



Public Service Commission
of Canada

Commission de la fonction publique
du Canada



Public Service Commission

2002-2003 Annual Report

Canada



Public Service Commission

2002-2003 Annual Report

The Commission invites your comments about our Annual Report.

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The Honourable Sheila Copps, P.C., M.P.
Minister of Canadian Heritage
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Minister:

We have the honour of asking you to transmit for tabling in Parliament the Report of the Public Service Commission of Canada for the 2002-2003 fiscal year.

It is submitted to Parliament in accordance with section 47 of the *Public Service Employment Act* (Chapter P-33, Revised Statutes of Canada, 1985).

Yours sincerely,



Scott Serson
President



Nurjehan Mawani
Commissioner

Mission of the Public Service Commission of Canada (PSC)

The mission of the PSC is, through its statutory authorities, to:

Maintain and preserve a non-partisan Public Service, able to provide service in both official languages, staffed with competent employees, that is representative of the Canadian population it serves.

The PSC is an active partner in developing the broad framework for human resources management and ensuring the health of the federal human resources system, within the scope of its mandate.

PSC Vision

An independent agency reporting to Parliament accountable for merit in staffing and a key partner in shaping an effective and respected Public Service for Canadians.

PSC Strategic Outcome

The current Strategic Outcome of the PSC is, within its legislative mandate, to assist in providing Canadians with:

- A highly competent, non-partisan and representative Public Service with appointments based on the values of fairness, equity of access and transparency.
- A timely, efficient and flexible values-based staffing system owned by Public Service managers.
- A Public Service that builds on its competencies through development and continuous learning.

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president's and commissioner's message

Toward a Modernized Staffing System

We are pleased to present the *2002-2003 Annual Report* of the Public Service Commission of Canada (PSC). We would also like to acknowledge the valuable contribution made by Michelle Chartrand, our former fellow Commissioner, during the period covered by this Report.

This is our third Report providing parliamentarians with an assessment of the overall health of the Public Service staffing system — a system based on values and principles. For the first time, we are reporting on the staffing performance assessments of all 72 departments and agencies that are governed by the *Public Service Employment Act*.

As our Report indicates, the staffing system is, in general, continuing to work well. Over the past three years, the PSC has progressively built oversight tools and engaged departments and agencies in taking ownership of their delegated staffing responsibilities. This Report highlights some best practices learned from the delegation experience that can be used as Public Service-wide benchmarks.

Although the federal staffing system is generally functioning well, our Report identifies a number of challenges.

Human Resources Planning

Departments need to do better human resources planning. The PSC recognizes the positive results many departments have achieved to date; however, we remain convinced that this issue needs more focused leadership at a strategic level across the Public Service.

Human Resources Capacity

To manage their staffing activities, departments must increase their human resources management capacity. While the PSC recognizes the efforts being made, we are concerned not only with the current departmental capacity but also with the heightened importance of this issue in view of the demands of Bill C-25, the *Public Service Modernization Act*.

Equity of Access

Broadening access to federal Public Service jobs is a matter of great importance to Canadians and parliamentarians. Technology is key to moving away from the use of geographic areas of selection, thereby increasing equity of access to federal Public Service jobs. But the technology solution will need to be coupled with the development of the appropriate infrastructure to ensure that e-Recruitment continues to respect merit and the underlying staffing values. For three years, we have been reallocating internal resources and seeking additional funds to accelerate the e-Recruitment solutions. In her appearance on June 17 before the Senate Finance Committee reviewing Bill C-25, Minister Lucienne Robillard signaled that the issue can be resolved only with further financial support.

Representativeness

A workforce that is diverse and inclusive nurtures creativity, innovation, and excellence. Such a workforce gives Canada a competitive edge in a globalized world. Although the representation of employment equity designated groups recruited into the Public Service has improved overall within departments, we note that persons with disabilities and members of visible minorities are still being appointed at a level below their labour market availability. While there has been some progress, departments will have to make greater efforts toward achieving the Embracing Change benchmarks by 2005.

Official Languages

The PSC supports the Government's commitment to official languages set out in the *Action Plan for Official Languages*, tabled in Parliament in March 2003. Our challenge is to monitor the use of linguistic qualifications in departmental appointments and executive staffing to ensure that they are in keeping with the Government's objectives related to language of work and service to the public.

Strengthening Oversight in the Modernized Staffing System

Vital to the success of a modernized system is the PSC's renewed focus on oversight and on safeguarding the integrity of the appointment process. This approach requires that departments and agencies self-assess and report to the PSC. In the coming year, the PSC will use the information gathered from the departmental reports to establish benchmarks for performance. But departmental reports are just the first step.

In our role as an independent overseer of merit, we will bolster departmental self-assessments by continuing to conduct studies of departments' staffing activities. These studies will enable us to develop a strengthened staffing accountability process for use under the proposed new legislation, when it is adopted. Building a stronger staffing accountability framework, however, will require additional resources so that we can increase our capacity for independent audit.

The PSC has historically emphasized a learning approach (studies, surveys, field interventions, audits, investigations) in order to improve departmental staffing performance. Each year we identify problem areas and take corrective action in a number of situations, up to and including the revocation of appointments and, where necessary, the withdrawal of delegation. The proposed legislation, while giving the PSC a more comprehensive audit authority, would diminish our ability to take direct corrective action following an audit of staffing activities delegated to deputy and agency heads.

Strengthening our Relationship with Parliament

Strengthening our relationship with Parliament has been a top priority of the PSC for the past three years. The importance of the PSC working together with Parliament has been brought to the forefront since February of this year with the introduction of Bill C-25.

The PSC's experience has been that more frequent and meaningful dialogue with Parliament is essential to developing policies to meet the needs of Canadians, as well as the best interests of the Public Service. As a parliamentary agency, we find it difficult to ensure responsive policies without the deliberate, thoughtful, and considered input of Parliament. Our recent public discussions on national areas of selection, Embracing Change, and bureaucratic favouritism underscore the benefits of input from Parliament. On those occasions when we have been able to discuss our concerns with Members of Parliament and Senators, our ability to respond to specific issues with new policies has been greatly enhanced. We would like to see more opportunities for meaningful engagement in the future, especially through the parliamentary committees.



chapter 1:

introduction

The focus of the *2002-2003 Annual Report* of the Public Service Commission (PSC) of Canada is once again the overall health of the Public Service staffing system. We have assessed the system's well-being according to the six values that define merit (competency, non-partisanship, representativeness, equity of access, fairness, and transparency) and the two management service delivery principles (flexibility and efficiency).¹

Merit requires the judicious balancing of all six values as well as the management principles that underlie it.

To provide Parliament with an accurate picture of the staffing system in the year before the anticipated implementation of the *Public Service Modernization Act*, we have used a wide variety of sources, including the Departmental Staffing Accountability reports of all 72 federal departments/agencies subject to the *Public Service Employment Act* (PSEA), and numerous internal and external studies and surveys, such as the *Public Service-wide Employee Survey* and the PSC's study entitled *Executive Succession Reconsidered: Planning for Public Service Renewal*.

Over the past years, the PSC has engaged departments/agencies in taking ownership for their delegated staffing performance and has built tools to support its oversight role. The lessons learned from this experience, such as the best practices highlighted in this Annual Report, will help the PSC and departments refine their tools and continue to develop innovative ways to safeguard the integrity of the staffing system.

For the first time, the Annual Report is based on staffing performance assessments for all 72 federal departments/agencies subject to the PSEA.

In general, the staffing system continues to work well. However, two values — representativeness and equity of access — require more focused action and vigilance. To deal with these now and to prepare for the future, three critical issues raised in last year's Annual Report still need to be addressed. These are: the further development of e-Recruitment to provide greater access to federal Public Service jobs based on the national areas of selection; better human resources planning by departments; and increased departmental capacity to manage staffing well.

¹ Staffing values and principles are defined in the Appendices.

The Commission is committed to upholding the merit principle in resourcing, through individual competitions and via rigorous selection processes when other resourcing approaches are used, such as pre-qualified pools and appointments without competition. To assess whether the merit principle is being observed, we asked all Deputy Ministers to report specifically on three issues, namely the possibility of bureaucratic favouritism, their use of temporary staffing, and the extent of their consultations with the bargaining agents on their Departmental Staffing Accountability reports.

With Bill C-25 (*Public Service Modernization Act*), the Commission will revise its accountability processes to strengthen its accountability to Parliament, as well as departmental accountability to the Commission for delegated staffing responsibilities.

The PSC's role in protecting merit will evolve from participating directly in resourcing to acting as the guardian of the integrity of a more delegated appointment process. Increasingly, we will oversee departments/agencies that will have greater responsibility in hiring and staffing activities. We look forward to working with them to build an appropriate policy, delegation, and accountability framework.

Organization of the Report

The next three chapters of this Annual Report explore the issues, challenges, and changing role of the PSC.

- **Chapter 2: Assessing the Health of the Staffing System**

Here the Commission assesses the overall health of the staffing system from the perspective of the six merit-defining values and the two management and service delivery principles. Each section discusses issues supporting or limiting the effectiveness of the staffing system from the Commission's point of view. "Health Check" statements summarize staffing performance for each staffing value and principle.

Public Service Commission (PSC):
is an organization that carries out the day-to-day operations.

The Commission:
is composed of three Commissioners who decide on policy.

The President: *is a Commissioner and the Chief Executive of the PSC.*

- **Chapter 3: Key Issues for a Results-Centred Staffing System**

Here the Commission identifies the three issues critical to the effectiveness of the staffing system: human resources planning, e-Recruitment, and human resources management capacity. Progress on each challenge, and the remaining challenges, are described.

- **Chapter 4: Stewardship of Staffing and Merit — An Evolving Concept**

This chapter describes the Commission's role in oversight during the past fiscal year and looks toward the future. The chapter highlights innovations in the staffing delegation and accountability system as well as new oversight tools and lessons learned, which lay the groundwork for the future role of the PSC.

Traditionally, the PSC Annual Report has provided detailed statistical information on the performance of the staffing system in the past year. For ease of reading, the statistical graphics are integrated in the text of this year's Report; supplementary information is available electronically at www.psc-cfp.gc.ca/centres/annual-annuel/index_e.htm.

The PSC delivers a number of programs and services. The Departmental Performance Report (DPR) reports on the PSC's key achievements and results. The PSC Annual Report and Performance Report can be found at www.psc-cfp.gc.ca/centres/ref-pub_e.htm.



chapter 2: assessing the health of the staffing system

This chapter presents an overall assessment of the extent to which the values and principles defining merit are respected. It includes examples and case studies from various departments/agencies that demonstrate innovative and creative ways of maintaining the merit system and making it more efficient and effective.

Based on the assessments of the staffing performance of all 72 reporting departments/agencies and on key PSC tools and sources, the Commission concludes that the Public Service staffing system is working relatively well. However, more vigilance is required for two values: representativeness and equity of access.



2.1 Competency: A Results Value

Competency: *Attributes which ensure that public servants are qualified to fulfill their Public Service duty.*

In the 2001-2002 Annual Report: The Commission concluded that managers were appointing competent employees, but that practices such as the use of casual and short-term hiring still had to be addressed. The Commission was convinced that all departments/agencies needed to do more long-term human resources planning so that managers could focus less on expediency and more on hiring, on an indeterminate basis, the competent individuals needed to meet Canada's future challenges.

2002-2003 competency “health check”

Overall

- The Commission is satisfied that managers are appointing competent employees both to and within the Public Service.

Trends

- Most departments/agencies are making a concerted effort to link their human resources strategies to their operations, but full integration has not yet occurred.
- The second *Public Service-wide Employee Survey (2002)* found an overall improvement in Public Service employees’ perceptions of the competence of those hired.

Concern

- The PSC remains concerned that, without human resources plans, managers will continue to focus on temporary staffing to the detriment of competency. Although planning efforts are under way, progress is too slow.

2.1.1 What the Departments/Agencies Have Done

Overall, in assessing Departmental Staffing Accountability reports, the Commission found that many departments/agencies no longer see staffing just as a series of individual transactions. Rather, they view staffing as an organizational process to be guided by senior management and supported by effective advice, planning, and infrastructure — that affects the overall performance of the department/agency as well as client satisfaction.

Many departments/agencies now view staffing as an organizational process that affects their overall performance.

As part of this process, many departments/agencies are actively addressing demographics and succession planning. For example, some departments/agencies and various functional communities (that is, groups of people with functional skills that cross several departments, such as the Finance community) have helped develop comprehensive regional human resources plans, including development, training, and senior and middle managers’ involvement in succession planning. However, this practice is not consistent. Other departments/agencies do not routinely prepare human resources plans, and anticipatory planning and recruitment is not widely practised.

good example

- At Public Works and Government Services Canada, a targeted recruitment initiative for translators builds in succession planning and rejuvenation of the workforce.

Most departments/agencies have tried to link their human resources strategies with their operations, but full integration has not yet been achieved. However, we note positive trends.

- Many departments/agencies demonstrated that they have successfully linked business lines, broad human resources management directions, staffing and employment equity strategies, learning needs and investments, and policies and practices.
- Several departments/agencies with ageing workforces have established mentoring programs to transfer knowledge, build needed competencies, and improve employee performance.

Departments/agencies are working to ensure that managers exercising sub-delegated authority for staffing have the required expertise. Less formal arrangements (such as performance indicators in career development plans) and more formal requirements (such as mandatory certification) have been employed. Where staffing authority had not been formally sub-delegated to managers, results indicated that managers worked very closely with their human resources advisors.



Case Study

At Health Canada, the PSC's Values-Based Staffing Workshop is now offered to all managers and supervisors. Mandatory training in staffing delegation and bias-free selection are required before staffing authority is sub-delegated by the Deputy Head. Following training, managers work closely with certified human resources advisors in all staffing processes. Human resources management information is located on the department's Intranet. Health Canada has developed a Staffing Certification Program for those involved in providing staffing advice and services to managers. This program has been shared extensively throughout the Public Service.

Departmental/agency reports indicate that a large number of departments/agencies use competency profiles (which describe technical and behavioural skills required for a job or a class of jobs), while others are planning their use or are in the developmental stage. In 2001-2002, 37 of 72 departments/agencies took advantage of a growing number of large-scale competitive processes that used generic competencies. In addition to reducing the effort involved in staffing, these omnibus selection processes provide managers with a pool of qualified candidates available to meet current and evolving needs. Larger departments/agencies, which have a number of key jobs and a significant volume of appointments each year, benefit most from generic staffing approaches.

good examples

- **At the National Energy Board**, management uses competency profiles to evaluate prospective and current employees against their job requirements.
- **At Human Resources Development Canada**, competency-based management has become an integral part of the departmental culture. The department developed profiles for more than 12,000 employees for staffing, learning, development, and performance management purposes. Generic statements of qualifications are used to staff similar positions. In addition, the Apprenticeship and Professional Training Programs for four key occupational groups provide the foundation for generic resourcing strategies and community management.
- **At Health Canada**, an omnibus selection process, which involves several regions creating competency profiles for key professional jobs across the organization, is used for both internal and external competitive processes.
- **At the Privy Council Office**, the targeted recruitment program — a two-year pilot program — was designed to recruit Canadian students studying at internationally recognized institutions abroad, to contribute to the next generation of Public Service leaders. The Commission delegated recruitment authority to the Privy Council Office (PCO) to appoint, without competition, high-potential Canadian students outside Canada. The PSC also established a special inventory for the PCO-interviewed candidates.

