



Treasury Board of Canada
Secretariat

Secrétariat du Conseil du Trésor
du Canada

Canada



Classification Reform

Annual Update Report

May 2003

TABLE OF CONTENTS

1.0	A NEW DIRECTION FOR CLASSIFICATION REFORM	2
1.1	Introduction	2
2.0	CHARTING THE DESTINATION: LEADING THE WAY	2
2.1	Vision	2
2.2	Treasury Board Strategy	3
2.3	Approach: An Integrated Leadership Approach	3
3.0	A PROGRESS REPORT: ACHIEVEMENTS AND PLANS	5
3.1	Modernizing the Standards	5
3.1.1	The First Wave of Standards Reform	6
3.1.2	The Next Wave of Standards Reform	9
3.1.3	Making Existing Classification Standards more Useable	11
3.2	Rebuilding System Capacity	11
3.2.1	The People	11
3.2.2	Working Tools	12
4.0	THINKING AHEAD: THE FUTURE OF CLASSIFICATION	13
5.0	REFLECTIONS	13

1.0 A New Direction for Classification Reform

1.1 Introduction

In May 2002, Treasury Board President Lucienne Robillard announced a new direction for classification reform as one of the key building blocks to modernize human resources management in the Public Service of Canada. The new approach is balanced and incremental, recognizing that reform in an organization as large and varied as the public service requires sustained coordinated effort. Solid progress has already been made and the Treasury Board Secretariat (TBS) is moving in the right direction to modernize classification.

Classification reform is a process of continuous improvement. There are no quick fixes, but over the last year there has been some real progress as TBS works to build a classification system that appropriately assesses the value of work, treats women and men equitably, and helps the public service recruit and retain the people needed to serve Canadians.

This report outlines TBS's progress and plans modernize the job classification system of the public service. It is the culmination of extensive consultations with human resources advisors in departments, senior line managers, functional communities, and bargaining agents.

Over the next three years (2003 – 2006), it is expected that the classification standards modernization plan will cover approximately 74% of the population of the public service when it is fully implemented. Training and working tools will be developed to support the people that make the classification system work and a new active monitoring program will be implemented to ensure the integrity of the overall system itself.

2.0 Charting the Destination: Leading the Way

2.1 Vision

Classification means more than just a way to organize and evaluate the work of about 169,000 employees. The Government's proposed framework for human resources modernization sets out a new equation for reform that integrates classification and staffing so that we can get the right people into the right jobs—faster. Classification is about getting these jobs right. TBS is committed to providing the leadership and stewardship required to establish a modern classification system that will:

- Effectively evaluate work in the public service;
- Simplify the business of classification so it becomes instrumental in improving how we manage people in the Public Service of Canada;
- Empower departmental managers across the public service to design and implement more effective organizations; and,

- Ensure that employees benefit from a classification system that captures the essence of their work, reflects labour market realities, treats women and men equitably, and fosters career development and mobility.

2.2 Treasury Board Strategy

The TBS strategy to modernize job classification is organized around two objectives: appropriate classification standards and a well-functioning classification system.

Modernizing standards

Modernize the Standards

- Restructure classification standards that impede effective business management
- Make existing classification standards more useable

Rebuild System Capacity

- People
- Working tools
- Active Monitoring

Some of the existing classification standards are outdated. We are working directly with departments and bargaining agents to build on the work that was done as part of the Universal Classification Standard (UCS) project and modernize the occupational group classification standards that are particularly outdated or impede sound management of our human resources.

Many of the existing classification standards are sound and will remain in use. We are developing services and tools that will make these standards more accessible and easier to work with.

Rebuilding System Capacity

To accomplish classification reform, we must also strengthen the existing classification system so that our reform initiatives can take hold. The new program includes a focused plan to support the people that make classification work by providing training, working tools, and an active monitoring framework that ensures the integrity of the overall system itself.

2.3 Approach: An Integrated Leadership Approach

TBS provides leadership and stewardship for the core public service classification system. Our leadership approach relies on the support of many champions. Over the last year, we consulted departmental management, functional communities, and bargaining agents to encourage a new sense of commitment. We developed a strong network of partnerships to rebuild our classification system and modernize this key component of human resources management in the Public Service of Canada.

