources management and culture. This modern system will guarantee equitable treatment for employees across the public service, and will make a significant contribution to the ability of the Public Service of Canada to recruit and retain a highly competent workforce.



Looking Ahead to Fiscal Year 04-05

In fiscal year 04-05, our classification program will focus primarily on modernizing classification standards for the occupational groups requiring reform including new feasibility study and/or standards design initiatives for the Computer Systems (CS) Group, the Law (LA) Group, the Personnel Administration (PE) Group, the Research (RE) Group and the Ship Repair (SR) Group. In addition, we will further develop the key enabling policies and guidelines required to support successful reform; rebuild system capacity with the launch of increasingly targeted classification training programs; and develop state-of-the-art working tools that support a modern shared services system, for our classification advisors.

Classification initiatives, supporting the creation of a modern shared-services system, will focus on those human resources management services that can be provided on a transactional basis, such as generic work descriptions, organizational design frameworks and templates, competency profiles and qualification standards. These services, once developed, will address not only the limited classification capacity that exists in many departments but will also create the foundation to achieve significant economies of scale for our classification modernization program.

Monitoring activity will remain a high priority in fiscal year 04-05, with activity focused on small departments and agencies to provide an assessment of the classification program within these organizations; and to ensure effective oversight of the efficiency, cost-effectiveness and overall financial integrity of the system, we will complete development and implementation of new common accountability mechanisms and cost tracking systems.

In summary, our plans for fiscal year 04-05 and beyond are complex and our goals remain challenging. We are confident however that with an approach inspired by the intent and spirit of the PSMA and with the collaborative support of all of our partners, we will succeed in modernizing the classification system.