2.1.2 What the Public Service Commission Has Done

For several years, the Commission has promoted generic approaches to staffing, such as competency profiles and community management. Generic approaches allow departments/agencies that employ large numbers of employees in the same specific occupational groups to realize staffing “economies of scale” on an individual department basis or with other departments. Throughout the Public Service, several occupational groups are already managed as collectivities in order to develop specific skills, build capacity, and share in professional development. Some departments/agencies have taken on responsibility for managing such a functional community.



The PSC continued to support departments/agencies in building their human resources analysis and planning capacity by providing them with:

- demographic modelling;
- workforce studies;
- human resources research; and
- analytical and modelling training.

In particular, the analytical and modelling training has not only improved departmental/agency human resources capacity; it has facilitated co-operation and knowledge-sharing within the human resources community. (See Chapter 3 for more on the need for long-term human resources planning.)

Our human resources information sessions, known as *SmartShops* and *SmartShops Plus*, helped human resources advisors clarify human resources scenarios and supported individuals in the staffing certification program. Events such as the June 2002 National Resourcing Conference organized by the PSC in partnership with departments/agencies, engaged more than 800 participants from across the country in developing resourcing systems for the future.

The PSC has also developed recruitment and staffing information and marketing tools, such as the *Guide to Staffing Delegation*. These have improved departments'/agencies' understanding of recruitment and selection processes and helped them to take better advantage of the available delegated authorities.

In 2002-2003, the PSC's professional development programs enabled human resources specialists to enhance their knowledge and skills.

In 2002-2003, the PSC promoted the use of inventories of qualified candidates as good human resources planning practices to improve efficiency and speed of staffing. These included inventories for employment equity groups, for functional communities, and for administrative support groups.

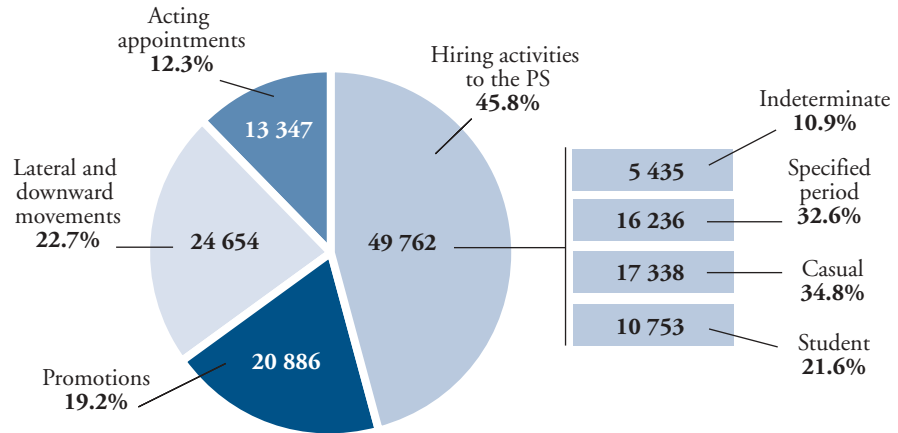
Concern over the possibility that short-term hiring could undermine the concept of competency led the Commission to reduce the term-to-indeterminate threshold contained in the *Public Service Employment Regulations* 5(2)(c) from five to three years in line with the new Treasury Board *Term Employment Policy*. By April 2004, all departments/agencies will have implemented this new threshold. The Commission is also considering a streamlined process for term re-appointments, in response to the recommendations of the joint Treasury Board/Public Service Alliance of Canada (TB/PSAC) study, the *Public Service Modernization Act* (PSMA) and the need to reduce staffing workloads.

2.1.3 Substantiating Research and Data

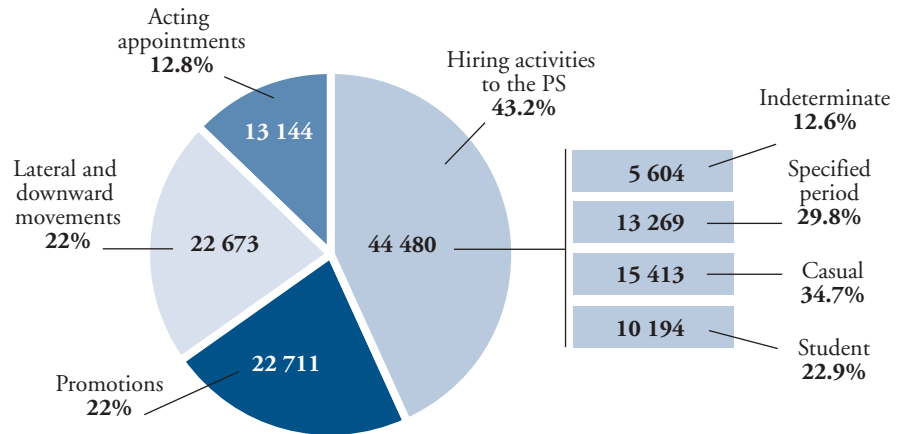
Our research shows that overall staffing and hiring trends are continuing to slowly improve, as indicated in the charts below.

Overall Hiring and Staffing Trends*

2001-2002



2002-2003

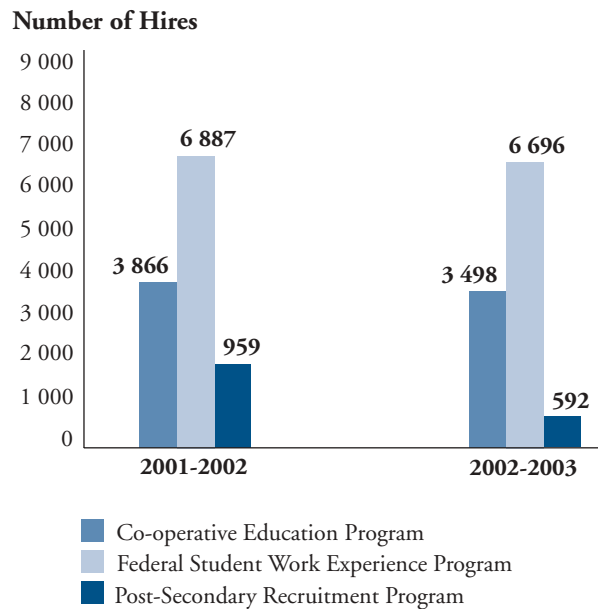


* Please see Appendices: "Statistical Information and Technical Notes" for more information.

Overall, hiring activities have decreased, compared to 2001-2002. There has been a decrease in specified period (term) appointments and an increase in indeterminate appointments.

As illustrated below, the Federal Student Work Experience Program (FSWEP), the Co-operative Education Program (COOP), and the Post-Secondary Recruitment (PSR) inventories were used as recruitment tools, together with the student bridging program. The student bridging program, which allows departments/agencies to hire students who have demonstrated, through temporary employment with the Public Service, that their knowledge and skills would make a positive contribution.

Youth/Hiring Activities to the Public Service Using Inventories*



* Please see Appendices: "Statistical Information and Technical Notes" for more information.

Members of visible minorities offer more potential for long-term EX succession, as they are more likely than non-visible minority employees to be at least 10 years away from retirement (71% versus 59%).

In general, employees and managers believe that managers hire people who can do the job.

Executive Succession

Staffing and hiring are influenced by societal trends. The 2001 Census of Canada confirmed a major transformation in Canadian society — the ageing of the population, particularly the workforce. Because the Public Service's workforce is older than that of the general labour market, this raises a significant question: Will there be sufficient people in the intermediate ranks to replace executives retiring in the coming years? Findings from a 2002 PSC study, *Executive Succession Reconsidered: Planning for Public Service Renewal*, reported positive news along with some caveats:

- Overall, sufficient numbers of candidates will be in place to fill executive ranks, with proper executive feeder group succession planning and career development investment.
- High interest, commitment, and capacity characterize the individuals the Public Service draws on to staff entry-level executive (EX) positions. This holds particularly for women and members of visible minorities compared to the total feeder population. However, the Report underscores the lack of — and need for — capacity-building in second-language ability, leadership skills, and experience working at the political level.
- Members of visible minorities are not adequately represented in the key feeder groups to the EX community.

This situation, as well as the goals outlined in the Embracing Change initiative, reinforce the need to continue to recruit and develop a representative workforce.

Competent Public Servants through Fair Selection Processes

Succession issues cannot be separated from competency and fairness. Results of the 2001-2002 PSC study *A Thematic Review on Staffing Values — Competency and Fairness* indicated that departments/agencies are aware of the importance of the values of competency and fairness and are seeking ways to improve their staffing approaches. Interestingly, many managers felt that competency and efficiency were more important than fairness in staffing while bargaining agents focused on fairness. Most managers were very satisfied with the calibre of the people they hired.

The study also revealed that although employees are aware of the risks to competency and fairness arising from current practices, the majority expressed confidence in the application of these values in their workplace. These findings were supported by the results of the second *Public Service-wide Employee Survey (2002)*. The survey demonstrated that most employees believe that, in their unit, managers hire people who can do the job (78%), and that the “process of selection is done fairly” (65%).

Last year's Annual Report clearly stated that the competency value may be placed at risk by the use of casual and short-term staffing. In 2002-2003, as in the previous year, about two-thirds of newly hired indeterminate staff had originally been hired as terms. Although managers may have legitimate need for term employees, the question remains: Are some term employees being used in situations where indeterminate staff should be hired?

In the spring of 2002, the PSC's Research Directorate — in conjunction with Treasury Board Secretariat and the Public Service Alliance of Canada — conducted the *Survey of Hiring Managers in the Federal Public Service*. The Survey found that managers appoint term employees, continue an employee's term, and/or do not make an employee permanent for the following reasons: short-term operational needs; temporary replacement of absent staff; and unstable or insufficient funding. Convenience and speed of process also encourage term hires. Departmental Staffing Accountability reports confirmed the same reasons for using temporary staffing.

2.2 Non-Partisanship: A Results Value

Non-partisanship: *Employees are appointed and promoted objectively, free from political or bureaucratic patronage.*

In the 2001-2002 Annual Report: The Commission concluded that political favouritism is not a major source of concern. However, we encouraged deputy/agency heads to take specific actions, including more transparent staffing processes, to avoid perceptions of bureaucratic favouritism. We asked departments/agencies to report on their progress this year.

2002-2003 non-partisanship “health check”

Overall

- The Commission continues to believe that political favouritism is not an issue. However, bureaucratic favouritism needs to be better understood.

Concern

- Although many departments/agencies put safeguards in place to ensure a non-partisan staffing system, we are not satisfied with the level of understanding of bureaucratic favouritism. To address this issue, the Commission will conduct a special study in 2003-2004 to examine these practices.

Appointments that are made outside of the competitive process carry higher risk of being vulnerable to bureaucratic favouritism. These processes are not as transparent as competitive processes. The nature of this risk is not clearly understood by all managers.



2.2.1 What the Departments/Agencies Have Done

Fewer than half (35 of the 72) of the reports received from departments/agencies indicated that they were using temporary staffing in a significant way. They also indicated that most of the initial hires for terms and/or casuals were from external competitive processes as opposed to recruitment without competition.

When recruitment without competition was used, departments/agencies put safeguards in place — for example, hiring managers provided justification, the PSC was involved, and guidelines were followed or senior management had to approve the action.

good examples

- **At Citizenship and Immigration Canada**, the Department has instituted a policy regarding the hiring of family and friends.
- **At the Registry of the Tax Court of Canada**, the staffing policy prohibits the hiring of family members in staffing actions where merit, under the *Public Service Employment Act*, does not apply — for example, casual employment, deployment, transfer, secondment and assignment.

Additional actions and safeguards include:

- *Training (often mandatory)* was used by 80% (57) of the 72 departments/agencies to communicate the importance of non-partisanship to managers and employees. In 42 departments/agencies (60%), individuals who exercise sub-delegated staffing authority are particularly aware of this staffing value as a result of their training.
- *Formal commitments* by persons participating in hiring boards that they would conduct appointment processes in a non-partisan way were used by 69% (50) of reporting departments/agencies to ensure non-partisanship.
- 96% of Deputy Heads (69 of 72) have attested that *appropriate control mechanisms* are in place to ensure that staffing is conducted in a non-partisan way. The Commission is meeting with the remaining departments to resolve this issue.
- *Annual reminders to staff regarding political activities in the workplace and conflict of interest* were provided by 52.8% (38) of the departments/agencies. This information was also made readily available in other ways, such as Web/Intranet sites, training sessions, staff meetings, and advisory committees and ethics offices.
- *Statements on Conflict of Interest and Post-Employment Code* were included in their Letters of Offer by 86% (57) of the reporting departments/agencies.

2.2.2 What the Public Service Commission Has Done

The Commission believes external recruitment by competition should be the norm and external recruitment without competition should be the exception and should be justified in specific circumstances.

To date, the PSC has largely retained the authority to make appointments without competition because of the inherent risk to staffing values. However, such appointments are a reality and their number may increase in the future. Therefore, to maintain a consistent, values-based approach, the PSC addressed the issue from a different perspective.

In 2002-2003, the Commission delegated, on a pilot basis, authorities to appoint “without competition” from outside the Public Service to seven departments. This delegation has two purposes:

- to assess its feasibility and the extent to which it meets departments’ needs; and
- to find the right balance between staffing flexibility and the protection of merit.

The Commission will make a decision on whether to delegate this authority on a broader basis — and, if so, under which conditions — after a final evaluation of the pilot projects, expected in March 2004. In the meantime, the PSC has clarified the acceptable criteria for approving appointments without competition with its frontline staff.

The Federal Student Work Experience Program (FSWEP) is designed so that students are matched randomly, through a computerized inventory search, to referral requests, based on parameters such as field of study, education, and skills required by the manager. In the fall of 2002, the PSC received reports alleging pre-matching between managers and students in hiring for some FSWEP positions — a situation that could pose a serious risk to merit. In response, the PSC conducted a special audit to determine the extent of irregularities in the hiring of students through FSWEP for the following three reasons: the matter falls clearly within the Commission’s strategic oversight role; FSWEP had not been reviewed since 1996; and the start of the 2002-2003 FSWEP campaign was imminent.

Our examination revealed a robust Program which places thousands of students successfully via processes respecting Program intent and staffing values. However, the examination also found a significant percentage (19%) of suspicious cases involved in the sample where managers seemed to circumvent the safeguards in place to hire somebody already known to them. The risks such pre-matching poses to staffing values are magnified by the possibility of recalling students under FSWEP in a subsequent year, and the possibility of student bridging into term and indeterminate positions.

The PSC is making every effort to ensure the integrity of the Program. A comprehensive plan is being implemented nationally to:

- improve understanding of the Program's objectives and procedures;
- enhance the systemic safeguards of the referral request and matching processes; and
- reinforce the oversight role of front-line PSC staff.

The PSC has followed up with departments/agencies involved in the sample to ensure appropriate remedial action. We have also asked all departments/agencies to review the pattern of sub-delegation of this recruitment authority and report on the actions taken regarding initial FSWEF appointments and subsequent student bridging, as part of their annual Departmental Staffing Accountability reports.



2.3 Representativeness: A Results Value

Representativeness: *The composition of the Public Service reflects that of the Canadian labour market.*

In the 2001-2002 Annual Report: The Commission recognized that representation of the four employment equity designated groups (women, Aboriginal peoples, persons with disabilities, and members of visible minorities) in the Public Service workforce had improved. Members of visible minorities, however, continued to be under-represented when compared with labour market availability. Moreover, the Commission noted that recruitment practices then in use would not allow the Government of Canada to reach the goal of a fully representative Public Service. The Commission encouraged all managers to make greater efforts in this area.