Our work so far has provided an approach that will allow us to undertake new forms of co-operation, while providing meaningful direction and oversight of the system itself. This means moving away from traditional and prescriptive rules towards a model of co-operative development of classification solutions. While we work closely with departments to ensure that classification meets their business needs, bargaining agents are also playing a key role. The Association of Organization and Classification Professionals, the Human Resource Community Secretariat and other groups are also engaged in a host of initiatives aimed at improving the health of the overall classification system and its various occupational groups. Already, departments are beginning to think about ways to share resources and stream the work to lead departments to manage pressing classification requirements. We are also linking with separate employers to benefit from their perspectives and approaches and to find ways to share best practices and apply them across many jurisdictions. TBS will continue to support initiatives that advance our collective goal to modernize classification.

Enabling Policy

Policy must enable the leadership approach. A key theme of the Human Resource Modernization agenda is to improve service to Canadians by clarifying roles and strengthening the accountability of the institutions and individuals responsible for managing the public service. In support of this theme, a new *Classification System and Delegation of Authority Policy* and its guidelines will be issued during the 2003-2004 fiscal year. The policy will strike the appropriate balance between TBS leadership and oversight and the needs of departments to meet their classification accountability. The new approach will:

- Simplify the directive and prescriptive “command and control” approach of the existing policy by replacing it with principles that are consistent with modern comptrollership;
- Delegate greater flexibility to Deputy Heads in managing classification in their respective departments. The new policy eliminates restrictions on their delegated authority for the classification of particular groups and levels and on their sub-delegation of classification authority to managers; and,
- Reduce the lengthy procedures and reporting requirements that departments were expected to follow.

To ensure fairness and consistency, and strengthen the integrity of the classification system, we are introducing a new active monitoring program. This program will guide the work of departments, which are accountable for monitoring the classification decisions issued within their organizations as a condition of their delegated classification authority. TBS is responsible to monitor the overall situation across the public service.

Classification policy must also be integrated with a compensation policy and serve, within an overall human resources policy framework, to attract, retain, motivate, and renew the workforce required to deliver business results to Canadians. TBS is developing a comprehensive compensation framework, which will assist in shaping the federal government’s approach to compensation, including the development of collective bargaining

mandates. A discussion paper will be released in the summer of 2003 with the intent of having a policy approved in autumn 2003.

The government remains committed to the principle of equal pay for work of equal value regardless of gender in accordance with the *Canadian Human Rights Act*. TBS will continue to introduce innovative gender-neutral approaches into our classification standards design, work description writing, and job evaluation procedures. The Bilson Pay Equity Task Force, appointed by the Ministers of Justice and Labour, is anticipated to report later this year. It will provide further options and recommendations for possible reform.

3.0 A Progress Report: Achievements and Plans

3.1 Modernizing the Standards

Criteria to Set Priorities

Strategic value – Does the initiative meet the business needs of departments?

Doability – Is there stakeholder alignment and the capacity to implement the initiatives?

Affordability – Are the human and financial resources available?

Timing & Impact – Is there a synergy with other human resource modernization initiatives and alignment with the collective bargaining schedule?

Our operational approach to classification reform begins with sound research and analysis of the business needs of departments. We appreciate the extensive work done by departments and bargaining agents to develop business cases for classification reform. To facilitate this process, we:

- Created a consultative framework through which we invited, and jointly developed, business cases for classification reform;
- Developed a set of criteria and diagnostic tools to evaluate the business cases and set priorities for action;
- Organized the business cases into two groups: those requiring classification reform, and those requiring alternative human resource solutions (such as a reorganization of work or the adjustments of the classification of certain functions); and,
- Launched a series of reform initiatives that will impact more than half of the public service employees for whom the TBS is the employer.

Analysis work began a year ago with three occupational groups that were identified as possible initial candidates for the first wave of classification standards reform. Within months, we also analyzed and made decisions on 16 other requests for classification review that were received from among the 29 existing occupations groups. Most of these requests have been incorporated into the existing three-year plan for classification standards reform. Some will be addressed in collaboration with human resources leaders outside of the classification reform program. This latter group includes: the **internal audit community, accident investigators** at

the Canadian Transportation Safety Board, **translators**, and **disability specialists** at Human Resources Development Canada.

3.1.1 The First Wave of Standards Reform

Three occupational groups were identified last year as potential candidates for the first wave of classification standards reform: **Foreign Service (FS)**, **Program and Administrative Services (PA)**, and **Economics and Social Science Services (EC) Groups**. Each of these projects is proceeding on a timetable that reflects departmental needs, our collective capacity to implement the new standard, and the associated collective bargaining schedule. In addition, five priorities were added to the first year of the plan (2003-2004) as a result of our early analysis: **Fishery Officers (GT)**, **Historical Research (HR)**, **Research (RE)**, **Computer Systems (CS)**, and **Financial Management (FI)**.