2002-2003 representativeness “health check”

Overall

- We are steadily moving towards a Public Service that is representative of the Canadian labour market.
- Targeted recruitment programs shared by several departments/agencies are a more effective way of reaching representation goals than is individual staffing because it allows smaller departments to access broader pools of candidates.

Trend

- Departmental reports clearly indicate that the strategic integration of employment equity within broader recruitment strategies and competitive processes has become the norm in many departments/agencies.

Concerns

- For the third consecutive year, we are seriously concerned about persons with disabilities being recruited below their labour market availability.
- The low representation of members of visible minorities in the EX group is also a serious concern.
- Reaching the Embracing Change goals to increase visible minority representation and participation within the Public Service will require more concerted action on the part of departments, particularly for executive positions.

From the 2002 Speech from the Throne

“A magnet for talent and investment: one of Canada’s greatest assets — and a unique advantage in a globalized world — is our openness to immigrants from every corner of the globe. The demographic realities of an ageing population and slowing labour force growth place even greater premium on this immigration advantage. The government will work with its partners to break down the barriers. It will position Canada as a destination of choice for talented foreign students and skilled workers, to enable their diverse voices to participate in choosing the Canada we want.”



2.3.1 What the Departments/Agencies Have Done

In many departments/agencies, the strategic integration of employment equity (EE) within broader recruitment strategies and competitive processes has become the norm.

Departments/agencies reported a wide variety of initiatives used to remedy under-representation of employment equity groups. These initiatives include:

- the creation of comprehensive EE plans with short- and long-term recruitment/retention strategies for all employment equity groups;
- EE commitments in the performance agreements of all executives;
- the use of open competitive processes, and the PSC's recruitment Internet site jobs.gc.ca, to access a larger pool of employment equity group members;
- the use of EE programs, recruitment programs with EE components (such as Career Assignment Program (CAP), Management Trainee Program (MTP), and Post-Secondary Recruitment Program (PSR), student bridging mechanisms and Co-operative Education Program (COOP);
- diversity and EE training to sensitize managers and employees to obstacles faced by employment equity group members;
- the promotion of EE throughout the organization via Intranet and other electronic media; and
- self-identification campaigns (people are encouraged to identify as members of an employment equity group).

Departmental/agency commitment to an improved representation of employment equity groups is crucial.

Sixty-eight percent (49) of the 72 organizations submitted a demographics/workforce analysis in their Departmental Staffing Accountability reports. The remaining departments were too small to produce such analysis. The success experienced by these departments/agencies in meeting or exceeding labour market availability for employment equity groups in 2001-2002 is illustrated in the table below.

All employment equity groups	14 of 49 departments (28.6%)
Women	43 of 49 departments (87.8%)
Aboriginal peoples	45 of 49 departments (91.8%)
Persons with disabilities	32 of 49 departments (65.3%)
Members of visible minorities	22 of 49 departments (44.9%)

2.3.2 What the Public Service Commission Has Done

Embracing Change (the Perinbam Report) is the federal government's action plan arising from the Task Force on the Participation of Visible Minorities in the Federal Public Service. Departments/agencies are moving steadily toward the Embracing Change benchmarks.

Under the Employment Equity Mainstreaming Initiative (EEMI), the PSC seeks to achieve an improved representation of EE groups in the federal Public Service workforce by building on the experiences and lessons learned from previous programs.

To fulfill its joint employer obligations with Treasury Board (TB) under the *Employment Equity Act* (EEA) and the *Public Service Employment Act* (PSEA), and in view of the anticipated termination of funding on existing temporary programs, such as Embracing Change, the PSC adopted in 2002-2003 the approach of mainstreaming employment equity into its regular operations and services to client departments and agencies in recruitment and staffing.

While the Treasury Board Embracing Change support fund has ended, the need to meet the one in five benchmark for the hiring and promotion of members of visible minorities is as important as ever. The most recent Census data shows that the visible minority population in Canada is growing much faster than the total population, representing 13.4% of the total population, an increase of 19% since 1996. Given this reality, it is important that we build on the success of Embracing Change activities and work together to bring employment equity into the mainstream of staffing and recruitment practices in the Public Service.

The objective is to help departments/agencies undertake and support positive policies and practices in recruitment and retention systems.

The PSC has also focused on trends in hiring persons with disabilities. The PSC is concerned that, for the third consecutive year, persons with disabilities are still recruited below their labour market availability. However, we note that the rate of appointments of persons with disabilities has improved over the past year.

Guidance is needed to increase awareness of the complex issues surrounding recruitment, self-identification and accommodation of persons with disabilities.

In 2002-2003, the PSC strongly encouraged departments/agencies to foster “inclusion by design” (that is, proactive efforts through policy and action) to include persons with disabilities through appropriate accommodations, as described in the new joint PSC/TBS Policy on *Duty to Accommodate Persons with Disabilities in the Federal Public Service*.

The Commission recognized that guidance is needed to sensitize Public Service managers to the complex issues surrounding the recruitment and self-identification of persons with disabilities. The PSC’s Personnel Psychology Centre recently revised its *Guidelines for Assessing Persons with Disabilities*, which support the *Duty to Accommodate Persons with Disabilities in the Federal Public Service* Policy, to help managers deal effectively with recent increases in the number of requests for accommodations during assessment and selection processes.

The PSC has provided additional support to facilitate the mobility of employment equity group members. In 2000, we approved the implementation of an Employment Equity (EE) component of the Career Assignment Program (CAP). The first campaign undertaken in the context of the EE component was aimed at Aboriginal peoples. In 2001, approval was given to expand the EE component of CAP to include members of visible minorities and persons with disabilities. Subsequently, an interdepartmental, national selection process was held in 2001-2002 for members of visible minorities, and a similar process was launched in 2003-2004 for persons with disabilities.

The PSC continued to support departments/agencies with tools to help them create an inclusive workforce that represents Canada's labour market and values the contributions of employees from all backgrounds. In 2002-2003, the PSC developed/revised three educational tools:

- *Profile of Public Service Leadership Competencies* (revised): Competencies now integrate the key elements required for managing diversity in the workplace across all leadership profiles and competencies.
- *Guidelines for Fair Assessment in a Diverse Workplace: Removing Barriers to Members of Visible Minorities and Aboriginal Peoples* (new): Managers and human resources specialists now have generic principles for fair assessment of all candidates as well as information on how these principles can be implemented to create barrier-free practices.
- *Values-Based Staffing in Canada's Public Service* (new): This tool for managers examines the integration of the policy frameworks for staffing values and recourse.

A national study on drop-off of employment equity candidates in the federal Public Service recruitment process was completed and results were reported in the *2001-2002 Annual Report*. As a follow up, a number of regional studies on drop-off were undertaken with the objectives of designing and testing barrier removal strategies to improve the success rate and representation of employment equity — in particular, visible minority — candidates.

Strategies to address the drop-off for members of visible minorities include: reviewing statements of qualifications with departments to avoid unnecessarily narrow experience and education requirements that could be barriers to employment equity candidates; encouraging departments to use diverse selection boards to increase objectivity; and, in general, integrating employment equity into departmental hiring practices.

The PSC also tested its assessment and screening tools — from written and cognitive examinations to simulations and interviews — to ensure they do not contain any “cultural bias.”



The 2002 evaluation of the Accelerated Executive Development Program (AEXDP) and the ADM Prequalification Process (ADMPQP), initiatives launched in 1997 as part of the renewal initiative known as *La Relève*, concluded that the programs have contributed significantly to improving representativeness at senior levels. The Embracing Change target of 1-in-5 for members of visible minorities has been met for AEXDP. The Program had achieved 20% visible minority participation (13 participants of 63) by March 2002, a year ahead of the 2003 target date. As well:

- As a result of the 2002-2003 CAP employment equity strategy, 61 participants (30%) are members of visible minorities.
- At the same time, 21 out of 89 (24%) successful Management Trainee Program candidates were members of visible minorities.

2.3.3 Substantiating Research and Data

The low representation of members of visible minorities in the EX group (3.8% as of March 31, 2002) presents a serious concern.

As of January 2003, the research and data show that while progress is slow, the federal government is closing the gaps in representativeness:

- The PSC's statistics indicate that when the Task Force on the Participation of Visible Minorities in the Federal Public Service undertook its work three years ago, the rate of external recruitment of members of visible minorities was approximately 1 in 17. In 2001-2002, the rate had increased to 1 in 10, and in 2002-2003, it remained 1 in 10.
- Entry into the executive group (EX) is usually from within the Public Service. We note with concern that the percentage of new entrants who are members of visible minorities into the EX group has remained at roughly 6% in the last three years. This falls short of the Embracing Change 1-in-5 benchmark.

To resolve this issue, investment in government-wide external EX recruitment strategy consistent with the Embracing Change Action Plan is necessary to address significant under-representation of members of visible minorities in the EX ranks.

- The PSC report, *Executive Succession Reconsidered* points out that members of visible minorities have specific development needs, such as knowledge of the second official language, exposure to policy development, and management experience. Members of visible minorities also cited lack of management support as a barrier to participation in career development programs more often than their non-visible minority counterparts.

The following table focuses on staffing activities for members of employment equity groups only and illustrates hiring activities as compared with their labour market availability.

Staffing Activities by Type and by Employment Equity Designated Groups 2002-2003

Employment equity designated groups	Appointments to the Public Service			Staffing activities <i>within</i> the Public Service									Total	
	No.	%	External availability*	Promotions			Lateral and downward movements			Acting appointments			No.	%
				No.	%	Internal availability	No.	%	Internal availability	No.	%	Internal availability		
Women	8 871	56.0	49.3	13 783	61.0	60.4	13 583	60.1	57.5	7 814	59.6	58.9	44 051	59.4
Members of visible minorities	1 541	9.7	7.1	2 121	9.4	8.9	1 839	8.1	7.4	1 004	7.7	8.0	6 505	8.8
Persons with disabilities	512	3.2	5.3	1 106	4.9	5.9	1 122	5.0	5.9	614	4.7	6.2	3 354	4.5
Aboriginal peoples	727	4.6	2.1	926	4.1	4.2	1 140	5.0	4.6	532	4.1	4.2	3 325	4.5
Total **	15 830	100.0		22 585	100.0		22 586	100.0		13 118	100.0		74 119	100.0

* Availability estimates are based on Statistics Canada labour market data (Health and Activity Limitation Survey and 1996 Census data) adjusted to reflect the positions staffed during the fiscal year 2002-2003 within the Public Service. These numbers will not match those published by Treasury Board Secretariat which are adjusted to reflect the total population in the Public Service at the end of the fiscal year.

** The sum of employment equity designated groups does not equal the total as a person may be in more than one group and men are included in the total. Consequently, the totals do not match other tables.

Please see Appendices: "Statistical Information and Technical Notes" for more information.

Data resulting from the 2001 Census will provide new information about the labour market availability. This data will not be available until 2004, and therefore will be reflected in the next Annual Report.

2.4 Equity Of Access: A Process Value

Equity of Access: *Equal access to employment opportunities; practices are barrier-free and inclusive.*

In the 2001-2002 Annual Report: The Commission was reassured that efforts to improve equity of access at both the departmental/agency and system-wide levels had increased over the past year. However, maintaining progress would require further effort and investment, particularly with regard to the use of the national areas of selection.

2002-2003 equity of access “health check”	
Overall	
<ul style="list-style-type: none"> Equity of access has improved considerably within the past year, but continuous effort is required. 	
Trends	
<ul style="list-style-type: none"> The results of the <i>2002 Public Service-wide Employee Survey</i> show that restriction in the area of competition is the most frequently cited career barrier for public servants. Regarding external recruitment, unless volume management is clearly dealt with through the use of information technology, focusing on e-Recruitment, departments/agencies will avoid using the national areas of selection any further. 	
Concern	
<ul style="list-style-type: none"> Despite some measures to limit the use of term and acting appointments, continued attention is needed. 	

2.4.1 What the Departments/Agencies Have Done

Temporary appointments (including acting appointments) can be a risk to equity of access because these can provide undue advantage to the employee temporarily appointed. For the past two years, the Commission has been concerned about acting appointments, particularly at the executive level. In last year's Annual Report, we noted that departments were still adjusting to the PSC's efforts to ensure that all term and acting appointments are the result of competitions or are short-term rotational assignments. We asked departments/agencies to review the impact of such hiring practices on their business strategies and to report this year.

As a result, we found that departments/agencies analyzed the various temporary staffing options (such as acting appointments) and put a number of mechanisms in place, including:

- advertising most acting appointment opportunities;
- requiring interested employees to compete for these opportunities; and
- attempting to limit the duration of acting appointments as well as offering such appointments on a rotational basis.

With regard to the issue of expanding the areas of selection throughout Canada, departments/agencies were very concerned about their capacity to staff positions and deliver programs in a timely, efficient manner without the proper resources to handle anticipated volume increases.

2.4.2 What the Public Service Commission Has Done

The PSC's commitment to improving equity of access has been demonstrated through several initiatives:

- expanding areas of selection;
- encouraging departments to limit the use of temporary hiring and acting appointments; and
- reviewing our responsibilities and related capacity with respect to official languages.



The PSC is continuing to run pilot projects to assess the impact of increasing access to Public Service jobs.

Expanding Areas of Selection

Increasing access to Public Service jobs by expanding the areas of selection to all of Canada would significantly increase the number of applications. To understand the operational impact, the PSC initiated pilot projects to examine operational and service concerns, such as management of the increased volumes of applications. (See Chapter 3 of this Annual Report for the results of the pilot projects.) The second phase of these projects focuses on testing the appropriate technological solutions.

Based on discussions about national areas of selection, the PSC made the use of a national area of selection the standard for EX minus 1 and EX minus 2 positions in 2001. A national area of selection was already in place for executive positions. To attract a sufficient pool of qualified candidates, the PSC will also continue to use a national area of selection for other occupational groups and levels requiring skills that are hard to find.

The Commission has responded to concerns expressed by parliamentarians and the public in the Atlantic provinces about the use of counties to determine eligibility for federal Public Service jobs advertised externally. This practice of defining areas of selection by region (pre-specified postal codes) is being replaced, on a pilot basis, with the use of radii, which allow people living within a certain radius of a job vacancy to apply. Departments/agencies have been closely monitoring the situation since its implementation in January 2003, to assess the impact of this change on both workload and volume of applications.

Temporary staffing, including acting appointments, puts the value of equity of access at risk.

Limiting Temporary Hiring and Acting Appointments

Expanding the areas of selection is one way to strengthen equity of access, but temporary hiring also has an impact on equity of access. As mentioned previously, the Commission reduced the term-to-indeterminate threshold from five to three years in 2002, to reflect the amended Treasury Board *Term Employment Policy*. The PSC has also been strongly encouraging departments/agencies to integrate human resources and business planning in order to avoid unnecessary reliance on term employment.

The Commission believes that, when an individual has been in an acting position prior to appointment, there is potential risk because the situation can create the perception of an undue advantage given to that person. However, progress has been made. In 2002-2003, 34% of appointments by closed competitions went to employees who were previously acting in the position. This represents a significant decrease when compared to two previous thematic studies conducted by the PSC. Further, the *2002 Public Service-wide Employee Survey* revealed an improvement in employees' perceptions of fairness in staffing.

Appropriate acting appointments balance the need for efficient staffing with the values of equity of access, fairness, and transparency.

The Commission continues to be concerned about long-term acting appointments at all levels and, more specifically, at the EX level. A 2001 PSC study of EX appointments revealed a high percentage of long-term acting situations in some departments/agencies. In 2002-2003, the PSC analyzed relevant data and asked Deputy Ministers to reduce acting appointments and rotate employees into these positions.

Official Languages

In 2002-2003, the PSC reviewed its responsibilities and related capacity with respect to official languages. Our primary responsibility relates to the Treasury Board policy on non-imperative appointments. This allows persons to be appointed to positions without initially meeting their language requirements. In order to facilitate this, the Commission established an Exclusion Approval Order (EAO) under the *Public Service Employment Act* which sets out the management regime for non-imperative staffing. This includes the requirement that the specific language profile be met within a two-year period.

Our official languages policy review has indicated that it is also time to re-examine in detail the elements of the official languages EAO to ensure that it continues to support the Government's objectives related to language of work and service to the public. To this end, the Commission will review the EAO and monitor more closely its application in departments.

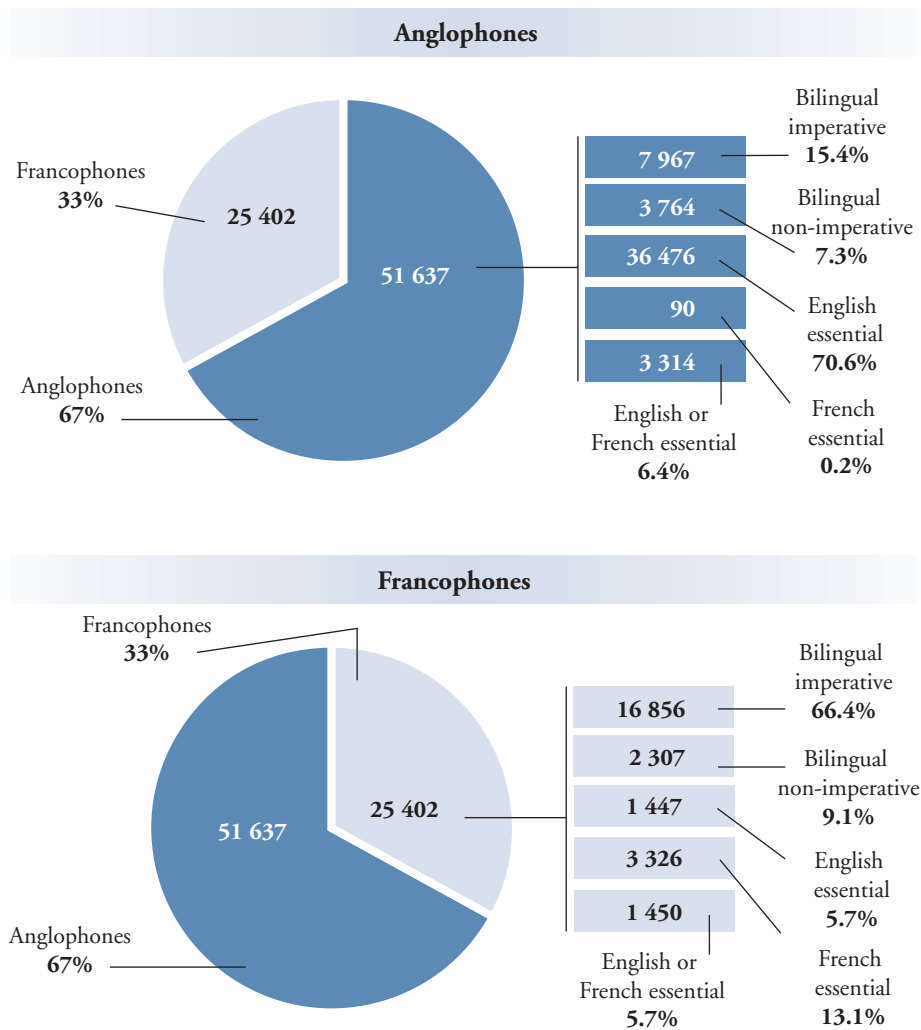
We also want to ensure that we are fulfilling our responsibilities in the area of recruitment and EX staffing. For example, we work directly with departments to ensure they are meeting all of their obligations when staffing executive positions. The PSC delivers much of the professional language training that supports the development and maintenance of a bilingual workforce, ensuring that the Public Service is accessible to all Canadians. The 2001 Census revealed that language training will continue to be a major training need for anglophones in the Public Service due to the fact that only 10% of these workers are bilingual (compared to 54% of francophone workers). To address this need, the PSC will improve and increase the availability of its language training programs. We will also enhance the visibility of official languages — in our education tools/programs and our work with departments — to ensure that managers and employees fully understand their responsibilities related to official languages and staffing.



2.4.3 Substantiating Research and Data

Our research clearly indicates that individuals in the regions do have access to Public Service jobs in their part of the country. For example, in 2001-2002, 55% of appointments (approximately 12,000 jobs) were staffed outside the National Capital Region.

Linguistic Profile of Positions Filled by Anglophones and Francophones* 2002-2003



* Please see Appendices : “Statistical Information and Technical Notes” for more information.

The above charts show that two-thirds of jobs were designated as English essential or bilingual non-imperative and do not pose a language barrier to a majority of candidates. As well, the results of the *2002 Public Service-wide Employee Survey* indicated that only 16% of employees see lack of access to language training as a career problem.

2.5 Fairness: A Process Value

Fairness: *Decisions are made objectively, free from political or bureaucratic patronage; practices reflect the just treatment of employees and applicants.*

In the 2001-2002 Annual Report: The Commission concluded that, overall, staffing practices were fair. Perceptions to the contrary resulted from other issues experienced within the working environment.

2002-2003 fairness “health check”	
Overall	<ul style="list-style-type: none"> ▪ The Commission believes the staffing system is generally fair.
Trend	<ul style="list-style-type: none"> ▪ In 2001-2002, departments/agencies noted an improvement in employees’ perceptions about fairness in staffing. Many organizations instituted various practices to ensure a perception of fairness.
Concern	<ul style="list-style-type: none"> ▪ The overall information on this issue provided by departments in their 2002-2003 Departmental Staffing Accountability reports remains very superficial.

2.5.1 What the Departments/Agencies Have Done

Process values such as fairness have limited objective measures, and judgements about their effectiveness are based on perceptions of individuals within the staffing system. Such perceptions play a critical role in our assessment of the health of these values. Since 2001, many large departments/agencies have instituted various practices to ensure positive perceptions of fairness, which resulted in employees’ improved perceptions about fairness in staffing in 2002-2003. More than 95% (69) of the 72 departments/agencies indicated that they had mechanisms in place to gauge employees’ perceptions of fairness, equity, and transparency.



good examples

- **At Communication Canada (CC)**, during a recent merger, CC implemented a range of transition measures to ensure fair treatment of employees in its appointment process.
- **At the National Energy Board**, a Reclassification Policy for its five core job families has been established to ensure the fair treatment of candidates by assessing all core job families uniformly.
- **At the Canadian Transportation Accident Investigation and Safety Board**, a Staffing Process Survey was sent, at random, to applicants for all competitive processes. The survey results revealed that the organization was transparent, fair, and equitable in its selection processes.

The fairness value is strongly influenced by the relationships that departments/agencies have with their bargaining agents. Consultation with bargaining agents is a requirement of the delegation and accountability framework between the PSC and departments/agencies. In last year's Annual Report, the Commission identified inadequate relationships with the bargaining agents as a concern and requested that departments report on this issue. As part of ensuring the reliability of the content of Departmental Staffing Accountability reports, the majority (54 of 72) of departments/agencies consulted their bargaining agents' representatives, as indicated in this year's Reports. Most (14 of 18) departments/agencies that did not consult the bargaining agents were small organizations with no bargaining agents' representative on site.

2.5.2 What the Public Service Commission Has Done

The recourse function plays an essential role in ensuring fairness. In its *2001-2002 Annual Report*, the PSC expressed concern that departments/agencies had not reported extensively on their recourse performance (post-boards, mediation, alternate dispute resolution and appeals). Although departments/agencies have improved the quality of their reporting on this issue, the PSC notes that the overall information provided in 2002-2003 remains very superficial. Although only a very small percentage of appointments are challenged through an appeal, Deputy Heads need to pay attention to appeals, to gather any useful information from them, and to use that information to improve staffing and employee perceptions of staffing.

Departmental Staffing Accountability reports indicate that departments/agencies are not paying sufficient attention to the appeals process and its impacts.

2.5.3 Substantiating Research and Data

According to the *2002 Public Service-wide Employee Survey*, perceptions of fairness have somewhat improved. For instance, the *1999 Public Service-wide Survey* indicated that 68% of employees agreed that in their work unit, the process of selecting a person for a position was done fairly; in 2002, 71% agreed this was the case.

The recent *Public Service-wide Employee Survey* also shed light on employees' perceptions of recourse issues. Less than 60% of employees agreed that they were satisfied with the way in which informal complaints on workplace issues were resolved in their unit (73% for supervisors, 54% for non-supervisors). Thirty-five percent did not feel they could initiate formal redress (grievance, right of appeal, health and safety, etc.) without fear of reprisal and an additional 12% simply did not know. This data may signal a need for an improved audit and investigation capacity for the Commission.

The *2002 Public Service-wide Employee Survey* indicated that perceptions of fairness may have improved because 33 (47.8%) of federal organizations used the *1999 Public Service-wide Employee Survey*, along with other surveys/consultations at the organizational level and analysis of the recourse system, as bases for identifying problems; and many (22) of these organizations instituted corrective measures when issues were identified. This finding is supported by the results of the PSC's Program of Special Surveys (PSS).

2.6 Transparency: A Process Value

Transparency: *Open communication with employees and applicants about resourcing practices and decisions.*

In the 2001-2002 Annual Report: The Commission concluded that, despite some progress, federal departments/agencies had not sufficiently practised transparency — which underlies all values and principles. Managers were encouraged to ensure that “resourcing strategies and decisions are clearly communicated to all stakeholders in the system”.



2002-2003 transparency “health check”

Overall

- Despite evident improvement in transparency, further effort is required.

Trend

- As departments use more flexibilities, they are also improving their communication strategies to make their staffing actions transparent.

Concern

- Competitions are usually transparent. Other staffing strategies, although legitimate, such as short-term staffing, appointments without competition, and acting appointments, require greater emphasis on communications. Further improvement in this area is required.

Departments/agencies are making significant efforts to improve transparency practices with regard to staffing.

2.6.1 What the Departments/Agencies Have Done

A total of 49 (70%) of 72 departments/agencies reported improved communication of information related to fairness, equity, and transparency.

In the past fiscal year, departments/agencies have responded to the challenge of making staffing transparent by instituting or improving numerous practices to strengthen the value of transparency and the overall effectiveness of their organization. These practices included:

- routinely discussing staffing plans and policies with employees;
- having an open-door policy to address concerns related to values in staffing;
- offering post-board interviews; and
- initiating an exit interview program.



Case Study

The Economic Development Agency of Canada for the Regions of Quebec provides a good example of how improved communications can have a positive impact on the overall perception of the value of transparency within an organization. A number of memos contained details on the processes regarding notice of competition or appointments without competition, and made evident the context associated with these appointments. These communications allowed employees to better understand management decisions taken with respect to staffing and to reduce the dissatisfaction at the lack of information and transparency. In response to particular concerns expressed by employees, managers and bargaining agents' representatives, the Agency distributed summaries of the staffing notice to all employees in nine of 14 offices.

2.7 Flexibility and Efficiency: Management and Service Delivery Principles

Flexibility: *Resourcing approaches are adapted to the specific needs of the organization.*

Efficiency: *Resourcing approaches ensure good value for money and are simple, timely, and effective in their delivery.*

In the 2001-2002 Annual Report: The Commission concluded that departments/agencies did not fully use flexibilities available in the current system. The PSC encouraged managers to use new flexibilities responsibly by focusing on results and not letting speed of the staffing process erode the values of fairness and transparency.

2002-2003 flexibility and efficiency “health check”

Overall

- The Commission is satisfied with the overall application of the flexibility and efficiency principles.

Trend

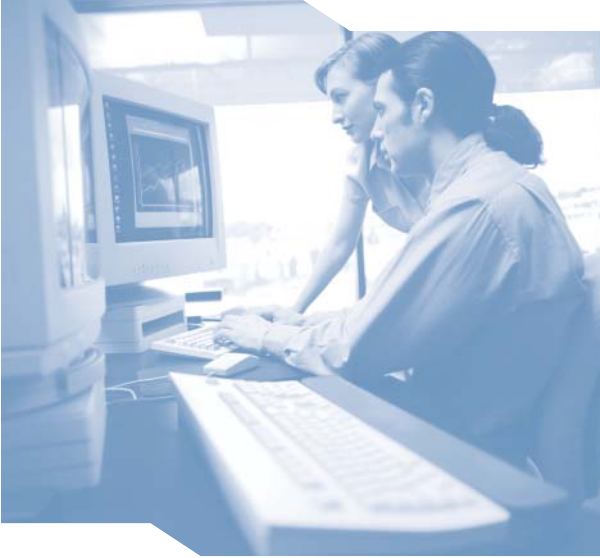
- Overall, the length of the staffing process, compared to last year, has remained constant. Departments/agencies increased their use of large-scale competitive processes; although they lengthen the average staffing time, these processes can actually be more effective because they result in a higher number of hires per process. Organizations realize that focus on speed alone does not always result in the desired outcome.

Concerns

- Both managers and human resources specialists need training to make full use of new and existing staffing flexibilities. Investments in the human resources community are necessary to strengthen capacity in this area.
- There is a decrease in use of the Post-Secondary Recruitment Program by departments.

2.7.1 What the Departments/Agencies Have Done

Departments/agencies have incorporated these two management and service delivery principles into their planning and implementation. The following case study exemplifies this approach.



Case Study

In order to explore how the pre-qualified pool approach could increase efficiency and effectiveness, Fisheries and Oceans Canada (DFO) is using this initiative to recruit approximately 40 candidates for Administrative Assistant positions (AS-01) in the National Capital Region through an open competition. DFO plans to start using the pool of approximately 65 qualified candidates chosen from the initial 1,400 applicants. So far, managers have expressed great satisfaction with the quality of the selected candidates within the pool. The Department and the PSC will jointly conduct the pre-qualified pool evaluation.

2.7.2 What the Public Service Commission Has Done

Merit finds practical meaning in the judicious balancing of the six results and process values that underlie it, together with the management principles of flexibility and efficiency. To achieve this balance, the PSC instituted several key improvements including:

- limiting the duration of temporary staffing (as indicated earlier, the PSC reduced the term-to-indeterminate threshold from five to three years); and
- delegating appointments from pools of pre-qualified candidates on a pilot basis.

The PSC also continued to encourage departmental executive resourcing through the Strategic Executive Staffing (SES) — an alternative to case-based staffing for EX-01 to EX-03 positions. Based on a department's EX staffing plan for up to 24 months, it provides more flexibility and efficiency to departments. To date, the Commission has approved SES proposals for five departments. The PSC is working in partnership with these departments to customize flexibilities according to each department's needs and challenges. We will also be using SES as one of the instruments to encourage departments/agencies to increase employment equity appointments to meet Embracing Change benchmarks.

Pre-qualified pools, which allow managers to appoint fully assessed candidates, show promise as a mechanism for improving staffing efficiency.