Foreign Service (FS) Group

The Departments of Foreign Affairs/International Trade and Citizenship and Immigration Canada asked TBS to design a new classification standard for the FS Group to support departmental business needs. The new standard is nearing completion and is being tested by departments. Consultations with the Professional Association of Foreign Service Officers (PAFSO) are underway to get its input on the standard.

The new classification standard is based on a proposed four-level structure and allows for full recognition of the varying types of work carried out at senior levels of the group. The standard also allows for a dual track career path for senior foreign service work. The new standard was designed to meet the timetable for the upcoming round of collective bargaining. The current agreement expires on June 30, 2003. Implementation, however, will depend on whether and when the associated pay structure can be negotiated. Whenever the bargaining process is complete, TBS will support the departments to implement the new classification standard and establish a timetable for conversion in accordance with the new collective agreement.

Program and Administrative Services (PA) Group

We made progress in working with several departments that have large complements of staff in the PA Group. Our analysis centered on the largest departmental employers of the PA Group (Human Resources Development Canada, Public Works and Government Services Canada, Department of National Defence) as well as Correctional Services Canada. A job level structure is emerging that could be applied in these departments. We need to continue our analysis and to consult with the other federal departments and agencies as well as the Public Service Alliance of Canada (PSAC) to fully define the issues and desired outcomes and decide on the best solution. This is necessary because the PA Group touches every department and function of government and is the largest single occupational group within the public service.

This work will not be completed in time for the upcoming round of bargaining in the summer of 2003 but will be targeted for the next round.

Economics and Social Science Services (EC) Group

We are at the early stages of developing a new classification standard for the EC Group, which comprises economists, statisticians, and social sciences support workers. The pay rates of this occupational group were harmonized during the last round of collective bargaining, which provides a basis for the development of a new classification standard. We expect to complete the design of the classification standard this fiscal year and be ready for the implementation at the next round of collective bargaining.

Fishery Officers (GT) Group

Early in the year, we were approached to assist in resolving a longstanding classification issue at Fisheries and Oceans Canada (DFO). The Department requested that TBS consider the development of a new classification standard for Fishery Officers. Working in cooperation with the Department and PSAC, we were able to identify the underlying issues and propose a solution to addresses both the Department's needs and the concerns of the union and employees. There has been progress and discussions are continuing. Working together has allowed us to achieve classification-based solutions in a matter of months instead of the years it would normally take to design a new classification standard. We continue to work with DFO on implementation issues.

Historical Research (HR) Group

There is a strategic business imperative for a classification solution to support the creation of a new organizational structure for the planned merger of the National Archives and National Library. Our work in this area links naturally to, and will benefit from, the work that is underway to design a new classification standard for the EC Group. The workforce of the National Archives comprises more than archivists. Archival technicians, whose positions are allocated to the EC Group, also play a key role in the organization. Since a new EC classification standard is under development, it is essential that this broader work reflect the job that these technicians do within the National Archives. It is also essential that the role of both Historical Researchers and Archival Technicians be integrated into an effective organization design to support the organization's business objectives and needs. TBS is mindful of the fact that Historical Researchers are themselves members of the broader RE Group and that the integration into a single structure of Historical Researchers with colleagues from the National Library will, by necessity, link to the work of other occupational groups such as Library Science (LS). Consultations with the Professional Institute of the Public Service of Canada (PIPSC), the Social Science Employees Association (SSEA) and the Public Service Alliance of Canada (PSAC) will be essential. This case is illustrative of the complexity of classification reform and the need for care in reaching a solution that supports management's

needs, retains the integrity of the occupational group structure, and respects bargaining agent affiliations.

Research (RE) Group

We are building on the ongoing work of the scientific community to address distinct career issues facing these knowledge workers. TBS, in conjunction with all stakeholders, including PIPSC, is tracking the evolution of a professional development framework for various career levels within the scientific community to see whether the development of a new classification structure for this group would contribute to this framework. In parallel, as noted earlier, TBS will carry out an analysis with the emerging blended National Archives and National Library organizations to determine what form classification reform for the historical research community mentioned above, should take.