The Commission has contributed to the efficiency of the staffing system by delegating the authority to departments/agencies to appoint from pools of pre-qualified candidates. This initiative has been undertaken on a pilot basis, subject to the development of a management framework.

Managers can make appointments from pools of fully assessed, fully qualified individuals as soon as a vacancy occurs, saving time and resources. Pre-qualified pools also increase efficiency because managers do not have to assess the same employees for similar positions, and employees do not have to apply in as many competitions for similar positions. Partnering and workload-sharing is encouraged, as is the establishment of such pools for functional communities.

In July 2001, the PSC amended regulations to facilitate pre-qualified pool appointments. In April 2002, with the approval of an *Exclusion Approval Order* and *Recourse Regulations*, the PSC replaced the appeals process for pre-qualified pools. As of mid-April 2003, seven departments had expressed interest in developing pre-qualified pools.

The PSC has also established a pre-qualified pool of Information Management/Information Technology (IM/IT) executives at the EX-02 and EX-03 levels. The selection process was open to the public and resulted in 20 appointments being made from the pool, which expired March 31, 2003. Creation of new IM/IT pre-qualified pools for fiscal year 2003-2004 is under way.

To address the management and service delivery principles, the PSC modified the Post-Secondary Recruitment (PSR) Program in 2002 by making it year-round, allowing departments/agencies to access this target population at any point in a year. The 2002-2003 Program enhancements provide: electronic links to the Web sites of several universities across the country; an electronic referral system; an on-line application form; and 24-hour access for candidates and managers.

The Office of the Auditor General commended the PSC for this redesign of the Post-Secondary Recruitment Program.

However, as noted in Chapter 3, departmental use of this Program has decreased by 50%.

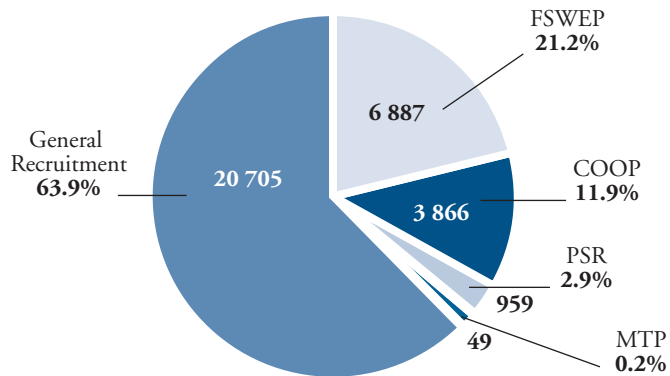
This is a major concern, as the PSR has historically been a prime vehicle for Public Service renewal.

Renewal through Recruitment

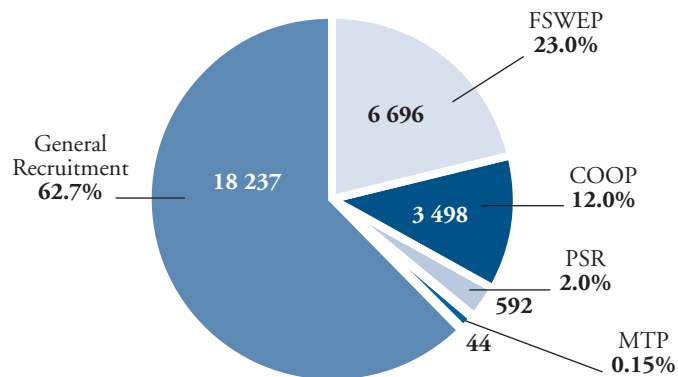
External recruitment continues to be an important source of renewal for the Public Service. Human resources planning is essential in being prepared to compete for new talent and launch effective recruitment initiatives. Appointments resulting from external recruitment are profiled in the charts that follow.

Distribution of Recruits Under Recruitment Programs

2001-2002



2002-2003



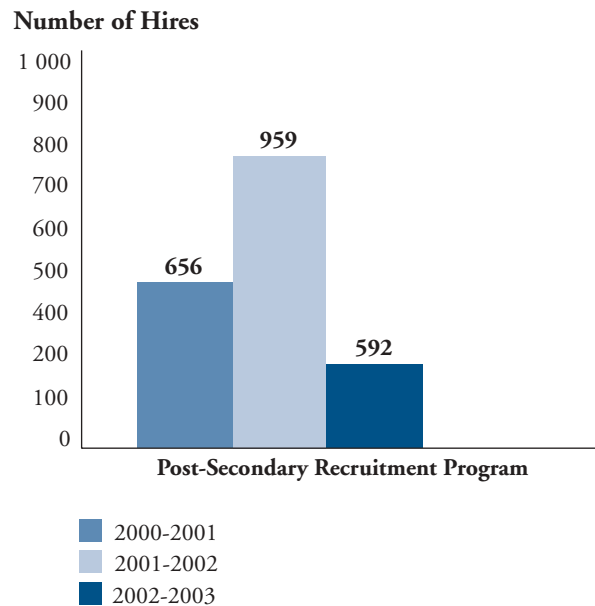
FSWEP: Federal Student Work Experience Program
 COOP: Co-operative Education Program
 PSR: Post-Secondary Recruitment Program
 MTP: Management Trainee Program

As the previous charts illustrate, new employees enter the Public Service in different ways:

- post-secondary recruitment campaigns;
- other corporate programs, particularly general recruitment; and
- the student bridging program, which allows departments/agencies to hire students who have demonstrated, through temporary employment with the Public Service, that their knowledge and skills would make a positive contribution.

Both the Commission and the Auditor General have signalled their concern with the drop in the number of appointments made using the Post-Secondary Recruitment Program during the past year.

Post-Secondary Recruitment Program Trends*



* Please see Appendices: “Statistical Information and Technical Notes” for more information.



2.7.3 Substantiating Research and Data

In 2002-2003, the PSC conducted a study on competency and fairness to determine why departments are asking for recruitment without competition. The study identified several issues:

- 42% of departments/agencies have difficulty recruiting candidates from “shortage groups”, that is, groups in which there are not enough people with particular skills;
- 21% of requests for recruitment without competition resulted from the need to hire an individual previously employed under the *Public Service Employment Act* to a position requiring similar competencies; and
- 19% of all recruitment without competition nation-wide was based on employment equity requirements, that is, situations in which appointment of a qualified member of an employment equity group would increase or consolidate the department’s representativeness, and was proposed in the context of an approved employment equity program.

The efficiency principle is clearly demonstrated by speed of staffing. This issue was discussed in last year’s Annual Report. The Commission reported that the average time taken for indeterminate staffing was significantly less than 14 weeks, excluding the large-scale competitions (approximately 25%) undertaken by several departments/agencies. Despite increasing workloads, staffing time for executive positions was reduced from 80 working days in the year 2000-2001 to 55 working days in 2001-2002. This year’s data indicate that overall we have maintained the same average.





chapter 3: key issues for a results-centred staffing system

In its previous two annual reports, the Commission stated that while legislative change is an important part of human resources management renewal, it is not sufficient to achieve the kind of cultural change needed to meet future recruitment and retention challenges. The reports underlined the importance of continuing to monitor and report on the progress made on three major issues:

- the need for departments to undertake better human resources planning;
- the need to increase Canadians' access to federal employment opportunities through the use of electronic recruitment (e-Recruitment); and
- the need to enhance human resources management capacity within the Public Service.

With the anticipation of new human resources legislation and the slow progress over the past three years on the issues of human resources planning, e-Recruitment and departmental human resources capacity, the Commission is convinced that these must be addressed with more urgency.

In 2002-2003, the PSC continued to track these three major issues which affect the health of the staffing system and create challenges for the Public Service, both now and in the future. We believe that resolving these issues is critical to the success of renewing the staffing regime.

It is noteworthy that the Auditor General highlighted similar concerns in the following documents: Chapter 3 *Report (2001)*, Chapter 7 *Report (2002)*, and the *2003 Status Report*.

In this chapter, we discuss these three major issues by presenting an overall assessment of each issue, noting trends, and highlighting concerns about the risks and potential impacts of each.

The importance of quality human resources planning was supported by a recent Conference Board of Canada publication, *Building Tomorrow's Public Service Today (2002)*, that focused on recruitment and retention issues in the Public Service. It reiterated the need for a strong focus on workforce planning and skills development throughout departments/agencies.

3.1 Human Resources Planning

Human Resources Planning	
Overall	<ul style="list-style-type: none"> The Commission recognizes the positive results achieved to date by many departments, but remains convinced that this issue needs more focused leadership at a strategic level across the Public Service.
Trend	<ul style="list-style-type: none"> Some positive trends are noted at the individual departmental/agency level with best practices linking staffing plans and learning needs with organizational performance.
Concern	<ul style="list-style-type: none"> The staffing system's long-term capability to provide for a competent Public Service will be at risk until human resources planning as an integrated part of departmental planning becomes the norm.

In assessing the extent to which progress has been made on this issue, the Commission examined the changing profile of the labour market, departmental practices with respect to human resources planning, hiring trends (including patterns of external recruitment), and the availability of internal feeder groups.

Competition for highly skilled workers

New trends in the Canadian labour market demonstrate that accessing more diversified, non-traditional sources of talent will be a challenging task. Based on the 2001 Census, Statistics Canada confirmed that competition for highly skilled workers in a diverse labour market will continue. It notes that almost half of the labour market growth (46.2%) since 1996 has been in highly skilled occupations requiring a university degree. In addition, immigrants represented 70% of the labour force growth from 1991 to 2000. In summary, the Public Service must be prepared to compete for this highly educated and diverse pool. This analysis underscores the need for human resources planning.



3.1.1 Improvement in Departmental Performance

In the *2001-2002 Annual Report* the Commission noted that some progress had been made on human resources planning, particularly within large departments. Without continuing work on this issue, we also noted that the staffing system's long-term capability to provide for a competent Public Service would be at risk — a risk that would persist until human resources planning as an integrated part of departmental planning became the norm. We concluded that the need for human resources planning would intensify as the nature and profile of the labour market continued to change.

Current trends are positive

The PSC's analysis of Departmental Staffing Accountability reports points to positive trends at individual departments/agencies. In reporting their performance vis-à-vis the staffing value of competency, more than 50% of the departments/agencies, regardless of size, were able to demonstrate clear linkages between mandate, business objectives, human resources plans, and staffing. In some cases, a good start has been made, but further integration of human resources and business plans is needed.

These observations are consistent with our evaluation of the health of the competency value as discussed in Chapter 2.

The following departments provide good examples of linking human resources directions, learning needs, staffing and employment equity strategies with business lines and organizational performance.

One of the hallmarks of improved human resources planning in the Public Service is that, in many organizations, staffing is no longer seen as a series of individual transactions but is viewed as an important function, guided by senior management.

Good Examples of Human Resources Planning

Small department/agency	<ul style="list-style-type: none"> ▪ National Farm Products Council ▪ National Energy Board
Medium department/agency	<ul style="list-style-type: none"> ▪ Communication Canada
Large department/agency	<ul style="list-style-type: none"> ▪ Agriculture and Agri-Food Canada ▪ Statistics Canada ▪ Industry Canada

Treasury Board Secretariat has produced *Introduction to Human Resources Planning — A Reference Tool for Human Resources Specialists in the Public Service of Canada* that is available electronically. Although it is a good technical guide, this initiative falls short of the broad strategic leadership role that we believe is necessary.

3.2 Improving Recruitment and Increasing Access Using Technology

E-Recruitment
Overall
<ul style="list-style-type: none"> ▪ The PSC will continue to determine how e-Recruitment technology can be used to improve the staffing system and broaden access to jobs. This includes reporting to Parliament on technology-based tools and solutions along with the required investments in line with Public Service values.
Trend
<ul style="list-style-type: none"> ▪ The PSC has taken a responsible, measured approach to phasing in national areas of selection, evaluating the consequences and considering the lessons learned, so that problems are not created.
Concern
<ul style="list-style-type: none"> ▪ Results of the pilot projects confirm that the current manual recruitment system cannot support the widespread use of national areas of selection, and that a considerable investment of \$40 million over four years is necessary for continued progress. One of the greatest challenges to be met is not the technology itself, but the extensive capacity-building and cultural change that will be required within the Public Service.

In continuing to examine the potential of e-Recruitment, the Commission considered practical lessons learned during the past year about the kinds of solutions offered by technology as well as the investments that will continue to be necessary.

3.2.1 The Potential of E-Recruitment

In our past two Annual Reports, the Commission highlighted technology's potential in addressing a number of recruitment issues, including:

- broadening access to federal job opportunities;
- increasing staffing speed;
- streamlining selection processes;
- strengthening the Public Service's competitive positioning;
- increasing our "reach" into a new technology-savvy labour market which includes a more diversified talent pool; and
- preserving merit-based hiring in a delegated staffing and recruitment system.

The Commission has stated its continued commitment to enhancing Canadians' access to jobs in the Public Service. At the same time, we recognized that expanding the use of national areas of selection without the proper tools to manage high volumes of applications would likely result in adverse effects that would hinder access to federal Public Service jobs. We also recognized the importance of harnessing recruitment technology in a way that supports our values-based approach to staffing.

With these considerations in mind, the PSC decided on a responsible and measured approach to technologies involved with recruitment, specifically:

- phasing in expanded areas of selection;
- evaluating the consequences; and
- assessing how technology could facilitate the process.

As a first step, in the fall of 2001, the PSC implemented a national area of selection for senior officer-level jobs — those that typically include executive positions and those positions within two levels below executives.

In 2002, the PSC conducted pilot projects to identify the conditions required for the long-term usage of a national area of selection for middle and junior officer-level jobs — those that typically include positions more than two levels below executives, but do not include clerical support and trades positions.

Our staffing values continue to distinguish the Government of Canada from private sector employers and will affect decisions about e-Recruitment technology.

3.2.2 Results of E-Recruitment Pilot Projects

Pilot projects show that, although a national area of selection broadens access to jobs, it also puts stress on a system of manual recruitment.

E-Recruitment tailored to reflect Public Service values would serve both candidates and managers.

The 2002 pilot projects, which continued in 2003, demonstrated that the number of applications increased significantly when a national area of selection was used, as compared with local areas of selection (generally within commuting distance) or regional areas of selection (broader than local, less than national). Specifically, per external recruitment process:

- 2001-2002: an average of 111 persons applied.
- 2002-2003: an average of 173 persons applied.

Notably, the first pilot project resulted in 14% of the appointments for junior and middle-level officer jobs coming from outside a traditional area of selection.

In practical terms, a national area of selection means staffing delays which affect hiring managers' capacity to deliver programs in a timely, efficient manner. For example, the time taken by hiring managers for screening and preparing for candidate assessment increased from eight to 15 days. The pilot projects concluded that the current manual recruitment system cannot support the widespread use of national areas of selection, and that investing more money in a manual system is not the solution.

A second pilot project demonstrated the impact of using technology for recruiting in Central and Southern Ontario for certain job groups, including Administrative Services, Programme Administration, Clerical and Regulatory, and Engineering and Scientific Support. E-Recruitment is a promising alternative because managers can screen large numbers of applications in a fair, objective manner, thereby eliminating a major obstacle to the use of a national area of selection for external recruitment. This experience demonstrated that a re-engineered e-Recruitment system tailored to reflect Public Service values would serve both candidates and managers.



Case Study — E-Recruitment

The PSC advertised a Program Manager (PM-02) position in Toronto on behalf of a department. The PSC received 657 applications on-line. The day following the closing date, the PSC was able to automatically screen the numbers down to 11 well-suited candidates, based upon the applicants' responses to a job-specific questionnaire and an on-line review of the electronic résumés as a quality control check. The manager received the 11 pre-screened résumés electronically and was able to assess candidates with greater efficiency than using manual recruitment techniques.

Source: Public Service Commission of Canada,
Enhancing Canadians' Access to Federal Public Service Jobs,
November 2002

Continued growth in the number of visits to the Government of Canada's jobs.gc.ca Internet site demonstrates public willingness to learn about and apply for work on-line. The number of visits increased by 34% from an average of 953,830 per month in 2001-2002 to 1,275 211 in 2002-2003.

Clearly, the PSC must continue to invest in people, processes, and technology on a system-wide basis if e-Recruitment is to succeed. The PSC must now:

- assess optimum technological options;
- provide assistance to managers, departments/agencies, and the human resources community; and
- build the technological infrastructure in a way that respects staffing values and does not result in barriers for candidates.

3.2.3 Investing for the Future and Broadening Access to Jobs

Feedback from both managers and candidates on e-Recruitment pilot projects has been very positive.

Technology is key to moving away from the use of geographic areas of selection for external recruitment.

Building on the lessons learned from the pilot projects, the PSC launched the Public Service Resourcing System (PSRS) in April 2003 as an internal technological solution in the National Capital and Eastern Ontario Region. To date, the reaction of managers and candidates has been very positive. This system has a number of advantages:

- Hiring managers and human resources specialists are able to manage the volume of applications with automated screening tools based on a series of standardized experience-related questions.
- Canadians can use the system to view government job postings on-line, apply for positions, and receive feedback on applications.
- Candidates are able to store information, which makes subsequent applications easier and less time-consuming.
- Electronic screening tools provide candidates with valuable information on the specifics of the job, allowing them to focus more effectively in their job search.
- This new system has the potential to screen applications quickly, efficiently, and according to Public Service requirements. As a result, this technology is key in facilitating a move away from the use of geographic areas of selection for external recruitment.

Experience gained from the pilot projects is reflected in the Commission's report to Parliament in June 2003, *Enhancing Canadians' Access to Federal Public Service Jobs: Expanded Use of National Areas of Selection for Jobs Open to the Public*. The report outlined the progress made in eliminating geographic areas of selection, presented the PSC's plan to expand the use of a national area of selection and outlined the financing needed to implement the plan.

We have learned that one of the greatest challenges is not the technology itself, but the extensive capacity-building and cultural change that will be required within the Public Service.

Experience has taught us that if broadened access is to be achieved without creating problems, we need to address the following three key elements:

1. **Technology:** We must select the most appropriate long-term technological solution. The standards for the system must be developed in a fashion that ensures the protection of merit and the achievement of broader government-wide goals, such as employment equity and official languages.
2. **Governance:** The infrastructure being developed to support e-Recruitment solutions must continue to respect merit and staffing values.
3. **Funding:** Long-term funding required for the plan is estimated at \$40 million over four years. This is well beyond the PSC's financial capacity, and we have now reached a stage where it will be impossible to make significant progress without new funding support.

These are necessary conditions in order to change the way in which recruitment and staffing are practised in the long term.

The Commission also recognizes the potential to apply e-Recruitment technology to staffing within the Public Service. This would improve employees' access to career development opportunities. As the discussion about Equity of Access in Chapter 2 illustrates, restriction in the area of competition is the barrier to career development most frequently identified by Public Service employees.

3.3 Human Resources Management Capacity

human resources management capacity
<p>Overall</p> <ul style="list-style-type: none"> ▪ The Commission recognizes the continuing efforts being made to develop the human resources community, but is convinced that this issue still represents a risk to the system.
<p>Trend</p> <ul style="list-style-type: none"> ▪ The Public Service Commission's <i>Diagnosis of the Capacity of Departments to Monitor and Report on Values Based Staffing</i> highlights the need for better skills and departmental capacity in areas of performance measurement, monitoring, and analysis.
<p>Concern</p> <ul style="list-style-type: none"> ▪ Areas requiring improvement include: <ul style="list-style-type: none"> – departmental ability to monitor and report on staffing performance; – awareness/capacity of managers to address staffing issues; – human resources practitioners' skills development in areas of performance measurement, monitoring/modern comptrollership, and e-Recruitment; and – overall under-resourcing.

This issue is examined from the perspective of current challenges and emerging issues which will impact departmental human resources capacity in the future.

3.3.1 Preparing Managers for More Delegation

In its past two Annual Reports, the Commission raised the lack of a human resources capacity as both a serious issue and a risk to the staffing system. Two years ago, our concern focused on the continuing negative impact of under-resourcing in the human resources community on service delivery, and the system's ability to prepare for future challenges. Last year, the Annual Report noted that progress was being made in strengthening this community. Efforts were directed at rebuilding capacity by recruiting new professionals at the entry level and examining the development needs of experienced professionals, in light of the need for new skills and competencies. The Commission's recommendation in last year's Annual Report focused on the need to continue capacity-building within the human resources community. In doing so, it also began to direct attention towards addressing managers' needs, thereby broadening the focus from the human resources community to departments/agencies.

The Commission is concerned not only with the current departmental human resources management capacity but also with the heightened importance of this issue in view of the proposed Public Service Modernization Act.

While the Act continues to give the PSC authority to make appointments to and within the Public Service, it encourages the delegation of staffing authority "to as low a level as possible within the Public Service." This is intended to ensure managers have the flexibility necessary to staff, to manage and to lead their personnel to achieve results for Canadians.

Operational managers need to understand and use delegated authorities effectively. As the discussion about human resources planning illustrated, some departments/agencies are integrating human resources issues with business planning and management issues. However, system-wide efforts remain largely focused on the human resources specialist community itself rather than on operational managers' needs and overall departmental capacity.

3.3.2 Challenges in Current Capacity to Monitor and Report on Staffing

The PSC conducted a study of the capacity of departments/agencies to monitor and report on staffing. *A Diagnosis of the Capacity of Departments to Monitor and Report on Values-Based Staffing (2003)* examined current strengths and challenges, with the understanding that the information gained would affect the framework for delegation and accountability as the staffing system modernizes. The study looked at these issues from the perspective of leadership, roles and responsibilities, tools, and training.

Primary challenges to the human resources management capacity are underfunding and lack of human resources.

- **Leadership:** The study concluded that, on the whole, departments/agencies acknowledge the importance of managing resourcing activities based on performance measurement. However, it noted that some organizations are still developing staffing performance measures; in some cases, they need additional resourcing to accomplish this task.
- **Roles and responsibilities:** The study noted that the lack of resources within the human resources community has a negative impact on the ability of departments/agencies to conceptualize, analyze, and interpret staffing performance information.
- **Tools:** Tools are the mechanisms that departments/agencies use to gather operational information, performance information, and/or input from stakeholders. Although tools need to be more efficient, the main obstacles are lack of resources and expertise. The study also raised concerns about the reliability of information that supports departmental reporting, including:
 - the high turnover and training of data entry staff;
 - the complexity of coding staffing information;
 - the weakness of tools and validation processes;
 - the completeness of paper-based and electronic files/documents; and
 - a poor definition of information needs.
- **Training:** The study noted that departments/agencies need more information about the criteria used to assess performance in staffing, and are looking for the optimal balance of tools and measures, given departmental resources.

This PSC study points to the continuing need to build the skills base of the human resources community in areas that focus on performance measurement, monitoring, and analysis. This is necessary to respond to the challenges of today and to prepare for the future, with the anticipated increase in delegated authority to departments/agencies.

Impact of e-Recruitment

In the Introduction, we noted that the PSC is making an overall shift from an operational to a guardian role in staffing. The e-Recruitment pilot projects conducted last year reinforced this fundamental change by noting that the human resources practitioner is now viewed as a professional knowledge worker and advisor to hiring managers. The result is that the human resources community has new learning and development needs.

Integration of e-Recruitment into staffing practices means that human resources professionals require increased levels of expertise and knowledge.

Technological change will require that the human resources community and managers have appropriate levels of expertise commensurate with their roles in staffing.

This point is further illustrated by our analysis of Departmental Staffing Accountability reports, in which we noted that current approaches to monitoring staffing range from manual tracking in smaller departments/agencies to technology-based tools and Web sites in others. Clearly, different levels of expertise in using technology influence the capacity to critically assess opportunities to streamline staffing processes while protecting merit values.

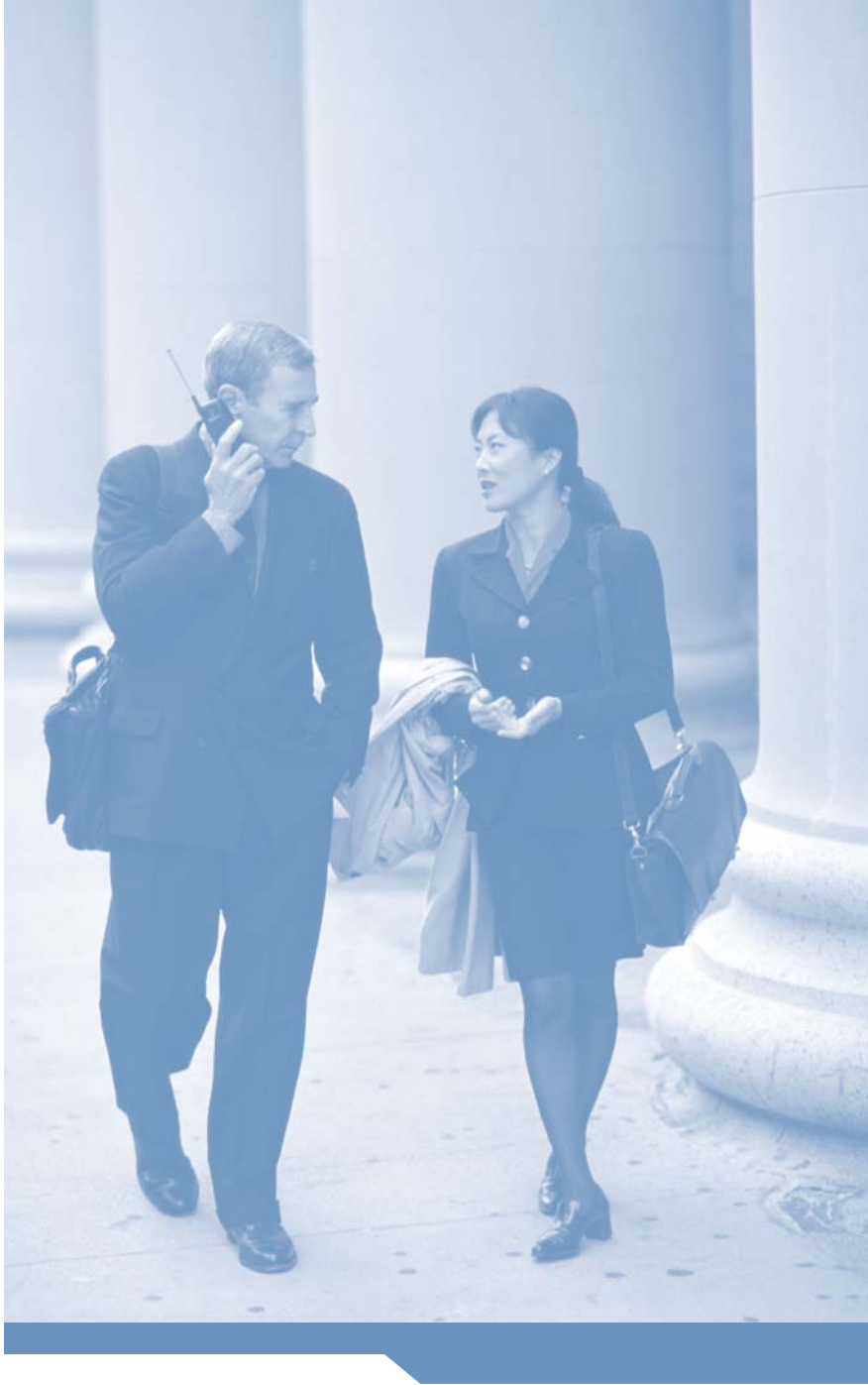
3.3.3 Progress in Strengthening the Human Resources Community

Last year, progress continued in furthering the development of human resources professionals with a view to positioning members of this community for future challenges. The Human Resources Community Secretariat focused on developing a learning strategy for the next three years. Driven by the need to develop and enhance the competencies of human resources professionals, the goal is to build capacity in order to improve client service; respond effectively to human resources modernization; and foster innovation in the workplace. Three areas related to the role of human resources specialists emerged as priorities needing attention: leadership and management (including modern comptrollership); functional expertise; and change agent/client relations.



The federal Public Service has invested considerable effort in the recruitment, development, and retention of 72 new hires into entry-level human resources positions as an essential step for capacity-building within the community. A survey by the Human Resources Community Secretariat confirmed that, although new professionals have a strong commitment to a long-term career with the Public Service, their career development needs must be addressed now.

The PSC has continued to support the development of the human resources community through a National Strategic Staffing Conference that attracted approximately 800 practitioners from across the Public Service in 2002. In addition, monthly learning events such as *SmartShops Plus* have focused on topical issues as well as staffing delegation.



chapter 4: stewardship of staffing and merit — an evolving concept

As signaled throughout this Report, it is now time for departments to assume more accountability and invest for a new staffing regime. In preparing for the future, the PSC has taken steps to set a direction for the development of the oversight tools, benchmarks and standards that will be required. This chapter reviews the PSC's role and activities in fulfilling its mandate for the protection of merit.

stewardship of staffing and merit	
Overall	<ul style="list-style-type: none"> Progress made and experience gained in continuously building and improving the values-based approach to oversight during the past four years effectively position the PSC to develop oversight for the new legislative framework.
Trend	<ul style="list-style-type: none"> Continuous improvements have been made in the approach to oversight based on modern comptrollership principles, with departments taking more ownership of staffing performance and improving their staffing programs.
Concern	<ul style="list-style-type: none"> The Commission recognizes the need for ongoing innovation and investment in continuing to exercise stewardship for a staffing system based on values. In looking to the future, concerns about departmental human resources management capacity persist.

4.1 Overseeing Merit into the New Millennium

“Empowerment carries with it a larger burden of responsibility than simple rule-following.

Empowerment asks employees to care about what they do, how they are doing it, and most important, the results for Canadians. It is no longer enough to have followed some rule or complied with a procedure.”

— John Tait,

A Strong Foundation

Since the *1997 Consultative Review of Staffing*, the movement towards a staffing process that places more emphasis on values than on the blind application of procedures has been at the heart of the PSC’s approach. To ensure the staffing system would continue to serve the public interest, the Commission reviewed and updated the measures it used to hold departments accountable for their staffing results.

This new approach to oversight — based on modern comptrollership — emphasizes risk assessment; appropriate controls; effective staffing management information; and a focus on values.

This new approach has also led the PSC to invest in the development of innovative oversight tools.

Until 1997, we had relied exclusively on audits to assess organizational compliance with legislation, regulations, and policies. Since then, we have implemented an approach of self-assessment reporting, supported by oversight studies. The implementation of self-assessment and reporting by departments/agencies has become a cornerstone of the accountability process. This new approach seemed more appropriate for a values-based oversight program; it also responded to the reduced resourcing levels due to program review.