Computer Systems (CS) Group

TBS, PIPSC, and the Chief Information Officer (CIO) functional community, through the Information Technology (IT) champions committee, are seeking to address some of the key human resources needs of the CS Group. A competency-based IT Human Resources framework, addresses, career planning, the development and alignment of screening and assessment criteria, and consistency of work descriptions across the community. .

Recent discussions with members of the IT and information management (IM) communities with regard to the CS classification standard and its renewal, as proposed by PIPSC, have taken place in the broader context of an overall assessment of the government's service strategy. In the short term, the TBS classification effort will be channeled to contribute to the work already done by the IT and IM communities and PIPSC on broader transformational issues. Specifically, in support of enhanced career development, an important CS classification issue, we will work on a concept, developed in our work on the new Foreign Service Standard, of a dual track career path within the existing CS classification standard, which would recognize management and functional expert streams.

Further, TBS will work with the IT Champions Committee and with PIPSC to seek ways of aligning the CS classification standard and the competency profiles developed within the IT Human Resources Framework. The result of this work will provide useful insights on ways to link competency profiles to existing work descriptions and streamline the process of organizational development. In addition, TBS will carry out an assessment of the application of the current CS classification standard across departments this year as an early part of our new monitoring program. The results of this work will give us a good sense of the need for a new CS classification standard.

Financial Management (FI) Group

TBS has worked with the Public Service Commission and departments as well as the Association of Public Service Financial Administrators to resolve classification-related issues of interest to the financial management community. Departments have responded to a survey regarding the group allocation of positions and employees working in financial management. The occupational group definition has been reviewed and confirmed and the selection standard for the FI Group is being revised. TBS will continue to actively monitor the allocation of positions working in financial management.

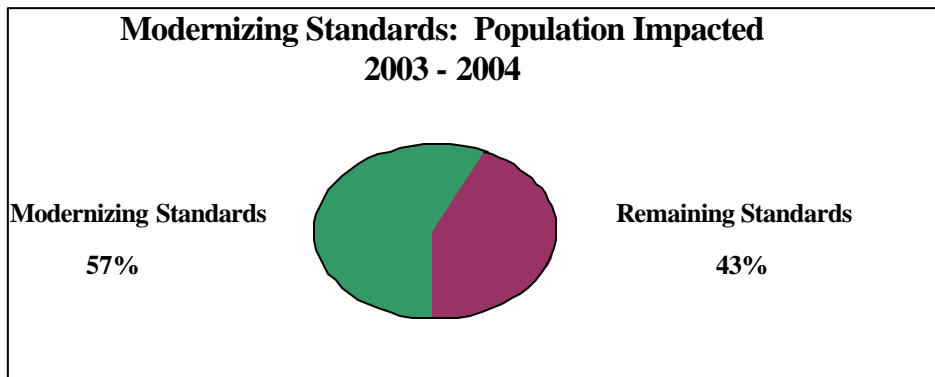
Radio Operators (RO) Group

DFO and the bargaining agent have identified a need to review the existing classification standard for the RO Group, with a view to determining whether a reform initiative is required. As a first step, TBS has agreed to carry out a diagnostic process this fiscal year to identify the classification related issues and possible solutions.

3.1.2 The Next Wave of Standards Reform

The workload identified in the first wave of standards reform is challenging and will require the combined resources and energy of all stakeholders to succeed. Some of this work will be completed this fiscal year. Much of it, however, will continue throughout the first three-year planning period and in some cases, such as the PA Group, will extend beyond this three-year plan. To respect the interests of all stakeholders, TBS will have to be prudent in selecting additional classification work for the remaining two years of the planning period.