4.2 Innovations in Staffing Oversight

A key component of the values-based approach to staffing was the development and implementation of new Staffing Delegation and Accountability agreements between the PSC and each department/agency regulated by the *Public Service Employment Act*. These agreements reinforce the need for the Commission to clearly express the accountability of Deputy Heads to the Commission for the authorities delegated to them, and its expectations in terms of its accountability to Parliament.

PSC Responsibilities	Deputy Heads' Responsibilities
<ul style="list-style-type: none"> ▪ Conduct or delegate all staffing and recruitment activities respecting the <i>Public Service Employment Act</i> (PSEA), <i>Public Service Employment Regulations</i> (PSER), and PSC policies. ▪ Account to Parliament for the overall health of the staffing system. ▪ Conduct systemic reviews and evaluations. ▪ Conduct investigations and audits. 	<ul style="list-style-type: none"> ▪ Conduct delegated staffing activities, respecting the PSEA, PSER, and PSC policies. ▪ Account to the Commission for departmental performance. ▪ Implement corrective actions and sanctions at the departmental/agency level as per PSC instructions. ▪ Seek employee representatives' input into departmental accountability. ▪ Share additional relevant information as requested by the PSC.

The Staffing Delegation and Accountability agreements were phased in over three years starting in 1998. In 2002-2003, for the first time, all 72 departments/agencies that are part of the PSEA universe reported on their staffing performance — an increase from 39 the previous year.

Their reports, based on negotiated performance indicators that support the values of the staffing system, demonstrate how departments used staffing to achieve their business objectives. The requirement to report promotes stronger ownership by deputy ministers and agency heads of the authorities delegated to departments, and allows them to discuss staffing successes and challenges. In turn, the PSC:

- ensures that the reporting process is reliable;
- assesses individual departmental staffing performance;
- provides feedback to the Deputy Head; and
- reviews each agreement to ensure it remains an appropriate reporting instrument.

In 2001-2002, the PSC developed and introduced a graduated approach to reporting. We provided different questionnaires for small (less than 400 full-time equivalent employees (FTEs)), medium (between 400 and 2,000 FTEs), and large (over 2,000 FTEs) departments/agencies. We also asked organizations to use these questionnaires to relate their staffing experiences. This resulted in more consistent reporting and, according to many departments/agencies, eased the reporting burden.

In the coming year, we will use the information from these reports to establish benchmarks for performance. In consultation with departments/agencies, the Commission will develop and communicate more rigorous, streamlined criteria for good staffing performance. Such criteria will support the development of an improved accountability process for the new human resources management framework that could result from the modernization legislation.



The PSC actively helps departments/agencies improve their staffing performance. For example, the 2003 PSC Accountability Learning Event allowed departments/agencies and the PSC to share best practices, assess new developments, and discuss challenges facing the staffing system. Over the next year, we will continue to assist managers in adapting and implementing effective monitoring programs to ensure that staffing risks are managed properly.

During the year, the Commission approved a new tool aimed at reinforcing the PSC's current oversight program. This tool processes and integrates intelligence gathered by our regional offices. Staff are able to record both positive and negative observations about departmental/agency staffing practices and trends. This improves our capacity to report on and ensure adherence to values and the merit principle, and monitor the overall health, of the staffing system. Interventions can be mounted quickly when trend analysis indicates that action is necessary.

A second tool will be developed to reinforce our monitoring and ensure more rigorous management of the application of the Public Service *Official Languages Exclusion Approval Order*. This Order allows candidates who do not meet language requirements to be appointed to non-imperative bilingual positions on the condition that the appointees will undertake the necessary language training within a two-year period.

In addition to the new tools mentioned above, we conducted a number of studies during the year to define our oversight role. The studies included:

- a special audit of the Federal Student Work Experience Program (FSWEP);
- a study of departmental/agency capacity to monitor and report on their staffing programs;
- surveys of managers and candidates involved in the staffing process; and
- analyses of the *2002 Public Service-wide Employee Survey*.

These are referred to elsewhere in this Report.

4.3 Appeals, Investigations and Corrective Actions Taken by the PSC

Although we emphasize a learning approach to departmental staffing performance improvements, the Commission also identifies a number of situations each year that require corrective action — up to and including the revocation of appointments and the withdrawal of delegation.

Under the *Public Service Employment Act*, the Commission has the authority to revoke an appointment and impose corrective action if an inquiry determines that a fraudulent practice or breach of the *Regulations* during a selection process has occurred. During the past year, the PSC revoked 21 appointments.

As a result of investigations, the Commission also removed from eligibility lists the names of 13 candidates to prevent their appointment. The Commission ordered other corrective actions in 120 competitive processes that had resulted in appeals that were upheld. These actions included orders to conduct new assessment processes, consider additional candidates, or cancel selection processes. No departments/agencies had their delegation authorities revoked; however, a number of actions were taken to help departments manage their delegated authorities better.

In terms of trends in 2002-2003, 1,604 selection processes were appealed. These, as well as appeals carried over from last year, resulted in 1,687 appeals against selection processes being dealt with and closed. Appeals were allowed against 160 selection processes, representing 9% of the total number of appeals.

Last year, 8% of appellants had their appeals allowed, 19% had their appeals dismissed, 62% withdrew their appeals, and 11% had no right of appeal.

In 2002-2003, 70% of decisions were rendered within the service standard of 14 calendar days. Due to the complexity of some cases, the average time to render a decision was 15.8 days.

With respect to investigations carried out by the PSC in 2002-2003, 34% of complaints received were opened for investigation, compared with 39% in 2001-2002. As well in 2002-2003, 32% of closed cases were found justified, compared to 11% in 2001-2002.



4.4 Strengthening the PSC's Relationship with Parliament

The PSC's experience has been that more frequent and meaningful dialogue with Parliament is essential to developing policies to meet the needs of Canadians, as well as the best interests of the Public Service. As a parliamentary agency, we find it difficult to ensure responsive policies without the deliberate, thoughtful, and considered input of Parliament. Our recent public discussions on national areas of selection, Embracing Change, and bureaucratic favouritism underscore the benefits of input from Parliament. On those occasions when we have been able to discuss our concerns with Members of Parliament and Senators, our ability to respond to specific issues with new policies has been greatly enhanced. We would like to see more opportunities for meaningful engagement in the future, especially through the parliamentary committees.

In her December 2002 Report, the Auditor General said that "Accountability is a relationship based on obligations to demonstrate, review, and take responsibility for performance, both the results achieved in light of agreed expectations and the means used." We support this view. But this standard cannot be met unless an independent agency like ours has parliamentary committees with which it can work on a regular basis.

Our experience supports many of the recent observations made by those of us who depend on Parliament for direction and guidance. When meetings with parliamentary committees are episodic, it is difficult to build a meaningful dialogue.

In 2002-2003, the PSC continued to form and build relationships with Parliament. The Commission was invited to make a submission before the Standing Committee on Government Operations and Estimates on two occasions to discuss Bill C-25, the *Public Service Modernization Act*. This was the first time the PSC had appeared before a Government Operations Committee since 1996.

The PSC greatly welcomed the opportunity to contribute to Parliament's consideration of the new *Public Service Employment Act*. As part of its submission, the PSC offered recommendations to further strengthen the legislation to ensure the integrity of the appointment process in the Public Service. A number of the recommendations which were accepted related to strengthening the relationship of the Commission with parliamentarians, including:

- an amendment to the legislation to allow the PSC a greater role in reviewing qualifications;
- more dialogue with Parliament: giving the PSC authority to issue reports as often as appropriate as a means of strengthening the relationship with Parliament; and
- appointment of the President under the Great Seal, consistent with the practice for Officers of Parliament.

In February 2003, the PSC sent the first issue of its parliamentary newsletter to each Member of Parliament and Senator, and a second issue was published in June 2003. This newsletter is designed to create another venue through which the PSC can exchange information with parliamentarians on issues of interest to Canadians.

The PSC remains committed to maintaining and improving a strong, effective relationship with Parliament. Only with this improved relationship can we ensure that the PSC reflects the best interests of Canadians as well as the best interests of the Public Service.

4.5 A New Staffing Policy and Oversight Framework

Despite the progress made to improve staffing, moving from a system that relies on procedures to a system based on values is a lengthy process involving significant cultural change. A number of issues and risks could potentially affect the integrity of the staffing process and ultimately the quality of the Public Service.

Although the proposed *Public Service Modernization Act* would create a more flexible staffing system, which is a necessary and desirable outcome, it also poses several challenges.

4.5.1 Setting Policy for the Future

Because the proposed legislation is in the form of an enabling statute, the practical aspects of how the staffing system would work will largely be determined through policy and, in some cases, through regulations established by the PSC and the employer.

A values-based approach to staffing remains the best way to ensure that the Public Service will be staffed to respond to an increasingly complex world.

Policy will be developed on multiple levels. Although we would develop an overarching set of policies applicable to all departments/agencies, organizations would have substantial room to develop their own customized approaches and policies. For this reason, we would need to establish and communicate our approach early in the process so that organizations would understand the parameters of developing customized staffing systems.

The values-based approach inherent in the legislation would further shift the emphasis from the application of rules to a reliance on managerial judgement in making decisions about staffing actions. This would demand a more sophisticated approach to decision-making as well as excellence in human resources management, including:

- strategic human resources planning;
- effective systems and accountability structures;
- good communications;
- professional judgement and ethical behaviour; and
- a sound system of oversight able to detect risk on a timely basis so that adjustments could be made to ensure the overall integrity of appointments.

The PSC has been working for several years to address these issues. We remain convinced that a values-based approach to staffing is the best way to ensure ownership of the staffing process by all and that the Public Service will be staffed to respond to an increasingly complex world.

4.5.2 Maintaining the Integrity of the Appointment Process

In carrying out our role of ensuring the overall integrity of the appointment process, the PSC would, under the new legislation, be guided by its key provisions, particularly the principles set out in the Preamble of the Bill.

To find the right balance between the staffing flexibility inherent in the legislation and ensuring the integrity of the appointment process, we would adopt the following objectives for policy, delegation and accountability, consistent with the approach we have followed for the past several years.

The PSC would take measures to balance staffing flexibility with the need to ensure the overall integrity of the appointment process.

- Through policy, the PSC would establish core values, principles, and behaviours to guide managerial decision-making in the staffing process.
- Where possible, the PSC would avoid imposing prescriptive policy requirements and detailed procedures that could jeopardize the flexible, values-based approach inherent in the legislation. However, the PSC would publish guidelines regarding key staffing activities to help managers make balanced decisions.
- The goal would be to delegate as much as possible while establishing more specific requirements in critical areas such as the staffing of key executive positions. The PSC would retain key functions such as the management of a central jobs Web site to ensure equitable access for all Canadians.
- The PSC would develop the oversight framework for a modernized staffing system in consultation with all stakeholders: departments/agencies; Treasury Board Secretariat; and bargaining agents. Because the proposed legislation would task all stakeholders with responsibilities for the application of the law, the PSC would avoid duplication and overlap by developing the oversight framework requirements cooperatively with a view to integrating reporting requirements while respecting the independence of all.
- The PSC would enhance its protection of the integrity of the appointment process, including merit, through a continuous learning relationship with departments/agencies that would include audits, surveys, studies, field interventions and investigations. These are all labour-intensive activities that have not been undertaken frequently since the resource reductions of program review. The PSC would aim to rebuild these tools, the skills required to use them, and the risk assessment needed to support them. New funding will be required to achieve an effective implementation.

Advertised, competitive appointment processes should continue as an important feature of the new staffing regime.

- The PSC would actively monitor the staffing system to ensure that departments/agencies exercise the Commission's authority appropriately. Where deficiencies are found, the PSC would take steps to correct them by, for example, imposing stricter conditions on delegation. Such restrictions would apply only to those departments/agencies and in those cases where problems were uncovered — it would make no sense to constrain well-performing departments because of isolated difficulties. Only those that have system-wide implications would result in additional policy requirements.
- The PSC would report to Parliament on the overall health of the staffing system, noting such matters as progress in key areas, systemic issues of concern, and prospective risks to merit.
- The new legislation would require that the PSC assess separate agencies that request, on behalf of their staff, deployment rights into the *Public Service Employment Act* universe. The PSC, through its experience with the Canada Customs and Revenue Agency (CCRA), has for three years conducted such activities. We will build on the lessons learned from our experience with CCRA in fulfilling our responsibilities under the new legislation.
- The Commission and parliamentarians have expressed concern that the new legislation may lead to fewer competitions or advertised appointment processes. Indeed, some have pointed to the interpretative provision, which says that the Commission is not required to consider more than one person in order for an appointment to be made on the basis of merit. While this may be appropriate in many cases, the Commission's guidance and monitoring will be required to ensure the right balance between advertised and non-advertised recruitment and staffing processes.

4.6 The Public Service Commission Advisory Council's Role

The Public Service Commission Advisory Council (PSCAC) was formed in 1999 as a tripartite advisory and consultative body, with representatives from departments/agencies, bargaining agents, and the PSC. PSCAC is an important vehicle for collaboration on strengthening the staffing system, and feedback received from participants is an important element of the PSC oversight role.

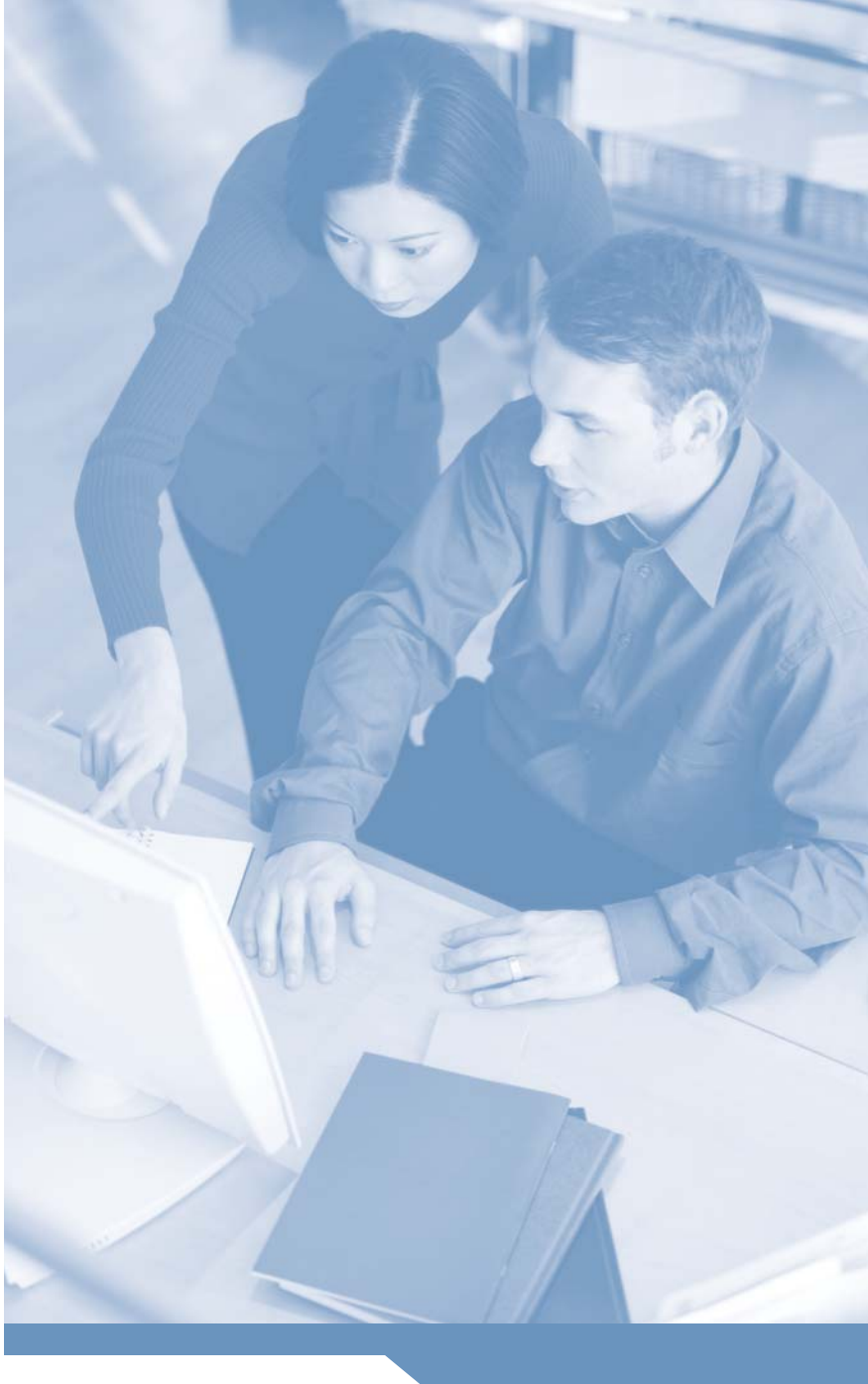
The Public Service Commission Advisory Council (PSCAC) is an important mechanism for government-wide collaboration on strengthening the staffing system.

In the past year, PSCAC (including its Steering Committee and working groups) has enabled the PSC to benefit from the input of both departments/agencies and bargaining agents related to ongoing and emerging human resources challenges, including:

- use of pre-qualified pools;
- identification and consideration of solutions to barriers to mobility; and
- monitoring of new guidelines and delegations of authority for appointment without competition from outside the Public Service.

Particularly timely was PSCAC's conceptualization of a model for co-development that could be used to guide the creation of new frameworks and policies under the proposed modernization legislation.

The PSC drafted a consultation protocol for PSCAC, which the Council has welcomed. PSCAC could become a vehicle for engaging Public Service stakeholders during the development of a policy, delegation and accountability framework to go with the new legislation.



chapter 5: conclusion

The PSC is adapting and changing its oversight program to become even more rigorous, but to do so will require substantial investment, particularly in re-building its audit capacity.

For several years, the Government of Canada has been engaged in a process of cultural change regarding the staffing system. This change involved not only human resources advisors and the PSC, but all hiring managers and senior departmental executives, including Deputy Heads and Heads of Agencies.

Such fundamental change in a process that is essential to good government is not easily or quickly accomplished. As the challenges identified above suggest, much work remains to be done. The PSC is adapting and changing its oversight program to become even more rigorous, but to do so will require substantial investment, particularly in rebuilding its audit capacity.

Implementing the legislation presents new challenges that need to be addressed. Parliament can look with confidence to the PSC to respond quickly to the issues facing the staffing system.

appendices

Definition of Staffing Values and Principles

RESULTS VALUES

Competency

Attributes which ensure that public servants are qualified to fulfill their Public Service duty.

Non-partisanship

Employees are appointed and promoted objectively, free from political or bureaucratic patronage.

Representativeness

The composition of the Public Service reflects that of the Canadian labour market.

PROCESS VALUES

Equity of Access

Equal access to employment opportunities; practices are barrier-free and inclusive.

Fairness

Decisions are made objectively, free from political or bureaucratic patronage; practices reflect the just treatment of employees and applicants.

Transparency

Open communication with employees and applicants about resourcing practices and decisions.

MANAGEMENT AND SERVICE DELIVERY PRINCIPLES

Flexibility

Resourcing approaches are adapted to the specific needs of the organization.

Efficiency

Resourcing approaches ensure good value for money and are simple, timely and effective in their delivery.

Statistical Information and Technical Notes

The statistical graphics are integrated in the text of this year's Report; supplementary information is available electronically at www.psc-cfp.gc.ca/centres/annual-annuel/index_e.htm.

Hiring and Staffing Activities Data

The PSC has, during the year, improved upon its estimation methodology to provide better information on hiring and staffing activities. In previous years the estimation procedure relied on financial activity codes to highlight a lateral or downward movement within a department; however, these codes were being phased out of the Public Works and Government Services of Canada pay system over the previous two years, resulting in an under-reporting of lateral and downward movements and acting appointments last fiscal year.

The improvement in the estimation process has an impact on the core information related to indeterminate and specified period employees. For more information on the estimation approach, please contact the PSC.

Data Source

The information on hiring and staffing activities is derived from data received from the Treasury Board Secretariat's incumbent file. This file is extracted from the Public Works and Government Services of Canada (PWGSC) pay system. The Information Management Division has developed a series of algorithms that are used against these files to produce the PSC official record of hiring and staffing activities across the federal Public Service based on pay transactions submitted by departments. As with any estimation process, the resulting file may contain errors at the record level resulting from the manner in which PWGSC pay codes are being selected by departments to generate a particular pay action. However, these files provide important information for human resources planning purposes and for studying trends in staffing.

Employment Equity

Data on members of visible minorities, persons with disabilities and Aboriginal peoples are obtained by matching estimated appointment data and deployments with the Treasury Board Secretariat's Employment Equity Data Bank, as of March 31, 2003. Data on women are obtained through estimation procedures using data derived from the Public Works and Government Services Canada pay system.

For Aboriginal peoples, members of visible minorities and women, estimates of external availability are based on their labour force representation derived from 1996 Census data.

For persons with disabilities, estimates of external availability are based on data from the *1991 Health and Activity Limitation Survey* (HALS).

Estimates of internal availability are based on the representation of employment equity group members among Public Service indeterminate and specified period employees appointed for at least three months, as of March 31 of the previous fiscal year, excluding employees working for separate employers not covered by the Treasury Board universe.

In the case of promotions, lateral and downward movements and acting appointments to and within the various categories, the representation of employment equity group members is weighted to reflect the occupational and departmental make-up of the relevant staffing activities during this fiscal year to determine internal availability.

First Official Language

Unknown values are not displayed in some tables regarding first official language, but their values are included in the totals. Percentages for language group components are calculated using known language group as the respective denominators. Percentages for the totals are calculated on the sum of all components, known and unknown.

HIRING AND STAFFING ACTIVITIES

Hiring activities

The hiring activities include appointments *to* the Public Service, hiring of casuals as per the *Public Service Employment Act*, section 21.2 and recruitment of students under the *Student Employment Programs Exclusion Approval Order and Regulations*.

Staffing Activities

Appointment *to* the Public Service

Appointment of a person from the general public, or an employee from a government agency which is not subject to the *Public Service Employment Act*.

Staffing Activity *within* the Public Service

An appointment and/or a deployment included in “Lateral and downward movements” of an employee within or between departments or agencies which are subject to the *Public Service Employment Act*. See also “Lateral and downward movements”.

Indeterminate employment

Part-time or full-time employment with no fixed duration.

Language requirements of the position

The linguistic status of a position.

Lateral and downward movements

These movements include lateral and downward transfers and deployments. The estimation process using the Public Works and Government Services Canada pay system cannot make the distinction between lateral transfers and deployments.

Specified period employment (Term employment)

Part-time or full-time employment for a fixed, predetermined duration for which the person is appointed in accordance with Section 25 of the *Public Service Employment Act*. It also includes emergency term employment.

Student/hiring of students

The *Student Employment Programs Exclusion Approval Order and Regulations* that took effect on April 9, 1997, excludes students from the operation of the *Public Service Employment Act* (PSEA) with the exception of subsections 16(4) and 17(4) which deal with citizenship. These recruits are no longer considered appointments to the Public Service under the PSEA. For student programs, no occupational group is specified.

Temporary Appointments

Includes appointments for specified period employment and acting appointments.

Temporary Staffing

Includes hiring of students and casuals, appointments for specified period employment and acting appointments.

Exclusion Approval Orders

Pre-qualified Pool Exclusion Approval Order and Pre-qualified Pool Recourse Regulations (P.C. 2002-639, April 18, 2002)

The *Public Service Employment Regulations* were amended on July 24, 2001 to enable the establishment of pre-qualified pools. A pre-qualified pool is a pool of fully assessed, qualified individuals, who are not ranked in order of merit. A pre-qualified pool is established when a need to fill several similar positions is identified. Individual merit appointments are made from the pool based on organizational needs determined by the manager.

Under the current legislation, appointments from pre-qualified pools, except for those to the executive (EX) group, are subject to the right of appeal. It was felt that the recourse process had to be dramatically different from the existing appeal process in order to generate support from both departments and bargaining agents. There was general agreement from departments and bargaining agents that an alternative recourse approach, in line with the recommendations of the Public Service Commission Advisory Council Working Group on Recourse, would be more effective than the existing right of appeal.

The *Regulations* provide for an individual interest-based recourse process, which will provide individuals with meaningful information, close to the point where the decision is made, for resolution by management. The *Regulations* also provide for an independent third-party review of departmental decisions.

Exclusion Approval Order for the Appointment of One Employee to a position at the Department of Finance (P.C. 2002-1052, June 13, 2002)

This Exclusion Approval Order has been made in order to promote L. Farber.

The deputy head of the Department of Finance has requested that the Public Service Commission make this appointment in spite of the fact that the employee does not meet the language requirements established for the position to which he will be appointed. This employee possesses a unique and very high level expertise, which makes his contribution essential to the optimal functioning of tax policy in the Department of Finance, and the Government of Canada. He is deemed to be the best qualified person for the position when the language requirements are not taken into consideration. The risk of this employee's early departure from the Public Service and not finding a suitable replacement is considered to be great.

Appointments to positions at level 5 of the Executive (EX) group are made from a Public Service-wide promotion process held annually. This employee cannot access this promotion process given that he is not bilingual. The most recent Public Service-wide promotion process was completed in the late summer of 2001.

Given the circumstances that are particular to this case, it is neither practicable nor in the best interests of the Public Service to apply certain provisions of the *Public Service Employment Act*. The Order facilitates the appointment on an indeterminate basis of this employee by excluding his appointment from the operation of section 10 of the *Public Service Employment Act* related to merit, and of section 20 related to the knowledge and use of the official languages.

Exclusion Approval Order for the Appointment of One Person to a Position at the Correctional Service of Canada (P.C. 2002-2073, December 3, 2002)

This Exclusion Approval Order has been made in order to regularize the appointment of L. Kloot.

L. Kloot was an applicant in an open competition for which only Canadian citizens were eligible, as provided for by the *Public Service Employment Act* (PSEA). However, the competition poster published in a local paper did not mention that only Canadians were eligible. L. Kloot responded to that ad and she was found to be the most qualified candidate. Her name was put first on an eligibility list that included the names of ten persons, nine of them being Canadian citizens, and she was appointed. The Correctional Service of Canada rapidly realized that it had made a screening error and it informed the Public Service Commission. This error resulted, contrary to section 17 of the PSEA, in the appointment of a non-Canadian citizen ahead of qualified Canadian citizens.

The Public Service Commission established a board of inquiry to examine the appointment of L. Kloot. The board recommended that the Public Service Commission revoke the appointment. The recommendation was accepted. However, L. Kloot obtained from the Federal Court of Canada Trial Division an interim order to stay the decision to revoke her appointment pending the outcome of her application for judicial review. The Court also indicated that since L. Kloot had raised before the board of inquiry the issue of making an exclusion approval order to deal with the situation, the Public Service Commission should have addressed this matter.

It has been determined that L. Kloot clearly indicated on her application form that she was not a Canadian citizen and that goodwill cannot be questioned.

It has also been determined that L. Kloot's performance at work is fully satisfactory, her work is crucial in the delivery of a new training program targeted to inmates who are addicted to drugs, and significant public money (salary, social benefits, specialized training) has been invested in her by the Correctional Service of Canada. Should her employment be terminated, inmates would not have access to the training program for many months. A replacement would have to be recruited and trained in order to be able to deliver that program. This would involve significant costs. The Correctional Service of Canada wants to maintain L. Kloot's employment.

It should be noted that the two Canadian citizens who were entitled to be appointed ahead of L. Kloot have now received employment offers from the Correctional Service of Canada.

Given the circumstances that are particular to this case, it is neither practicable nor in the best interests of the Public Service to apply certain provisions of the PSEA. The Order regularizes L. Kloot's indeterminate appointment by excluding it from the operation of the provisions of the PSEA having to do with citizenship, probationary period (L. Kloot has successfully completed her probationary period), and statutory and regulatory entitlements to be appointed in priority to all other persons.

Personal Exclusions

Requests for Leave of Absence Pursuant to Subsection 33 (3) of the Public Service Employment Act

A public servant who seeks to be nominated as a candidate and be a candidate in a federal, provincial or territorial election must, under section 33 of the *Public Service Employment Act*, apply to the Commission for a leave of absence without pay. The Commission may grant the leave if it is convinced that the employee's usefulness in the position he or she occupies — and to which the employee will return if unsuccessful in securing nomination or in being elected — would not be impaired as a result of having been a candidate for election.

For the period April 1, 2002 to March 31, 2003, the Commission received four requests for leave from federal public servants who were seeking to be candidates in the provincial elections that have or that will be taking place in 2003. All four requests for leave were granted by the Commission.

From April 1, 2002 to March 31, 2003, in addition to the general exclusions, 12 persons were excluded from the application of the *Public Service Employment Act* when appointed to Public Service positions for a period specified in the exclusion approval orders, or to hold office "during pleasure" that is, the appointment may be revoked at any time by the Governor in Council.

Personal Exclusions

Order In Council Number	duration	name	title
P.C. 2002-700 2002.04.29	During pleasure effective May 13, 2002	Melvin Cappe	Special Advisor to the Prime Minister
P.C. 2002-705 2002.04.29	During pleasure effective May 13, 2002	Claire Morris	Deputy Minister (Intergovernmental Affairs) Privy Council Office
P.C. 2002-714 2002.04.29	During pleasure effective May 13, 2002	Michael Wernick	Associate Deputy Minister of Canadian Heritage
P.C. 2002-1338 2002.08.06	During pleasure effective September 3, 2002	André Juneau	Deputy Head of the Office of Infrastructure of Canada
P.C. 2002-1340 2002.08.06	During pleasure effective September 3, 2002	Robert Fonberg	Deputy Secretary to the Cabinet (Operations), Privy Council Office
P.C. 2002-1342 2002.08.06	During pleasure effective September 3, 2002	Janice Charette	Deputy Secretary to the Cabinet (Plans and Consultation), Privy Council Office
P.C. 2002-1346 2002.08.06	Effective August 7, 2002 until January 28, 2003	Thomas Lee	Special Advisor to the Deputy Minister of Canadian Heritage
P.C. 2002-1348 2002.08.06	During pleasure effective September 3, 2002	Pierre Reid	Special Advisor to the Deputy Minister, Economic Development Agency of Canada for the Regions of Quebec
P.C. 2002-1536 2002.09.17	During pleasure effective September 23, 2002	Ruth Dantzer	Associate Secretary of the Treasury Board
P.C. 2002-1538 2002.09.17	During pleasure effective September 23, 2002	Carole Swan	Associate Deputy Minister of Industry
P.C. 2002-1540 2002.09.17	During pleasure effective September 23, 2002	Jean-Claude Bouchard	Associate Deputy Minister of Fisheries and Oceans

offices of the public service commission

All PSC offices provide services in both official languages.

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