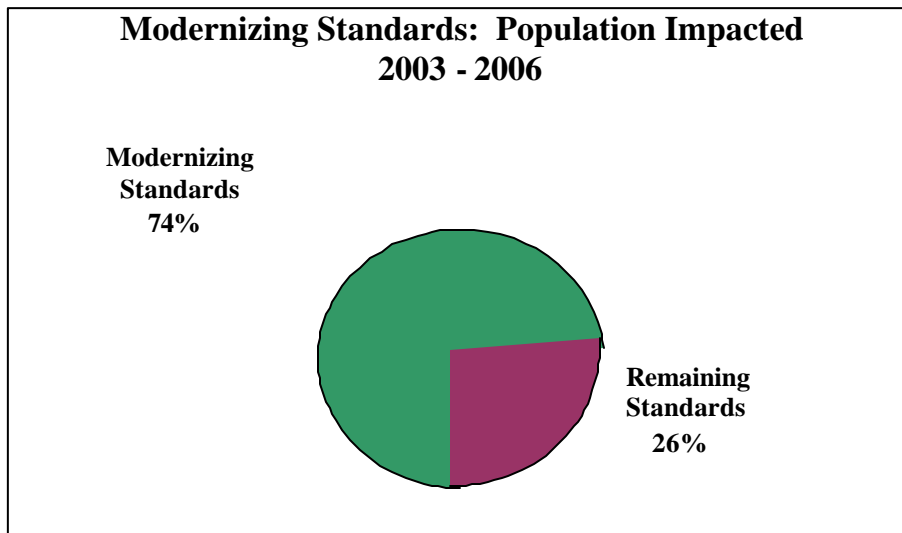
The standards modernization initiatives underway from the last year or launched during this fiscal year will directly impact more than 57% of the population of the public service when it is fully implemented. In some cases, full implementation will extend beyond the full three-year plan. This work is complemented by the initiatives underway to rebuild system capacity and support the remaining occupational groups that will continue to use existing classification standards.



Public Service 1.1 population as of Mar 31, 2003 : 168,864

In response to the many suggestions we received for reform this year, consultation and diagnostic work was started and will continue with several departments, agencies, functional communities, and bargaining agents to assess the feasibility of further potential cases for reform. As noted previously, our analysis may lead to the identification of other classification or human resources solutions that do involve the more intensive classification reform effort. Our caseload over the coming three years will be guided by the linkages between existing and planned reform projects and emerging priorities. The three-year timetable for classification standards reform also reflects departmental priorities, our collective capacity to implement the new standard, and the associated bargaining schedule.

In the last two years of our three-year plan, classification reform includes, but will not necessarily be limited to, an assessment of several other occupational groups and functional communities: **Applied Science and Engineering (AP)**, **Firefighting (FR)**, **Ship Repair (SR-East, SR-West, and Chargehands)**, and **Commerce (CO)**. As with all our work, these assessments will be carried out in co-operation with departments, functional communities, and bargaining agents. It is important to note that this list may change in response to emerging priorities and opportunities. The standards reform work identified for the last two years of our three-year plan, coupled with the work launched in the first year, will expand the coverage to about 74% of the population of the public service when full implementation is complete. We will continue to complement this work with further initiatives to strengthen system capacity and support the remaining occupational groups that will continue to use existing classification standards.



Public Service 1.1 population as of Mar 31, 2003 : 168,864

3.1.3 Making Existing Classification Standards more Useable

For the foreseeable future, the foundation of the classification structure of the public service will be a mix of new and existing standards. While we design and implement new standards, we must not lose sight of the fact that much of the ongoing daily classification business in departments and agencies will centre on the use of existing standards. TBS is taking steps to make these standards more accessible and easier to use.

Many existing classification standards are no longer available in print. We are digitizing these standards and will make them available in a variety of formats this fiscal year. The ten most used classification standards, covering 68% of the public service, are available on the TBS classification web site. The remainder will be added over the summer. In addition, we will update existing standards where necessary and provide guidance on their application.

Many of the 72 current classification standards are being mapped against the UCS-based work descriptions to ensure public service-wide consistency of interpretation and application. So far, 24 work description maps representing approximately 75% of public service positions have been prepared. The benefit of maintaining UCS-style work descriptions is that they have been designed to capture all aspects of work and to describe work characteristics in a manner that minimizes gender bias.

3.2 Rebuilding System Capacity

Much of our consultation and research work over the last year confirmed the need for a focused plan to strengthen the integrity of the existing classification system. We conducted a survey of the classification capacity and practices across the public service. A survey report was released to departments on May 9, 2003, which provides many useful perspectives. Based on those findings, we introduced a strategy to provide the people working in classification with the training and tools they need to implement classification reform. TBS recognizes that many departments have taken steps to begin to improve capacity since the survey work was done but there remains much more to do.

3.2.1 The People

The business of classification is changing. We are working to support departments to better equip classification practitioners to contribute to the evolving requirements of the public service human resources management system.

Initiatives are currently underway to address the training and development needs of classification professionals. To meet the immediate need, we will continue to deliver and update existing training programs over the next nine months and will be delivering new training curricula, in phases, over the next two years. This will ensure that classification specialists have the competencies to better respond to the needs of line managers. Given anticipated retirements to 2007, departments have taken measures to meet current and future

service demands by recruiting and training 170 new classification consultants. We will continue to update the curriculum and expand our training programs to include courses for line managers and human resource executives.

To help rebuild the classification community and provide more informal opportunities for learning and training, TBS will sponsor the first ever annual classification symposium in June 2003. Follow-up events will be planned in regions across Canada over the next few years.

3.2.2 Working Tools

Monitoring Framework

TBS worked in collaboration with several departments to develop a classification monitoring program. This program respects the principles of active monitoring under which departments are expected to assess the state of their classification practices. TBS is expected to monitor the overall situation across the public service. To build a solid foundation for implementation, the Secretary of TBS has informed departments of the key elements of the framework and encouraged them to make capacity building in this area a priority.

The program will be implemented during the 2003-2004 fiscal year on two levels. At the departmental level, we will assist classification managers to build their own active monitoring program or to align their current program with the active monitoring approach. At the corporate level, TBS will test and refine its methodology by monitoring two occupational groups across several departments: **Computer Systems (CS)** and **Financial Management (FI)**.

On-Line Tools

The Government On-Line initiative has made a commitment to provide electronic access to information and services of importance to Canadians. To improve access to classification standards information and assist departments in the consistent application of the existing classification standards, we are putting classification standards on-line. We will update these classification standards and add web-based support tools in accordance with departmental needs. For example, we worked with departments and internal partners to give departments access to data they need to make informed classification decisions and ensure consistency and relativity across the Public Service. Soon, departments will have restricted access to selected fields of data contained in the Position Classification Information System (PCIS). We are also working on the development of other tools to assist departments to analyse this classification data and generate reports that will provide information in a consistent way across departments.

4.0 Thinking Ahead: The Future of Classification

Classification reform is a challenging program that has begun and will continue to deliver a set of concrete accomplishments as well as a process for continuous improvements in the way we structure work and manage our workforce. Over the next three years, we will meet the challenge to simplify and modernize the job classification system of the core public service with a series of initiatives that will proceed on a paced schedule that balances the timetable for classification standards reform with the need to strengthen the integrity of the classification system and support the people who make it work.

Our commitment must go beyond delivering our current plan. Anticipating and shaping the future is part of effective leadership. We will not get lost in the moment, instead we will pursue new possibilities to fundamentally reshape classification and contribute to the enhancement and modernization of human resource management. TBS will analyze emerging trends, learn from classification approaches that have worked in other organizations and countries and find ways to apply this experience to the Public Service of Canada. One of these trends is the increasing use of competency profiles as a complement to existing work descriptions as the basis for building organizations. Over the coming years, in concert with all stakeholders, we will investigate ways to develop a flexible, blended approach incorporating the strategic use of competency profiles, generic work descriptions, and the establishment of qualification standards.

This TBS annual classification update began with a vision for classification as a key determinant in the equation to get the right people into the right jobs faster. The expanding use and acceptance of generic job descriptions, a positive legacy of the UCS work, provides an essential building block in the realization of this vision. But alone, it is not enough. Intelligent and pervasive delegation to line managers across the public service offers the best hope for quicker classification decisions about an employee's job and level. This can only be achieved through a complementary mix of pre-approved generic job descriptions, training to prepare managers to deal with this accountability, and an effective two-tier monitoring program to ensure the integrity of the system. Moreover, we rely on professional classification specialists who can assist managers with value-added advice on organization design and expected relativity impacts within their organizations, and beyond. TBS recognizes that this state will not be accomplished in the near future but we have charted the path and we will lead the way toward achieving this vision.

5.0 Reflections

TBS is committed to modernizing classification in the public service. This must be done in a way that helps us attract and retain the talent we need to serve Canadians and treats women and men equitably.

It is evident that we made a substantial investment of time and energy in pursuit of a "universal" approach to classification that proved unworkable. We regret that this much anticipated outcome did not fully achieve the result intended. Much of the work done to

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prepare for UCS has proven to be a worthwhile investment. But, much remains to be done. Under TBS leadership, new approaches to classification services need to be explored. Since the Treasury Board President's announcement on May 8, 2002 of a group-by-group approach to classification reform, all stakeholders, working together, have made solid progress. We are trying hard not to repeat the missteps of the past as we collectively manage a complex and challenging change management agenda. With the goodwill and energy of all, we will succeed.